

BASIN URANIUM CORP.
(FORMERLY BLACK SHIELD METALS CORP.)

(AN EXPLORATION STAGE COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

BASIN URANIUM CORP. (FORMERLY BLACK SHIELD METALS CORP.)
INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	As at August 31, 2021 (Unaudited) \$	As at May 31, 2021 (Audited) \$
ASSETS			
Current Assets			
Cash		341,383	376,756
Prepaid expenses and other receivables	4	67,610	59,256
		408,993	436,012
Exploration and evaluation assets	5	20,000	20,000
TOTAL ASSETS		428,993	456,012
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	6, 9	204,939	121,634
Liabilities		204,939	121,634
Shareholders' Equity			
Share capital	7	548,512	547,712
Reserves	8	71,755	71,755
Deficit		(396,213)	(285,089)
		224,054	344,378
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		428,993	456,012

Nature of operations and going concern (note 1)
Subsequent Events (note 12)

Approved on behalf of the Board of Directors

"Kevin Ma"
Director

"Desmond Balakrishnan"
Director

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

BASIN URANIUM CORP. (FORMERLY BLACK SHIELD METALS CORP.)
INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, Expressed in Canadian Dollars)

	Note	For the Three Months Ended	
		August 31, 2021	August 31, 2020
		\$	\$
OPERATING EXPENSES			
Consulting fees		45,000	-
Exploration and evaluation costs	5	45,000	770
Filing fees		5,068	-
Insurance expense		2,016	-
Management fees	9	4,500	-
Office and administration		5,102	635
Professional fees		4,438	1,749
Travel and entertainment		-	3,135
		(111,124)	(6,289)
NET AND COMPREHENSIVE LOSS		(111,124)	(6,289)
BASIC AND DILUTED LOSS PER SHARE		(0.01)	(0.00)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		9,050,001	3,300,001

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

BASIN URANIUM CORP. (FORMERLY BLACK SHIELD METALS CORP.)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, Expressed in Canadian Dollars)

	Note	Common Shares		Share Subscriptions Received	Reserves	Accumulated Deficit	Total
		Number of shares	Amount				
			\$	\$	\$	\$	\$
Balance at May 31, 2020		3,300,001	87,100	11,250	-	(52,815)	45,535
Comprehensive loss for the period		-	-	-	-	(6,289)	(6,289)
Balance at August 31, 2020		3,300,001	87,100	11,250	-	(59,104)	39,246
Shares issued for cash, net of issuance costs	7	5,750,000	460,612	-	40,931	-	501,543
Stock options granted	8	-	-	-	30,824	-	30,824
Return of cash received in advance of financing	7	-	-	(11,250)	-	-	(11,250)
Comprehensive loss for the period		-	-	-	-	(285,985)	(285,985)
Balance at May 31, 2021		9,050,001	547,712	-	71,755	(285,089)	334,378
Issuance cost refund	7	-	800	-	-	-	800
Comprehensive loss for the period		-	-	-	-	(111,124)	(111,124)
Balance at August 31, 2021		9,050,001	548,512	-	71,755	(396,213)	224,054

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

BASIN URANIUM CORP. (FORMERLY BLACK SHIELD METALS CORP.)
STATEMENTS OF CASH FLOWS
(Unaudited, Expressed in Canadian Dollars)

	For the Three Months Ended	
	August 31, 2021	August 31, 2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss	(111,124)	(6,289)
Changes in non-cash working capital items:		
Prepaid expenses and other receivables	(8,354)	(892)
Trade payables and accrued liabilities	83,305	(27,238)
Cash used in operating activities	(36,173)	(34,419)
FINANCING ACTIVITIES		
Share issuance cost refund	800	-
Cash provided by financing activities	800	-
Change in cash during the period	(35,373)	(34,419)
Cash – beginning of period	376,756	68,048
Cash – end of period	341,383	33,629
Supplemental Cash Flow Information		
Income tax paid	-	-
Interest paid	-	-

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

BASIN URANIUM CORP. (FORMERLY BLACK SHIELD METALS CORP.)

