FATHOM NICKEL INC.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE THREE MONTHS ENDED MARCH 31, 2021 and 2020

FATHOM NICKEL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT (Unaudited)

	Note		Mar 31, 2021		Dec 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents	6	$	**10,256,603**	$	9,270
Goods and services tax receivable	7		**72,119**		20,113
Deposits and prepaids			**47,681**		5,000
			10,376,403		34,383
Non-current assets					
Exploration and evaluations asset	5	$	**2,429,766**	$	1,483,587
Capital assets			**5,616**		-
			2,435,382		1,483,587
Total assets		$	**12,811,785**	$	1,517,970
EQUITY AND LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	**756,282**	$	35,713
Special warrant liability	8		**7,811,066**		-
Flow-through premium liability	8		**625,863**		-
Due to directors	10		**-**		1,991
			9,193,211		37,704
Total liabilities			**9,193,211**		37,704
Equity					
Share capital	8	$	**6,857,644**	$	1,994,392
Contributed surplus			**689,540**		94,200
Deficit			**(3,928,610)**		(608,326)
			3,618,574		1,480,266
Total equity and liabilities		$	**12,811,785**	$	1,517,970
Commitments	11				
Events after the reporting year	12				

Approved on behalf of the Board on May 31, 2021:

"signed Mark Cummings"	"signed John Morgan"
Mark Cummings, Director	John Morgan, Director

The accompanying notes are an integral part of these financial statements

FATHOM NICKEL INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIODS ENDED MARCH 31, 2021 and 2020
(unaudited)

	Note		2021		2020
Expenses					
Finance expense	4	$	2,672,145	$	-
Share based compensation			381,000		-
Legal and accounting			110,817		-
Administrative consulting	10		42,900		-
External consultants			51,000		-
Commission, exchange and communication			29,546		-
Insurance			18,325		-
Web and internet			5,790		-
Travel & entertainment			5,408		5,840
Dues and subscriptions			1,500		1,527
Office			1,107		147
Bank charges			747		39
Operating loss			3,320,285		7,553
Gain on sale of marketable securities			-		(2,882)
Net loss and comprehensive loss			3,320,285		4,671
Net loss per share	11	$	0.14	$	0.00
Weighted average outstanding shares			23,270,731		11,964,580

The accompanying notes are an integral part of these financial statements

FATHOM NICKEL INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2021 and 2020 (Unaudited)

		Share Capital					
			Common				
	Note	Common Shares	Special Warrants	Amount	Contributed Surplus	Deficit	Total
Balance, December 31, 2019		11,332,080	- $	1,751,716 $	94,200 $	- 577,092 $	1,268,824
Share issue for services, net of share issuance costs	9	694,207	-	162,911	-	-	162,911
Loss and comprehensive loss		-	-	-	-	- 4,671	- 4,671
Balance, March 31, 2020		12,026,287	- $	1,914,627 $	94,200 $	- 581,763 $	1,427,064
Equity component of the convertible debenture		-	-	-	15,000	-	15,000
Share issue on debenture conversion	9	468,750	-	79,765	- 15,000	-	64,765
Loss and comprehensive loss		-	-	-	-	- 26,563	- 26,563
Balance, December 31, 2020		12,495,037	- $	1,994,392 $	94,200 $	- 608,326 $	1,480,266
Common shares issued on completion of the RTO by Fathom Minerals Ltd.	4	13,295,038	-	2,659,007	-	-	2,659,007
Common shares issued for cash, net of share issue costs	9	3,675,000	-	719,065	-	-	719,065
Flow-through special warrants issued for cash, net of share issue costs	9	-	3,129,317	2,030,744	-	-	2,030,744
Non flow-through special warrants issued for cash, net of share issue costs	9	-	12,486,323	-	-	-	-
Non flow-through special warrants issued for services	9	-	230,678	161,475	-	-	161,475
Unrenounced flow-through share premium	9	-		- 625,863	-	-	- 625,863
Fair value of compensation options	9	-		- 46,297	214,340	-	168,043
Fair value of broker warrants		-		- 34,879	-	-	- 34,879
Fair value of options		-	-	-	381,000	-	381,000
Loss and comprehensive loss		-	-	-	-	- 3,320,285	- 3,320,285
Balance, March 31, 2021		**29,465,075**	**15,846,318 $**	**6,857,644 $**	**689,540 $**	**- 3,928,611 $**	**3,618,573**

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

FATHOM NICKEL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2021 and 2020 (Unaudited)

