FORTY PILLARS MINING CORP.

Condensed Interim Financial Statements

For the Three and Nine Months Ended November 30, 2021

(Unaudited - expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

FORTY PILLARS MINING CORP.
Condensed Interim Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Note	November 30, 2021	February 28, 2021
		$	$
ASSETS			
Current assets			
Cash		415,049	1
Amounts receivable		29,201	-
Prepaids		45,158	-
		489,408	1
Exploration and evaluation assets	4,5	3,395,136	-
		3,884,544	**1**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	80,834	-
		80,834	-
Promissory note	5,6	1,756,291	-
		1,837,125	-
SHAREHOLDERS' DEFICIENCY			
Share capital	7	2,610,039	1
Contributed surplus		131,570	-
Deficit		(694,190)	-
		2,047,419	1
		3,884,544	**1**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors on January 31, 2022

/s/ Mike Sieb
Mike Sieb
Director

/s/ Gary Schellenberg
Gary Schellenberg
Director

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

FORTY PILLARS MINING CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)

	Note	Three months ended November 30, 2021	Nine months ended November 30, 2021
		$	**$**
Expenses			
Advertising and promotion		8,000	8,000
Consulting fees	8	111,250	161,250
Filing and listing fees		2,381	243,923
Interest	6	28,159	28,616
Management and director fees	8	43,250	91,250
Office and general		10,816	18,788
Professional fees		4,765	10,793
Share-based compensation	7,8	-	131,570
		208,621	694,190
Loss and comprehensive loss for the period		**(208,621)**	**(694,190)**
Basic and diluted loss per share		(0.01)	(0.06)
Weighted average number of common shares		19,589,570	11,611,359

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

FORTY PILLARS MINING CORP.
Condensed Interim Statements of Cash Flows
(Unaudited - expressed in Canadian Dollars)

	Nine months ended November 30, 2021
	$
Cash flows used in operating activities	
Loss for the period	(694,190)
Items not affecting cash:	
Accrued interest expense	28,616
Share-based compensation	131,570
Changes in non-cash working capital:	
Amounts receivable	(29,201)
Prepaids	(45,158)
Accounts payable and accrued liabilities	80,833
	(527,530)
Cash flows used in investing activities	
Exploration and evaluation assets	(1,215,541)
Cash acquired on plan of arrangement	66,894
	(1,148,647)
Cash flows provided by financing activities	
Shares issued for cash	2,100,000
Share issuance costs	(8,775)
	2,091,225
Change in cash during the period	415,048
Cash, beginning of period	1
Cash, end of period	**415,049**

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

FORTY PILLARS MINING CORP.

Condensed Interim Statements of Changes in Shareholders' Deficiency
(Unaudited - expressed in Canadian Dollars)

	Number of common shares	Share Capital	Reserves	Deficit	Total
		$	$	$	$
Balance, Inception February 4, 2021	**-**	**-**	**-**	**-**	**-**
Shares issued for cash on incorporation	1	1	-	-	1
Loss for the period	-	-	-	-	-
Balance, February 28, 2021	**1**	**1**	**-**	**-**	**1**
Cancellation of incorporation share	(1)	(1)	-	-	(1)
Shares issued per plan of arrangement	6,485,174	518,814	-	-	518,814
Shares issued for cash	22,500,000	2,100,000	-	-	2,100,000
Share issuance costs	-	(8,775)	-	-	(8,775)
Share-based compensation	-	-	131,570	-	131,570
Loss for the period	-	-	-	(694,190)	(694,190)
Balance, November 30, 2021	**28,985,174**	**2,610,039**	**131,570**	**(694,190)**	**2,047,419**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Forty Pillars Mining Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) ("BCBCA") on February 4, 2021. The address of its head office is located at Suite 488-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

The Company was created to facilitate an Arrangement Agreement dated April 2021 ("Arrangement Agreement") with Origen Resources Inc. ("Origen"). In accordance with the Arrangement Agreement, the Company was incorporated as a wholly-owned subsidiary of Origen. Origen transferred its mineral exploration business and other assets to the Company in exchange for 6,485,174 common shares and $66,894 in cash. The common shares were then distributed to the shareholders of Origen. The exchange in shares for the exploration business and other assets has been recorded as a capital transaction at the fair value of the net assets received. See Note 5.

On May 31, 2021, the Company was listed on the CSE under the symbol PLLR.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

These condensed interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at November 30, 2021, the Company had working capital of $408,574, had not yet achieved profitable operations and has an accumulated deficit of $694,190 since its inception. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concernassumption were not appropriate for these financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

On March 11, 2020, the World Health Organization ("WHO") declared coronavirus COVID-19 a global pandemic. In order to combat the spread of COVID-19 governments worldwide, including Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economy of all nations for an undeterminable period of time, the extent of which is also uncertain. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, it could impact the Company's ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in the unaudited condensed interim financial statements.

These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

The condensed interim financial statements have been prepared in accordance to IAS 34 Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. These condensed interim financial statements do not include all the information required for full annual financial statements. The interim financial statements should be read in conjunction with the Company's financial statements for the period from incorporation of February 4, 2021 to February 28, 2021.