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2021 AND 2020

(Unaudited, Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Basin Uranium Corp. ("BUC" or the Company) was incorporated on October 13, 2017 under the British Columbia Corporations Act. The Company changed its name from ZP Mining Inc. to Black Shield Metals Corp. on February 7, 2020, and again changed its name from Black Shield Metals Corp. to Basin Uranium Corp. on October 27, 2021. The Company's common shares are listed for trading on the Canadian Stock Exchange (the "Exchange") under the symbol "NCLR". The address of the Company and the registered and records office is 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. As at August 31, 2021, the Company has not yet determined whether its property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company's financial statements for the three months ended August 31, 2021 and 2020 have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. For the three months ended 31, 2021, the Company incurred a net loss of \$111,124 (May 31, 2021 - \$232,274). As at August 31, 2021, it had an accumulated deficit of \$396,213 (May 31, 2021 - \$285,089), which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing sufficient to cover its operating costs.

Although management is currently seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

BASIN URANIUM CORP. (FORMERLY BLACK SHIELD METALS CORP.)
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2021 AND 2020
(Unaudited, Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

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, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. To date, the impact on the Company's operations has been minimal, however, management continues to monitor the situation.

Statement of Compliance and Basis of Presentation

The condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of these interim financial statements, including International Accounting Standard ("IAS") 34 – Interim Financial Reporting.

These condensed interim financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company's most recent annual financial statements for the year ended May 31, 2021, which were prepared in accordance with IFRS as issued by IASB.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent audited financial statements for the year ended May 31, 2021.

The preparation of financial statements in conformity with IFRS also requires management to make estimates and judgments that may have a significant impact on these condensed interim financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future estimates. The critical accounting judgments and estimates were presented in the Company's most recent audited financial statements for the year ended May 31, 2021 and are the same as those applied for the period ending August 31, 2021.

The financial statements were approved and authorized for issuance by the Board of Directors on October 28, 2021.

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional and presentation currency of the Company is the Canadian dollar.

2. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical Estimates

Areas requiring a significant degree of estimation relate to fair value measurements for financial instruments and the valuation of share-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from these estimates.

Critical Judgments

The following are critical judgments that management has made in the process of applying policies that have the most significant effect on the amount recognized in the financial statements:

Going Concern

The assessment of the Company's ability to continue as a going concern involves critical judgment based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.

Impairment of Exploration and Evaluation Assets

The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

Management reviews the carrying values of its mining claims on at least an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's exploration and evaluation assets may not be recoverable and there is a risk that these costs may be written down in future periods.

Management reviewed exploration and evaluation assets for the period ended August 31, 2021 and May 31, 2021, and did not recognize an impairment charge on its exploration and evaluation assets.

3. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The Company has completed a review of accounting standards and has determined there are no IFRS or International Financial Reporting Interpretations Committee interpretations that would be expected to have a material impact on the Company's financial statements.

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4. PREPAID EXPENSES AND OTHER RECEIVABLES

	August 31, 2021	May 31, 2021
	\$	\$
Prepaid expenses	48,634	50,650
GST receivables	18,976	8,606
	67,610	59,256

5. EXPLORATION AND EVALUATION ASSETS

Acquisition expenditures for the periods ended August 31, 2021 and May 31, 2021 are as follows:

	August 31, 2021	CHG Project May 31, 2021
	\$	\$
Balance, beginning of the period	20,000	-
Acquisition cost	-	20,000
	20,000	20,000

CHG Project (BC, Canada)

On March 23, 2020, the Company entered into an option agreement (the "Agreement") with Cariboo Rose Resources Ltd. ("CRR"), an unrelated company. Under the terms of the Agreement, the Company can earn a 60% interest and up to 10% additional interest in CRR's carbonate hosted gold ("CHG") project. Upon the exercise of the option, the parties will be deemed to have established a joint venture in relation to the property.