	Note		2021	2020
Cash flows from operating activities				
Net loss for the period		$	**(3,320,285)** $	(4,671)
Add back / Deduct non cash expenses				
Finance expense	4		**2,672,145**	-
Stock based compensation			**381,000**	-
Gain on sale of marketable securities			-	(2,882)
			(267,140)	(7,553)
Working capital changes				
Goods and services tax receivable	8		**(52,006)**	(5,184)
Prepaids and deposits			**(42,681)**	-
Accounts payable and accrued liabilities			**304,189**	(82,489)
Cash flows used in operating activities			**(57,638)**	(95,226)
Cash flows provided by (used in) from investing activities				
Proceeds from the sale of marketable securities			-	20,382
Property and equipment			**(5,616)**	-
Exploration and evaluation assets	5		**(946,179)**	(24,264)
Working capital changes			**403,243**	24,264
Cash flows used in investing activities			**(548,552)**	20,382
Cash flows provided by (used in) from financing activities				
Expenses related to financing activities				
Issue of common shares for cash, net of share issuance costs	9		**719,065**	-
Issue of special warrants for cash, net of share issuance costs	9		**10,136,449**	-
Repayment of amounts due to directors	12		**(1,991)**	(4,833)
Cash provided by financing activities			**10,853,523**	(4,833)
Net change in cash			**10,247,333**	(79,677)
Cash, beginning of the period			**9,270**	87,221
Cash, end of the period		$	**10,256,603** $	7,544

Non-cash investing and financing activities, see Note 5 & 9

The accompanying notes are an integral part of these financial statements

1. REPORTING ENTITY

Fathom Minerals Ltd. ("FML") is an exploration stage company engaged in locating, acquiring and exploring for base and precious metals in Canada. FML was incorporated pursuant to the Business Corporations Act (Alberta) on April 27,2012. On January 22, 2021, FML acquired 100% of Fathom Nickel Inc. ("FNI" or the "Company"), a privately-held Alberta corporation, in a reverse takeover ("RTO") transaction. The RTO was effected by means of a share-for-share exchange under which the former shareholders of FML acquired control of FNI. (Note 4). On May 25, 2021 FNI commenced trading on the CNSX under the symbol FNI. The comparative figures presented are those of FML.

The condensed interim consolidated financial statements ("interim financial statements") as at and for the three months ended March 31, 2021 comprise All entities in which FML has a controlling interest are consolidated. The consolidated entity be referred to as the Company or Fathom Nickel Inc. Intercompany balances and transactions are eliminated on consolidation.

The address of the Company's corporate office and principal place of business is #104, 1240 – Kensington Road NW, Calgary, Alberta, T2N 3P7.

The interim financial statements were authorized for issue by the board of directors on May 31, 2021.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These interim financial statements for the three months ended March 31, 2021 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with both FML's most recently prepared audited annual financial statements for the fiscal year ended December 31, 2020.

2.2 Significant estimates and assumptions

The preparation of the Company's interim financial statements requires management to make judgments, assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the interim financial statements and the reported amounts of 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 which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to FML's annual financial statement as at and for the year ended December 31, 2020. The following are additional estimates and judgements made during the period ended March 31, 2021:

The Company measures the fair value of the flow through premium liability included using an option pricing model. This estimate requires determining the most appropriate inputs to the valuation model including the expected life of the warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the flow through premium liability along with the assumptions and model used for estimating fair value are disclosed in Note 8.

During and subsequent to the period end, there was a continued global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. Uncertainties may continue to arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the full extent of the impact is unknown, we anticipate this outbreak may cause additional negative impacts on the Company's business and financial condition.

2.3 Basis of measurement

The interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value.

2.4 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES:

The financial framework and accounting policies applied in the preparation of these interim financial statements are consistent with the policies disclosed in Notes 3 and 4 of the audited annual financial statements of FML for the year ended December 31, 2020. The following additional policy notes have been incorporated for the period ending March 31, 2021.

Flow through

The Corporation finances some exploration and evaluation expenses through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference ("premium") between the amounts recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the statement of loss and comprehensive loss as a recovery of deferred income taxes when the eligible expenditures are incurred. The amount recognized as a flow-through share liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares, net of allocated issue costs.

