NSJ GOLD CORP.
FINANCIAL STATEMENTS

For the year ended November 30, 2021

(Expressed in Canadian dollars)

HARBOURSIDE CPA

INDEPENDENT AUDITORS' REPORT

To the Shareholders of NSJ Gold Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NSJ Gold Corp. (the "Company") which comprise the statements of financial position as at November 30, 2021 and 2020 and the statements of loss and comprehensive loss,] statements of changes in equity and statements of cash flows for the year ended November 30, 2021 and for the period from incorporation on May 22, 2020 to November 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2021 and 2020, and its financial performance and its cash flows for the year ended November 30, 2021 and for the period from incorporation on May 22, 2020 to November 30, 2020 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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 audit 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.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about NSJ Gold Corp.'s ability to continue as a going concern.

Information other than the Consolidated Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's discussion and analysis report.

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.

We obtained Management's discussion and analysis report prior to the date of this auditor's report. 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 in this auditor's report. 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 IFRS, 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.

Auditor's 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 auditor's 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 auditor’s 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 auditor’s 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 auditor’s report is Mickey Goldstein

HARBOURSIDE CPA LLP

Vancouver, British Columbia
March 28, 2022

Harbourside CPA, LLP
Chartered Professional Accountants

NSJ GOLD CORP.
Audited Statements of Financial Position
(Expressed in Canadian dollars)

	Note	As at November 30, 2021	As at November 30, 2020
			$
ASSETS			
Current			
Cash and cash equivalents		**933,840**	**654,492**
GST Receivable		**23,574**	**650**
Due from related party	7	**12,447**	
Prepaid expenses and deposits	5, 7	**28,770**	**1,500**
Total current assets		**998,631**	**656,642**
Exploration and evaluation asset	6, 7	**478,978**	**89,869**
Total assets		**1,477,609**	**746,511**
LIABILITIES			
Current			
Accounts payable	7	**35,548**	**867**
Accrued liabilities		**12,000**	**3,150**
Total current liabilities		**47,548**	**4,017**
SHAREHOLDERS' EQUITY			
Share capital	8	**2,059,500**	**774,200**
Reserves	8	**342,458**	**-**
Deficit		**(971,897)**	**(31,706)**
Total shareholders' equity		**1,430,061**	**742,494**
Total liabilities and shareholders' equity		**1,477,609**	**746,511**

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on March 28, 2022:

"Jag Sandhu"	***"Rodney Stevens"***
Director	Director

The accompanying notes are an integral part of the audited financial statements

NSJ GOLD CORP.
Audited Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	Year ended November 30, 2021	Period from May 22, 2020 (inception) to November 30, 2020
		$	**$**
Operating expenses			
Consulting Fees	7, 8	**74,971**	**16,785**
Management fees	7	**190,000**	**-**
Marketing and promotion	7	**214,315**	**-**
Office and miscellaneous	7	**11,698**	**1,571**
Professional fees		**53,900**	**13,700**
Stock-based compensation	7, 8	**342,458**	**-**
Transfer agent and filing fees		**45,041**	**-**
Travel Expenses		**8,521**	**1,281**
Total operating expenses		**(940,904)**	**(33,337)**
Other Income (Expenses)			
Foreign exchange gain (loss)		**(1,787)**	**1,631**
Gain on Debt Settlement	7	**2,500**	**-**
Net Loss		**$(940,191)**	**$(31,706)**
Loss per share:			
Basic and diluted		**$(0.05)**	**$(0.00)**
Weighted average number of shares outstanding:			
Basic and diluted		**20,861,041**	**9,260,417**

The accompanying notes are an integral part of the audited financial statements

NSJ GOLD CORP.
Audited Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars, except number of shares)

	Share capital				
	Common shares	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at May 22, 2020 (Incorporation)	**-**	**$-**	**$-**	**$-**	**$-**
Founder shares (Note 8)	4,000,000	20,000	-	-	20,000
Private placement (Note 8)	10,000,000	210,000	-	-	210,000
Special warrants (Note 8)	-	544,200	-	-	544,200
Net Loss	-	-	-	(31,706)	(31,693)
Balance at November 30, 2020	**14,000,000**	**774,200**	**-**	**(31,706)**	**742,494**
Special warrants (Note 8)	9,104,000	1,229,000	-	-	1,229,000
Shares issued for services (Notes 7, 8)	105,000	37,800	-	-	37,800
Shares issued for debt settlement (Notes 7, 8)	100,000	18,500	-	-	18,500
Stock-based compensation (Note 8)	-	-	342,458	-	342,458
Net Loss	-	-	-	(940,191)	(940,191)
Balance at November 30, 2021	**23,309,000**	**$2,059,500**	**342,458**	**$(971,897)**	**$1,430,061**