Under the terms of the Agreement, the Company is required to make payments and incur the minimum required expenditures in accordance to the following payment schedule in order to earn a 60% interest:

Payment Period	Expenditures	Cash Payment
	\$	\$
Closing Date (paid)	-	20,000
On or before October 29, 2021	100,000	30,000
On or before October 29, 2022	200,000	30,000
On or before October 29, 2023	300,000	70,000
On or before October 29, 2024	400,000	70,000
On or before October 29, 2025	500,000	80,000
Total	1,500,000	300,000

At the option of the Company, any of the cash payments noted above or below for the 10% additional interest may be satisfied by the issuance of common shares of the Company.

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5. EXPLORATION AND EVALUATION ASSETS (Continued)

In order to obtain the 10% additional interest, the Company must do the following:

- pay \$100,000 within 60 days of exercising the option;
- commission a feasibility study within 60 days of exercising the option; the feasibility study is to be completed within 24 months following the exercise of the option;
- pay \$200,000 on or before October 29, 2026; and
- pay \$200,000 on or before October 29, 2027.

The CHG project is subject to a 0.5% net smelter royalty on commercial production from the mineral claims.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

	August 31, 2021	May 31, 2021
	\$	\$
Trade payables	201,212	13,136
Accrued liabilities	3,727	108,498
	204,939	121,634

7. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Share Capital

On April 20, 2020, the Company issued 2,600,000 common shares at a price of \$0.02 for gross proceeds of \$52,000 (see Note 10).

On May 15, 2020, the Company issued 700,000 common shares at a price of \$0.05 for gross proceeds of \$35,000 (see Note 10).

On April 8, 2021, the Company issued 5,750,000 common shares ("IPO Offering") at a price of \$0.10 for gross proceeds of \$575,000. The Company paid \$57,500 as cash commission to the agent of the offering, \$35,000 as corporate finance fee, and \$15,957 in legal fees; in addition, the Company issued 575,000 agent's warrants to the agent at a price of \$0.10 and expire on April 8, 2023. The fair value of the warrants was estimated to be \$40,931 using the Black-Scholes model with the following inputs: i) exercise price: \$0.10; ii) share price: \$0.10; iii) term: 2.00 years; iv) volatility: 150%; v) risk-free interest rate: 2.40%.

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7. SHARE CAPITAL (Continued)

Issued Share Capital (Continued)

During the year ended May 31, 2020, the Company received \$11,250 in advanced of a proposed private placement offering. The proposed private placement offering did not take place and as a result, the \$11,250 was refunded back to the investor during the year ended May 31, 2021.

During the three months ended August 31, 2020, the Company received a refund of \$800 from the agent of the April 2021 offering.

Escrow shares

In connection with the Company's IPO completed during the year ended May 31, 2021, the Company entered into an Escrow Agreement whereby 3,200,001 common shares were held in escrow and are scheduled for release in accordance with the terms of the Escrow Agreement. As at August 31, 2021, there were 2,880,001 common shares in escrow.

8. RESERVES

Options

The Company has a stock option plan under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of 10 years. The plan allows for the issuance up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

On April 12, 2021, the Company granted 310,000 stock options to directors and officers. The options may be exercised within 10 years from the date of the grant at a price of \$0.10 and vested on grant date.

	Number of Options		Weighted Average Exercise Price
Balance at May 31, 2020	-	\$	-
Stock options granted – directors and officers	310,000		0.10
Exercisable at August 31, 2021 and May 31, 2021	310,000	\$	0.10

As at August 31, 2021 and May 31, 2021, the following stock options were outstanding and exercisable:

Number Outstanding	Number Exercisable	Exercise Price	Expiry Date
310,000	310,000	\$ 0.10	April 12, 2031
310,000	310,000		

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8. RESERVES (Continued)

Options (Continued)

The Company recorded share-based compensation of \$nil during the three months ended August 31, 2021 (August 31, 2020 - \$nil). All options granted were valued using the Black-Scholes Option Pricing Model with the following assumptions:

	2021	2020
Share price at grant date	\$0.10	-
Volatility	173%	-
Risk-free interest rate	1.53%	-
Expected life of options	10 years	-
Dividend yield	0.00%	-
Exercise price	\$0.10	-
Forfeiture rate	0.00%	-

Warrants

On April 8, 2021, the Company granted 575,000 warrants to the Company's agent for its IPO offering. These warrants may be exercised within two years from the date of grant at a price of \$0.10.