4. REVERSE TAKE-OVER

Pursuant to a Share Purchase Agreement (the "SPA") dated January 6, 2021, the Company agreed to acquire 100% of the issued and outstanding common shares of FML via a share-for-share exchange (the "Transaction"). Each former shareholder of FML shareholder received one (1) share of the Company in exchange for each share of FML beneficially owned. As FNI was an entity with no operations, it did not meet the definition of a business under IFRS 3. Accordingly, the Transaction is accounted for as a reverse acquisition along with a share-based payment in accordance with IFRS 2. The Transaction closed on January 22, 2021, resulting in the issuance of 13,295,038 common shares to the former shareholders of FNI. Immediately upon closing of the Transaction, there were 25,790,075 shares outstanding of which former shareholders of FML held 48.4%. After the Transaction, the Management and Directors of FML were appointed to their respective Board and Management positions with the Company. As a result, the acquirer is determined to be FML. The shares issued to former shareholders of FNI were valued at a price of $0.20/share for a total transaction value of $2,659,007. The fair value of the Company was determined based on the number of shares issued to former shareholders of FNI at a price of $0.20/share.

$2,659,007 has been allocated as follows:

Accounts payable and accrued liabilities	$ (13,138)
Finance expense	2,672,145
	$ 2,659,007

Consideration comprised of:

Fair value of common shares	$ 2,659,007

5. EXPLORATION AND EVALUATION ASSET

Albert Lake Exploration & Evaluation Asset

	3 months ended Mar. 31, 2021	Year ended Dec. 31, 2020
Balance beginning of period – Albert Lake Property	$ 1,483,587	$ 1,398,979
Acquisition cost and leases	33,639	67,385
Exploration	912,540	17,223
Balance end of period – Albert Lake Property	$ 2,429,766	$ 1,483,587

As at March 31, 2021, the Company's 100% owned Albert Lake Property was comprised of 27 contiguous mineral dispositions (totaling 90,127 hectares) issued by and registered with the Saskatchewan Ministry of Energy and Resources. The Albert Lake Property is located approximately 135 kilometers north-northeast of La Ronge in north central Saskatchewan.

The Company is required to incur annual minimum work program expenditures ranging between $15.00 and $25.00 per hectare in order to maintain title to the dispositions. Excess qualifying exploration expenditures can be carried forward indefinitely to be applied to future years' work requirements. The Company is required to incur annual qualifying expenditures of $590,140 in 2021 in order to maintain all dispositions in good standing. As at the period end, the Company had fulfilled this spending requirement.

The initial six mineral dispositions, totaling 10,439 hectares, were acquired from Uravan Minerals Inc. in April 2015 in exchange for the issuance of 2,000,000 common shares of the Company. This original 10,439 hectares are subject to a 2% net smelter return ("NSR") royalty interest pertaining to any future commercial production from the associated mineral dispositions. One percent of the NSR can be acquired at any time, at the option of the Company, for a one-time cash payment of $1,000,000.

On June 8, 2015, the Company acquired an additional 1,348 hectares in two mineral dispositions from an individual land consultant in exchange for the issuance of 500,000 common shares of the Company and a cash payment of $5,000. The 1,348 hectares covered by the purchase agreement are subject to a 1% NSR royalty interest pertaining to any future commercial production from the associated mineral dispositions. The NSR can be acquired at any time, at the option of the Company, for cash payments totaling $500,000.

The Company acquired the final 19 mineral dispositions directly through the staking system of the Saskatchewan Ministry of Energy and Resources during the period from 2016 through 2021.

6. CASH AND CASH EQUIVALENTS

	Mar 31, 2021	Dec 31, 2020
Unrestricted cash	$ 10,256,603	$ 9,270
	$ 10,256,603	$ 9,270

All cash and cash equivalents are held in Canadian banks and registered brokerage firms.

7. GOODS AND SERVICES TAX AND OTHER RECEIVABLES

	Mar 31, 2021	Dec 31, 2020
Goods and Services Tax	$ 72,119	$ 20,113

8. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

		3 months ended Mar 31, 2021		Year ended Dec 31, 2020
Authorized and issued		Number of common shares		
Balance, beginning of the period		12,495,037		11,332,080
Issued for services(i)		-		694,207
Issued on conversion of debenture(ii)		-		468,750
Issued on completion of the RTO (Note 4)		13,295,038		-
Issued for cash(iii)		3,675,000		-
Balance, end of the period		29,465,075		12,495,037
Balance, beginning of the period	$	1,994,342	$	1,751,716
Issued for services, net of share issuance costs		-		162,911
Issued on conversion of debenture		-		79,765
Issued on completion of the RTO (Note 4).		2,659,007		-
Issued for cash		719,065		-
Balance, end of the period	$	5,372,464	$	1,994,392

		3 months ended Mar 31, 2021		Year ended Dec 31, 2020
		Number of Special Warrants		
Balance, beginning of the period		-		-
Issued for cash (iv)		15,615,640		-
Issued for services(iv)		230,678		-
Balance, end of the period		15,846,318		-
Balance, beginning of the period	$	-	$	-
Issued for cash, net of share issuance costs (iv)		9,760,634		-
Issued for services (iv)		161,475		-
Special warrant liability		(7,811,066)		-
Flow through premium liability		(625,863)		-
Balance, end of the period	$	1,485,180	$	-

(i) In January 2020, the Company completed the issuance of 694,207 common shares at $0.24 per share in exchange for administrative and geological consulting services previously provided to the Company. The cost of the administrative and geological consulting services had been accrued in the accounts of the Company and expensed as administrative consulting fees, or capitalized as exploration and evaluation asset, based on market rates for comparable services. See Note 12, related parties.