The accompanying notes are an integral part of the audited financial statements

NSJ GOLD CORP.
Audited Statements of Cash Flows
For the year ended ended November 30, 2021 and the period from May 22, 2020 (inception) to November 30, 2020
(Expressed in Canadian dollars)

	2021	2020
	$	$
Operating activities		
Net loss for the period	(940,191)	(31,706)
Adjustments for:		
Share-based compensation	342,458	-
Shares issued for consulting	37,800	-
Gain on debt settlement	(2,500)	-
Changes in non-cash working capital		
GST receivable	(22,924)	(650)
Due from related party	(12,447)	
Prepaid expenses and deposits	(27,270)	(1,500)
Accounts payable and accrued liability	64,531	4,017
Net cash flows used in operating activities	(560,543)	(29,839)
Investing activities		
Exploration and evaluation asset	(389,109)	(89,869)
Net cash flows used in investing activities	(389,109)	(89,869)
Financing activities		
Common shares issued	-	230,000
Proceeds from issuance of special warrants	1,276,600	544,200
Share issuance costs	(47,600)	-
Net cash flows provided by financing activities	1,229,000	774,200
Increase in cash and cash equivalents	279,348	654,492
Cash and cash equivalents, beginning of year	654,492	-
Cash and cash equivalents, end of year	$933,840	$654,492
Cash paid for interest	$-	$-
Cash paid for income taxes	$-	$-

Non-cash transactions affecting cash flows from investing and financing activities during the year ended November 30, 2021 are:

a) 105,000 shares valued at $37,800 were issued for consulting fees.
b) 100,000 shares valued at $18,500 were issued to settled debt of $21,000.

There were no non-cash transactions affecting cash flows form investing and financing activities during the period ended November 30, 2020.

1. NATURE OF OPERATIONS AND GOING CONCERN

NSJ Gold Corp. (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the *Business Corporations Act* of British Columbia on May 22, 2020. On March 8, 2021, the Company listed its shares on the Canadian Securities Exchange ("CSE") and trades under the symbol NSJ. The address of the Company's registered and records office is Suite 101, 17565 58 Avenue, Surrey, British Columbia, V3S 4E3 Canada and principal place of business is 1701 – 1408 Strathmore Mews, Vancouver, British Colombia, V6Z 3B1 Canada.

The Company's primary business is the acquisition and exploration of mineral properties. The Company's exploration and evaluation asset (Note 6) does not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in the definition of such deposits being located or, ultimately, a profitable mining operation in the future.

These financial statements (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of $940,191 during the year ended November 30, 2021 and has an accumulated deficit as at November 30, 2021 of $971,897. Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

In 2020, there was a global outbreak of coronavirus that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company's project may also impact the Company's ability to perform exploration activities at the project.

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. IFRS includes International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

These financial statements were approved and authorized for issuance by the Company's Board of Directors on March 28, 2022.

b) Basis of measurement

These audited financial statements have been prepared on a historical cost basis, except for those financial instruments which have been classified and measured at fair value. In addition, with the exception of cash flow information, these financial statements have been prepared using the accrual method of accounting.

The accounting policies set out below have been applied consistently.

c) Functional and presentation currency

The Company considers the primary and secondary indicators as part of its decision-making process. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and deposits in banks.

b) Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash and cash equivalents	FVTPL
Due from related party	Amortized cost
Financial liabilities	
Accounts payable	Amortized cost

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Cash and other receivables with fixed or determinable payments that are not quoted in an active market are classified as held at amortized cost. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities at amortized cost

Financial liabilities are recognized initially at fair value and subsequently measured at amortized cost and include accounts payable and accrued liabilities. Accounts payables and other payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, accounts payable, accrued and settlement liabilities are measured at amortized cost using the effective interest method. Loans are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Impairment of financial instruments

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at November 30, 2020.

c) Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is classified as ‘mines under construction’. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets (mineral properties) and equipment are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

e) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value of the shares as of the date of issuance.

f) Issuance of units

When share issuances include a warrant (referred to as a unit), the warrant component of the unit is valued using the residual method. Under this method, any amount received for the unit in excess of the fair value of the share is attributed to the warrant.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Share-based compensation

The Company has a stock option plan under which it may grant stock options to directors, employees, consultants and service providers.