These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

These condensed interim financial statements and were approved by the Company's Board of Directors on January 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

<u>Financial assets:</u>
The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period. The Company has classified its cash as FVTPL.

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) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Amortized cost: This category includes accounts payable and promissory note which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

Exploration and evaluation assets

Exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. No exploration costs are capitalized until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through successful development and exploitation, the capitalized expenditures are depreciated over the expected productive life of the asset. Costs for a producing asset are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

Impairment review for exploration and evaluation assets is carried out on a project by project basis, with each project representing a single cash generating unit. At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that these assets are impaired. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences are identified that render the resource uneconomical;
- Title to the asset is compromised;
- Fluctuations in the metal prices render the project uneconomical;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

From time to time, the Company may acquire or dispose of exploration and evaluation assets pursuant to the terms of option agreements. Due to the fact that these options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from their disposition thereof.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. 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, but to an amount that 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 periods. A reversal of an impairment loss is recognized in profit or loss.

Leases

Except for short term leases and leases of low-value assets, the Company (i) recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments discounted at the incremental borrowing rate; (ii) recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of loss; and (iii) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Valuation of equity units issued in private placements

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are assigned value based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Share-based compensation

The Company uses the fair value-based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Income taxes

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 relating to previous years.

Deferred tax is recognized in respect to the 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 do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; 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 set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Significant judgements, estimates and assumptions

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount;
- The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices;
- The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets; and
- The fair value of the exploration and evaluation properties transferred in the plan of arrangement. Management estimated the fair value of the exploration and evaluation assets transferred which formed the value recorded on completion of the transaction.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- 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 conclusion that the plan of arrangement was an acquisition of assets and not a business combination.

4. PLAN OF ARRANGEMENT

The Company entered into an Arrangement Agreement dated April 1, 2021, under the BCBCA with its parent company, Origen Resources Inc. The Arrangement Agreement was completed on May 31, 2021. Pursuant to the Arrangement Agreement, Origen completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and $66,894 in cash in exchange for 6,485,174 common shares of the Company. In accordance with IFRIC 17, Distribution of Non-Cash assets to Owners, the Company recognized the distribution of net assets to the Company's shareholders at fair value. Accordingly, the common shares were valued at $0.08 per share, of which 3,891,102 shares were distributed to Origen's shareholders and 2,594,072 shares were retained by Origen, for total consideration of $518,814.

Silver Dollar Property, British Columbia

On April 28, 2020, the Company acquired the Silver Dollar Property as part of the Plan of Arrangement.

The Company owns a 100% interest in the Silver Dollar Property, located in the Revelstoke Mining District of British Columbia, subject to an existing 1.0% net smelter return ("NSR") royalty held by Happy Creek Minerals Ltd., beginning upon commencement of commercial production on the property.

As part of the Plan on Arrangement Forty Pillars received $66,894 to be applied to the required assessment requirements to keep the property in good standing. The Company has until December 31, 2021, to incur the required expenditures

Beatrice Mineral Property, British Columbia

The Company also acquired 100% of the Beatrice Mineral Property as part of the Plan of Arrangement. The Beatrice Mineral Property is located in the southern portion of the Silver Dollar property (referred to as the Gilman portion) and forms part of the Silver Dollar Property.

(Unaudited - expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

As at November 30, 2021, the Company has capitalized the following acquisition, exploration, and evaluation costs on its mineral properties:

	Silver Dollar $	Beatrice $	Wishbone $	Total $
Acquisition Costs				
Opening, February 28, 2021	-	-	-	-
Plan of arrangement	434,040	17,880	-	451,920
Additions	-	-	2,867,764	2,867,764
Balance, November 30, 2021	434,040	17,880	2,867,764	3,319,684
Exploration Costs				
Opening, February 28, 2021	-	-	-	-
Field work	30,092	-	-	30,092
Geological	25,694	-	3,875	29,569
Reporting and other	15,791	-	-	15,791
Balance, November 30, 2021	71,577	-	3,875	75,452
Balance, November 30, 2021	**505,617**	**17,880**	**2,871,639**	**3,395,136**

Wishbone Property

On October 4, 2021, the Company entered into a Sale and Assignment Agreement (the "Agreement") with Origen to acquire an option to acquire 100% interest to 10 mineral claims located in the Liard Mining Division in British Columbia with a total of 3,871,394 hectares (the "Wishbone Property"). Forty Pillars will also grant a 1% smelter return (NSR) to Origen. Half of the NSR (0.5%) can be purchased prior to commercial production for $1,000,000. The Company acquired the Property by:

- Cash consideration of $3,000,000, of which $1,000,000 was paid during the period and $2,000,000 in the form of a promissory note with a 3-year term, bearing interest at 5% per annum, with interest payable monthly (Note 6).
- Reimbursing Origen $140,089 for airborne survey costs incurred (paid); and
- Making the remaining share issuances and cash payments under the original property agreement, being:
    - 200,000 common shares and $50,000 cash by May 29, 2022; and
    - 200,000 common shares and $50,000 cash by May 29, 2023.