(ii) In December 2020, the Company executed the conversion of five outstanding convertible debentures totaling $75,000 for 468,750 shares at a conversion price of $0.16 per share. Accrued interest of $4,192 at the year end date was paid in cash to the debenture holders. See Note 12, related parties for further discussion on convertible debt.

(iii) Subsequent to the closing of the Transaction described in Note 4, the Company completed a private placement of 3,675,000 common shares (the "Private Placement") at a price $0.20 per share for gross proceeds of $735,000. The Private Placement was sold on a non-brokered basis to accredited investors. The incurred issuance costs of $15,935 related to the private placement.

(iv) On March 15, 2021, FNI completed a brokered financing of 12,486,323 Non-Flow Through Special Warrant Units (the "NFT Special Warrant Units ") at a price $0.70 per NFT Special Warrant Unit and, 129,317 Flow Through Special Warrant Units (the "FT Special Warrant Units") at a price $0.77 per FT Special Warrant for gross proceeds of $11,150,000. Each FT Special Warrant is exchangeable, at no additional cost, into one FNI common share. Each NFT Special Warrant Unit is exchangeable, at no additional cost, into one FNI common share and one half of one FNI share purchase warrants ("FNI Unit"). If a receipt for the final prospectus is not issued prior to the qualification deadline of May 14, 2021, then each holder of a NFT Special Warrant will be entitled to 1.15 Units per Special Warrant held instead of one (1) Unit). Each full FNI share purchase warrant entitles the holder to purchase one FNI common share at an exercise price of $1.00 per FNI common share within two years of the Listing Date. As the number of common shares to be issued on conversion of the NFT Special Warrant Units is variable the net proceeds related to the NFT Special Warrants Units has been presented as a liability.

Each NFT Special Warrant will be deemed to be automatically exercised immediately on the earlier of: (i) the date that is the fifth Business Day after the date on which the receipt for a final prospectus qualifying the distribution of the NFT Shares issuable upon the exercise or deemed exercise of the NFT Special Warrants has been issued by the last of the Securities Regulators in a Designated Jurisdictions; and (ii) the date that is 4 months and one day after the issuance of the NFT Special Warrant.

The flow through premium liability associated with the issuance of the FT Special Warrants was calculated at $0.20 per FT Special Warrant, based on a share price of $0.57, which in turn was estimated by determining the standalone value of a warrant using the Black-Scholes model and subtracting this from the unit price. The following weighted average assumptions were used: (I) dividend yield of 0%; (II) expected volatility of 110%; (III) a risk free interest rate of 1%; (IV) an expected life of 2 years and (V) a Special Warrant price of $0.70. Expected volatility was based on comparable companies. This resulted in a flow through premium liability of $625,863.

In connection the issuance of the special warrants the Company paid $1,013,551 in fees. It also issued 230,678 NFT Special Warrants issued to the Agents were valued at the NFT Special Warrant price of $0.70 per NFT Special Warrant as described above, resulting in a fair value of $161,475. The agents were also granted 1,071,669 broker special warrants, exercisable at a price of $0.70 per broker warrant into one common share and ½ common share purchase warrant of FNI for a period of two years from the date of the closing of the financing, or March 15, 2023. Each whole common share purchase warrant, in turn, is exercisable into one (1) common share at a price of $1.00 per share for a period of two years from the closing of the financing, or March 15, 2023.

The fair value of the warrants issued were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 110%; (III) a risk free interest rate of 1%; (IV) an expected life of 2 years and (V) a Special Warrant price of $0.70. Expected volatility was based on comparable companies. This resulted in a fair value of $0.20 per broker warrant for a total of $214,340.

Stock option plan

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is four years. Options vest immediately upon issuance. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants stock options that have been granted, exercised, expired, vested or cancelled during the year ended December 31, 2020 and 2019:

	Number of Options Issued and Vested	Weighted Average Exercise Price
Balance, Dec 31, 2019	2,485,000	$ 0.05
Expired	(1,485,000)	-
Cancelled	(1,000,000)	-
Balance, Dec 31, 2020	-	$ -
Granted	3,000,000	0.70
Balance, Dec 31, 2020	3,000,000	$ 0.70

The Company provides compensation to directors, employees and consultants in the form of stock options.