The Company records a share-based compensation expense for all options granted to employees, or to those providing similar services, at the fair value of the equity instruments over the vesting period, with a corresponding increase in share-based payments reserve. Each transfer of an award is considered separately with its own vesting date and grant date fair value. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of each stock option at the date of grant. For awards with vesting conditions, a forfeiture rate is recognized at the grant date and is adjusted to reflect the number of awards expected to vest. As the options are exercised, the consideration paid, together with the amount previously recognized in share-based payments reserve, is recorded as an increase in share capital. The initial fair values of options that expire unexercised remain in share-based payments reserve.

For equity-settled share-based compensation to non-employees, the Company measures the value of the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received. If the fair value cannot be estimated reliably, then the Company would use the Black-Scholes Option Pricing Model. The Company has no cash-settled share-based compensation transactions.

h) Reserve

The Company records stock option expense, equity component of convertible debenture, and contributed surplus within reserve on the Statement of Changes in Shareholders' Equity. When stock options or convertible debenture are exercised into common shares, the applicable amount under reserve will be transferred to share capital. For vested and expired conversion features or options, the applicable amount under the reserve account will be transferred to contributed surplus, also under the reserve account.

i) Loss per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax 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 regard to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of 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.

k) Foreign currency translation

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

m) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

a) fixed payments, including in-substance fixed payments, less any lease incentives receivable;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) amounts expected to be payable under a residual value guarantee;
d) exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

During the year ended November 30, 2021 the Company entered into a month-to-month lease for head office space. Due to the short term nature of the agreement the Company has applied the practical expedient to expense the rent payments as incurred.

n) Significant accounting judgements and estimates

The preparation of these financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Recovery of deferred tax assets</u>

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Share-based compensation

The fair value of stock options issued are subject to the limitations of the Black-Scholes Option Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

4. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

a) Recent accounting pronouncements

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

(Expressed in Canadian dollars – unless otherwise noted)

5. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses are comprised of the following as at November 30, 2021:

	November 30, 2021	November 30, 2020
	$	$
Prepaid professional fees	-	1,500
Prepaid marketing	18,770	
Prepaid management fee (Note 7)	10,000	-
	28,770	1,500

6. EXPLORATION AND EVALUATION ASSET

The Company entered into an option agreement dated August 14, 2020, as amended November 25, 2020 (the "Option Agreement") to acquire a 100% interest in certain claims comprising the Golden Hills Project (the "Golden Hills Property") located in Arizona, USA. Pursuant to the Option Agreement, to exercise the option the Company is required to pay a total of USD299,000 over a five year period with the first payment of USD24,000 due on or before March 28, 2021(paid) and pay annual claim maintenance fees totaling USD15,510. The Company is also obligated to complete an exploration development program totaling USD4,635,000 per the following schedule:

- USD85,000 on or before the first anniversary date of the original agreement (completed)
- USD150,000 on or before the second anniversary date of the original agreement
- USD400,000 on or before the third anniversary date of the original agreement
- USD1,000,000 on or before the fourth anniversary date of the original agreement
- USD3,000,000 on or before the fifth anniversary date of the original agreement

The Golden Hills Property is subject to a 3% Net Smelter Return as payable to the Vendor.

During the year ended November 30, 2021, the Company incurred a total of $389,109 ($89,869 for the period ended November 30, 2020) in exploration expenditures as follows:

For the year ended November 30, 2021:

	November 30, 2020	Net change	November 30, 2021
	$	$	$
Acquisition costs	-	49,163	**49,163**
Exploration costs			
Field expenses	2,825	16,707	**19,532**
Geological consulting (Note 7)	84,143	52,267	**136,410**
Geophysical	2,901	99,920	**102,821**
Drilling	-	171,052	**171,052**
Total exploration costs	89,869	339,946	**429,815**
Total	89,869	389,109	**478,978**

(Expressed in Canadian dollars – unless otherwise noted)

6. EXPLORATION AND EVALUATION ASSET (CONTINUED)

For the period ended November 30, 2020:

	May 22, 2020	Net change	**November 30, 2020**
	$	$	**$**
Acquisition costs	-	-	**-**
Exploration costs			
Field expenses	-	2,825	**2,825**
Geological consulting (Note 7)	-	84,143	**84,143**
Geophysical	-	2,901	**2,901**
Total exploration costs	-	89,869	**89,869**
Total	-	89,869	**89,869**

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

During the year ended November 30, 2021, and the period ended November 30, 2020, the Company incurred the following transactions with key management personnel:

- $120,000 (2020 - $Nil) in management fees to a company controlled by the CEO of the Company and recorded $10,000 (2020 - $Nil) in prepaid expenses;
- $70,000 (2020 - $Nil) in management fees to a company which the CFO of the Company is a partner of;
- $5,800 (2020 - $Nil) in rent expense (recorded in office expense) to the CEO of the Company for office space;
- $32,500 (2020 - $Nil) in marketing fees to a company controlled by a relative of the CEO;
- $27,071 (2020 - $Nil) in consulting fees to a company controlled by a director of the Company. The Company also issued 100,000 shares valued at $18,000 to this director for the settlement of $21,000 of accounts payable, resulting in a gain on settlement of debt of $2,500;
- $36,000 in consulting fees to a director of the Company. The Company issued 105,000 shares valued at $37,800 to this director for these services, and $1,800 of GST.
- USD 9,600 (CAD 11,712) (2020 - $Nil) in geological consulting fees to the Vice President of Exploration which was capitalized to the exploration and evaluation asset.
- USD 12,060 (CAD 14,681) (2020 - $Nil) in geological consulting fees to a company controlled by a relative of the Vice President of Exploration which was capitalized to the exploration and evaluation asset.

(Expressed in Canadian dollars – unless otherwise noted)

7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

- 750,000 options (2020 - Nil) to officers and directors of the Company, with $125,848 being recorded as share-based compensation expense for the year ended November 30, 2021.
- 200,000 options (2020 - Nil) to a company controlled by a relative of the CEO, with $33,559 being recorded as share-based compensation expense for the year ended November 30, 2021.
- 150,000 options (2020 – Nil) to the Vice President of Exploration, with $36,963 being recorded as share-based compensation expense for the year ended November 30, 2021.

As at November 30, 2021 and 2020, the Company had the following balances with related parties:

	November 30, 2021	November 30, 2020
	$	$
Due from a company with directors in common for reimbursement of expenses	12,447	-
Prepaid management fees (Note 5)	10,000	-
Due to officers of the Company, included in accounts payable	23,150	867

Amounts due to related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties.

8. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares.

Share transactions

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

a) The Company received notice of receipt for its long form prospectus from the British Colombia Securities Commission. As such all outstanding Special Warrants were exercised and the Company issued 9,104,000 common shares to the special warrant holders for no additional consideration.
b) On March 15, 2021 the Company issued 105,000 at a price of $0.36 per share for services rendered by a director of the Company (Note 7).
c) On May 26, 2021 the Company issued 100,000 shares to settle $21,000 due to a director of the Company (Note 7). The fair value of the shares on the date of issuance was $18,500 and the Company recorded a gain of $2,500.

8. SHARE CAPITAL (CONTINUED)

During the period ended November 30, 2020, the Company issued the following:

a) Upon incorporation the Company issued 4,000,000 common shares at $0.005 per share for gross proceeds of $20,000.
b) On August 21, 2020 the Company closed its $0.021 unit offering issuing 10,000,000 units for gross proceeds of $210,000. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at an exercise price of $0.20 per share on or before August 22, 2025. The warrants were valued at $0, using the residual value method.

Special Warrants

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

a) On January 18, 2021 the Company issued 1,937,000 special warrants (the "Special Warrants") at a price of $0.20 per Special Warrant, for total proceeds of $387,400. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant where each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.40 per share for a period of 18 months
b) On January 20, 2021 the Company issued 4,446,000 Special Warrants at a price of $0.20 per Special Warrant, for total proceed s of $889,200. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant where each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.40 per share for a period of 18 months.

The Company raised a total of $1,229,000 (net of finder's fees totaling $47,600) through the issuance of 6,383,000 Special Warrants.

During the period ended November 30, 2020, the Company issued the following:

a) On November 30, 2020 the Company issued 2,721,000 special warrants (the "Special Warrants") at a price of $0.20 per Special Warrant for total proceeds of $544,200. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant where each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.40 per share for a period of 18 months.

(Expressed in Canadian dollars – unless otherwise noted)

8. SHARE CAPITAL (CONTINUED)

Special Warrants (continued)

On February 25, 2021 the Company received notice of receipt for its long form prospectus from the British Colombia Securities Commission. As such, all outstanding Special Warrants were exercised and the Company issued 9,104,000 common shares and 4,552,000 common share purchase warrants to the Special Warrant holders.

Warrants

During the years ended November 30, 2021 the Company issued the following:

a) In conjunction with the exercise of the Special Warrants, the Company issued 4,552,000 common share purchase warrants. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.40 per share for a period of 18 months. The value of the warrants issued was deemed to be $nil based on the residual valuation method applied.

During the period ended November 30, 2020, the Company issued the following:

a) In conjunction with the unit offering that closed on August 21, 2020 the Company granted 5,000,000 warrants. Each warrant entitles the holder to purchase one additional share at an exercise price of $0.20 per share on or before August 22, 2025.