	Number of Warrants	Weighted Average Exercise Price
Balance at May 31, 2020	-	\$ -
Warrants issued – agent	575,000	0.10
Exercisable at August 31, 2021 and May 31, 2021	575,000	\$ 0.10

The expiry dates of warrants as at August 31, 2021 are as follows

Grant Date	Expiry Date	Exercise Price	Number of Warrants	Remaining Life (years)
April 8, 2021	April 8, 2023	\$ 0.10	575,000	1.60
		\$ 0.10	575,000	1.60

9. RELATED PARTY TRANSACTIONS

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

The remuneration of directors and key management personnel during the three months ended August 31, 2021 and 2020 was as follows:

	August 31, 2021	August 31, 2020
Management fees	\$ 4,500	\$ -

BASIN URANIUM CORP. (FORMERLY BLACK SHIELD METALS CORP.)
 NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED AUGUST 31, 2021 AND 2020
(Unaudited, Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

As at August 31, 2021, accounts payable includes \$4,500 (May 31, 2021 - \$4,725) due to a company controlled by the CFO of the Company.

During year ended May 31, 2020, certain key management and directors of the Company subscribed to a private placement consisting of 300,000 common shares priced at \$0.05 for gross proceeds of \$15,000 (see Note 8).

10. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at August 31, 2021 and May 31, 2021 is summarized as follows:

	August 31, 2021	May 31, 2021
	\$	\$
Financial Assets		
FVTPL		
Cash	341,383	376,756
Financial Liabilities		
At amortized cost		
Trade payables	201,212	13,136

Financial Instrument Risk Exposure

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

Level 1	fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2	fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3	fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

Cash is classified as Level 1. The carrying balance of trade payables approximate their fair value due to their short-term nature.

10. FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure (continued)

The Company's financial instruments expose it to a variety of financial risk: market risk (including price risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units.

The Company's overall risk management program seeks to minimize potential effects on the Company's financial performance, in the context of its general capital management objectives (Note 12).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The Company manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 13.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operations and capital requirements through operating cash flows, as well as future equity and debt financing. As at May 31, 2021, the Company had a cash balance of \$376,756 to settle current liabilities of \$121,634. The Company's financial liabilities include trade payables which have contractual maturities of 30 days or are due on demand.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash. The interest rate risk on cash is not considered significant due to its short term nature and maturity.

11. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds for the exploration and development of the CHG project. The Company's capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

12. SUBSEQUENT EVENTS

- (i) On September 26, 2021, the Company completed the phase 1 exploration program with the airborne geophysical survey on the Carbonate Hosted Gold project (CHG project). Pursuant to the escrow agreement among the Company, Odyssey Trust Company ("Odyssey Trust") and certain shareholders of the company dated January 13, 2021 (the "Escrow Agreement"), the Company has satisfied the conditions set out in the Escrow Agreement for the first release of common shares that are subject to the Escrow Agreement. The Escrow Agreement provides that 10 per cent of the number of common shares held thereunder will be released on the date that is three days following the completion of phase I of the exploration, being Oct. 4, 2021, and an additional 15 per cent of the number of common shares originally held thereunder shall be released on each of six months, 12 months, 18 months, 24 months, 30 months and 36 months from such date.
- (ii) On September 26, 2021, the Company granted 495,000 stock options to purchase up to 495,000 common shares of the company to two consultants of the Company. These options are vested immediately and exercisable for a period of five years from the date of grant at a price of 20 cents per common share.
- (iii) On October 18, 2021, the Company entered into an option agreement with Skyharbour Resources Ltd. ("Skyharbour") to acquire up to a 75-per-cent option of the Mann Lake uranium project, located in the Athabasca basin in Northern Saskatchewan, Canada. Skyharbour owns a 100% interest in the 3,473 hectare (8,582 acre) Mann Lake Uranium Project located in the eastern Athabasca Basin in northern Saskatchewan. It is strategically located 25 km southwest of the McArthur River Mine, the largest high-grade uranium deposit in the world, and 15 km to the northeast along strike of Cameco's Millennium uranium deposit.