On December 31, 2020, the Company and the holders of the options granted in 2018 agreed to cancel the remaining options not yet expired.

The fair value of the options issued were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 110%; (III) a risk free interest rate of 1%; (IV) an expected life of 5 years and (V) a common share price of $0.50. Expected volatility was based on comparable companies. This resulted in a fair value of $0.37 per options for a total of $1,112,827. The options vest 1/3 at the grant date, 1/3 on 1st on the first anniversary and 1/3 on 2nd on the second anniversary.

The Company granted 115,000 restricted share units (RSUs) to officers of the Company. The RSUs vest 1/3 on 1st on the first anniversary, 1/3 on 2nd on the second anniversary, and 1/3 on 3rd on the third anniversary. Stock based compensation shares related to the RSUs for the period ending March 31, 2021 was nominal.

Warrants

Other than warrants issued in connection the special warrants there were no other warrants issued during the period or outstanding at March 31, 2021 or December 31, 2021.

9. EARNINGS/LOSS PER SHARE

The calculation of basic earnings/loss per share for the period ended March 31, 2021 of $0.14 (2020 – Nil) was based on the loss attributable to shareholders of the Company of $3,307,147 (2020 - $4,671), and a weighted average number of ordinary shares of 23,270,731 (2020 – 11,964,580).

10. RELATED PARTIES

The following related party transactions occurred and were charged in the financial statements during the period ended March 31, 2021 and 2020 as follows:

Consulting fees		3 months ended Mar 31, 2021		3 months ended Mar 31, 2020
Administrative and exploration-related consulting fees:				
Administrative consulting fees were charged by officers for corporate administrative and financial management services	$	42,900	$	Nil
Consulting fees were charged by officers for geological management of the Company's exploration and evaluation asset	$	29,100	$	Nil

Amounts accrued and paid as administrative consulting fees are expensed; amounts accrued and paid as geological consulting fees are capitalized to the exploration and evaluation asset account. At March 31, 2021, the Company owed the respective holding companies owned by officers of the Company for administrative and geological consulting fees $Nil (December 31, 2020 - $Nil). These amounts were included in accounts payable. The Company issued 2,776,829 common shares in January 2020 to settle a portion of the amount due to officers of the Company, see Note 8 share capital.

		3 months ended Mar 31, 2021		Year ended Dec 31, 2020
Due to directors	$	Nil	$	1,991
	$	Nil	$	1,991

At period end, the Company owed a director of the Company $Nil (December 31, 2020 -$1,991) related to the initial capitalization of the Company. This amount owing bears no interest and has no stated terms of repayment.

11. COMMITMENTS AND CONTINGENCIES

The Company has a commitment to spend $53,300 from amounts raised through flow-through financing in 2019 on eligible Canadian exploration and development expenses. As a result of COVID-19 restrictions, on July 10, 2020 the Department of Finance announced that the time with which eligible corporations would have to incur expenditures was extended by 12 months. In the Company's case, the extension means that it must incur the eligible expenses by December 31, 2021. At December 31, 2020, the Company was still required to incur the full $53,300 of exploration expenses in order to fulfill its spending obligations. At March 31, 2020, the Company fulfilled its spending obligations on eligible expenditures at its Albert Lake project for the full $53,300 of exploration expenses.

As disclosed in Exploration and Evaluation Asset (Note 5), the Company is required to incur annual minimum work program expenditures ranging between $15.00 and $25.00 per hectare in order to maintain title to the dispositions. Excess qualifying exploration expenditures can be carried forward indefinitely to be applied to future years' work requirements. At March 31, 2021 & December 31, 2020, the Company had a commitment to incur qualifying expenditures of $57,681 during dates ranging from April 20 to June 10, 2021 in order to maintain all mineral dispensations in good standing. At the financial statement date, the Company had fulfilled its spending obligations on eligible expenditures at its Albert Lake project.

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware that any provision for such costs is required and is unable to determine the impact on its financial position of environmental laws, if any, and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

12. EVENTS AFTER THE REPORTING PERIOD

The Company obtained the final Receipt from the Alberta Securities Commission for its Long Form Prospectus on May 13, 2021. ON May 21, 2021 the Company obtained approval for the listing of its common shares on the Canadian Securities Exchange ("CSE") its shares commenced trading on the CSE at market open on May 25, 2021 under the ticker symbol "FNI".

On May 31, 2021, the 15,846,318 special warrants were converted into 15,846,318 common shares and 6,243,161 common share purchase warrants.