Below is a summary of warrant activity during the year ended November 30, 2021 and the period ended November 30, 2020:

	Amount	Weighted average exercise price
Outstanding May 22, 2020 (Incorporation)	**-**	**$-**
Issued	5,000,000	$0.20
Balance at November 30, 2020	**5,000,000**	**$0.20**
Issued	4,552,000	$0.40
Balance at November 30, 2021	**9,552,000**	**$0.30**

Below is a summary of warrants outstanding as at November 30, 2021:

Number of warrants outstanding	Exercise price	Expiry date	Remaining life (years)
	$		
5,000,000	0.20	August 22, 2025	3.73
4,552,000	0.40	August 27, 2022	0.74
9,552,000	0.30		2.30

(Expressed in Canadian dollars – unless otherwise noted)

8. SHARE CAPITAL (CONTINUED)

Options

During the year ended November 30, 2021, the Company granted 1,690,000 stock options exercisable at a price of $0.20 with a 5-year life, 150,000 stock options exercisable at a price of $0.30 with a 5-year life and 200,000 stock options exercisable at a price of $0.25 with a 5-year life. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of the options granted. The Company utilized the following weighted average assumptions: volatility - 152%, average risk-free rate – 0.77% and a five-year term. Accordingly, the estimate grant date fair value of the options was $378,401. All options granted vest over a period of 1 year with 25% of the options vesting every 3 months. During the year ended November 30, 2021 the Company recorded $342,458 in share-based compensation in relation to these grants.

A summary of the Company's stock option activity is as follows:

	Number outstanding	**Weighted average exercise price**
	#	**$**
Outstanding at May 20, 2020 and November 30, 2020	-	-
Granted	2,040,000	0.21
Outstanding at November 30, 2021	**2,040,000**	**0.21**

A summary of the Company's stock options outstanding and exercisable at November 30, 2021 is presented below:

Expiry Date	**Options Outstanding**	**Options Exercisable**	**Exercise Price**	**Remaining Life (Years)**
	#	**#**	**$**	
March 8, 2026	1,690,000	845,000	0.20	4.27
March 22,2026	150,000	75,000	0.30	4.31
July 28, 2026	200,000	50,000	0.25	4.66
	2,040,000	970,000	$0.21	4.31

Escrow Shares

Under the escrow agreement dated January 27, 2021, 10% of the escrowed common shares were to be released from escrow on the date of listing on the CSE. Subsequent to listing (March 8, 2021), an additional 15% are to be released every nine months over a thirty-six month period. As at November 30, 2021, a total of 10,500,000 shares were held in escrow (November 30, 2020 - Nil).

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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 consist of cash, due from related parties, and accounts payable. The carrying values of these financial instruments approximate their respective fair values due to the short term of these instruments.

As at November 30, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's primary exposure to credit risk is its cash of $933,840 and amount due from related party of $12,447 at November 30, 2021. With cash on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at November 30, 2021, the Company had current liabilities totaling $47,548 and cash of $933,840 and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

(Expressed in Canadian dollars – unless otherwise noted)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

10. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. The Company is not subject to any external covenants.

11. INCOME TAX

The following is a reconciliation of income taxes attributable to operations at the statutory rates to income tax expense (recovery):

	November 30, 2021		November 30, 2020	
Net loss before income taxes	$	(940,191)	$	(31,706)
Statutory tax rate		27%		27%
Expected income tax expense		(253,852)		(8,561)
Permanent differences		93,575		-
Share issuance costs		(12,852)		-
Increase in unrecognized deferred tax assets		173,129		8,561
Deferred income tax recovery	$	-	$	-

(Expressed in Canadian dollars – unless otherwise noted)

11. INCOME TAX (CONTINUED)

Deferred tax balances:

The tax effects of temporary differences that give rise to future income tax assets are as follows:

	November 30, 2021	November 30, 2020
Non-capital losses carry-forward	$ 171,000	$ 9,000
Share issuance costs	10,000	-
Total deferred tax assets	181,000	9,000
Less: unrecognized tax assets	(181,000)	(9,000)
Net deferred tax assets	$ -	$ -

The potential benefits of these carry-forward non-capital losses has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

The significant components of the Company's unrecognized deferred assets are as follows:

	November 30, 2021	Expiry date range	November 30, 2020
Non-capital losses	$ 635,000	2041 - 2042	$ 32,000
Share issuance costs	$ 38,000	2025	$ -

Tax attributes are subject to review and potential adjustment by tax authorities.