12. SUBSEQUENT EVENTS (Continued)

Under the terms of the Option Agreement, the Company is committed to the following:

- paying to the Optionor a total of CAD \$850,000 and issuing to the Optionor the total number of common shares (" Shares ") of the Company equivalent to a value of CAD \$1,750,000 based on the 20 day VWAP at the time of issuance, as follows:
 - within five days of the signing of the Option Agreement, pay \$100,000 and issue Shares equivalent to \$250,000 at the 20 day VWAP at the time of issuance;
 - on the first anniversary of the signing of the Option Agreement, pay \$250,000 and issue Shares equivalent to \$500,000 at the 20 day VWAP at the time of issuance;
 - on the second anniversary of the signing of the Option Agreement, pay \$250,000 and issue Shares equivalent to \$500,000 at the 20 day VWAP at the time of issuance;
 - on the third anniversary of the signing of the Option Agreement, pay \$250,000 and issue Shares equivalent to \$500,000 at the 20 day VWAP at the time of issuance;
- incur a minimum of \$4,000,000 in exploration expenditures on the Property as follows:
 - \$1,000,000 in exploration expenditures on or before the first anniversary of the signing of the Option Agreement;
 - an additional \$1,000,000 in exploration expenditures on or before the second anniversary of the signing of the Option Agreement; and
 - an additional \$2,000,000 in exploration expenditures on or before the third anniversary of the signing of the Option Agreement.

In the event that the Company spends, in any of the above periods, less than the specified sum, it may pay to the Optionor the difference between the amount it actually spent and the specified sum before the expiry of that period in full satisfaction of the exploration expenditures to be incurred. In the event that the Company spends, in any period, more than the specified sum, the excess shall be carried forward and applied to the exploration expenditures to be incurred in succeeding periods.

Immediately on the Company satisfying all of the conditions, the Company will be deemed to have exercised the Option and to have earned a 75% interest in and to the Property which will vest to the Company, subject to the net smelter returns royalty (" NSR Royalty "). A NSR Royalty of two and a half percent (2.5%) is payable to a third party of net smelter returns from minerals mined and removed from the Property (payable pro-rata based on ownership interest in the Property).

- (iv) On October 18, 2021, the Company entered into debt settlement agreements with certain arms' length third party vendors to settle \$90,000 accrued accounts payables in exchange for the issuance of 450,000 shares of the Company at a deemed price of \$0.20 cents per share.

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12. SUBSEQUENT EVENTS (Continued)

- (v) On October 21, 2021, the Company arranged a private placement of shares of the Company at 35 cents per share for aggregate proceeds of \$2-million. The company intends to use the proceeds from the offering for: exploration at the Mann Lake uranium project and the CHG gold project; marketing; and general working capital purposes. The Company may increase the size of the offering to \$2.5-million, at its sole discretion.
- (vi) On October 22, 2021, issued 274,500 common shares on exercise of agent's options for gross proceeds of \$27,450.
- (vii) Effective October 27, 2021, the Company changed its name to Basin Uranium Corp. The Company's common shares resumed trading on the Canadian Securities Exchange on October. 27, 2021, under the new name and the trading symbol for the Company will change from BDX to NCLR. The share capital of the Company remains unchanged.