6. PROMISSORY NOTE

On October 4, 2021, as part of the Agreement with Origen to acquire the Wishbone Property the Company issued a promissory note for $2,000,000, bearing interest at 5% per annum and maturing on October 4, 2024. The Company fair valued the loan at $1,727,675 using a 5% discount rate, the promissory note will be accreted to its face value over the term of the note at an effective interest rate of 4.77%. As at November 30, 2021, the Company had accrued interest payable of $15,731 and recorded accretion expense of $12,885. The carrying value of the promissory note and interest payable at November 30, 2021 was $1,756,291.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

Issued and outstanding

On February 4, 2021, the date of incorporation, the Company issued one common share for $1. On May 25, 2021, the common share was cancelled.

On May 25, 2021, 6,485,174 common shares were issued pursuant to the Plan of Arrangement (Note 5).

On May 25, 2021, the Company closed a private placement for gross proceeds of $600,000 through the sale of 7,500,000 shares at a price of $0.08 per share.

On October 28, 2021, the Companyclosed its $0.10 per unit private placement for gross proceeds of $1,500,000. The Company issued 15,000,000 units, each unit comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one additional share at a price of $0.12 for a 36-month period after the closing date. The warrants were fair valued at $nil using the residual value method.

Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company’s stock at the date of grant. The options can be granted for a term of five years and vest as determined by the board of directors.

(Unaudited - expressed in Canadian Dollars)

Share option transactions during the period ended November 30, 2021 are summarized as follows:

	Stock Options #	Weighted average exercise price $
Balance, February 28, 2021	-	-
Granted	1,300,000	0.11
Balance, November 30, 2021	**1,300,000**	**0.11**

During the period ended November 30, 2021, the Company granted 1,300,000 stock options, vesting immediately, with an exercise price of $0.11 per share, that expire on May31, 2026. The stock options were fair valued at $131,570 using the Black-Scholes option pricing model using the following assumptions: expected life – 5 years; risk-free rate of 0.60%, a forfeiture rate of nil; and volatility of 150%

A summary of the share options outstanding and exercisable at November 30, 2021 is as follows:

Number of options outstanding and exercisable	Exercise price $	Remaining life (years)	Expiry Date
1,300,000	0.11	4.50	**May 31, 2026**

Share purchase warrants

Warrant transactions during the period ended November 30, 2021, are summarized as follows:

	Warrants #	Weighted average exercise price $
Balance, February 28, 2021	-	-
Issued	15,000,000	0.12
Balance, November 30, 2021	**15,000,000**	**0.12**

A summary of warrants outstanding at November 30, 2021 is as follows

Number of warrants	Exercise price $	Remaining life (years)	Expiry Date
15,000,000	0.12	2.91	October 28, 2024

(Unaudited - expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain of the members of the Board of Director. Transactions with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Summary of key management personnel compensation is as follows:

	Three Months ended November 30, 2021 $	Nine Months Ended November 30, 2021 $
Management and director fees [1]	41,250	91,250
Consulting fees[2]	50,000	50,000
Share-based compensation	-	40,843
Total	**91,250**	**182,093**

[1]Management fees consist of fees paid to the current CEO, the former CFO, interim CFO and the board of directors
[2]Consulting fees includes amounts paid to the CEO

During the period ended November 30, 2021, the Company reclassified $91,250 from professional fees to management and director fees related to amounts paid to officers and directors of the Company.

Accounts payable and accrued liabilities at November 30, 2021, includes $19,850 (February 28, 2021 - $nil) owing to directors, officers, or to companies significantly controlled by common directors for unpaid fees and expense reimbursements. All amounts owing are non-interest bearing and incurred in the normal course of business.

During the period ended November 30, 2021, the Company issued 400,000 stock options to the officers and directors of the Company. Upon the issuance, $40,843 in share-based compensation expense was recorded.

9. CAPITAL MANAGEMENT

The Company does not have any externally imposed regulatory capital requirements for managing capital. The Company has defined its capital to mean working capital and shareholders' equity, as determined at each reporting date.

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets and financial liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized costs; and fair value through other comprehensive income. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	November 30, 2021	February 28, 2021
		$	$
Cash	FVTPL	415,049	1
Amounts receivable	Amortized costs	29,201	-
Accounts payable and accrued liabilities	Amortized costs	(80,834)	-
Promissory note	Amortized costs	(1,756,291)	-

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market-place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, amounts receivable, accounts payable and accrued liabilities, approximate their fair value due to their short-term nature. The Company's fair value of cash and other assets under the fair value hierarchy is measured using Level 1 inputs. The Company's promissory note is measured as the present value of the discounted future cash flows.

Risk exposure

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

a) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at November 30, 2021 the Company had a cash balance of $415,049 to settle current liabilities of $80,834.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

d) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does not believe it is currently subject to any significant interest rate risk.

e) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.