Blue Star Gold Corp.

Consolidated Financial Statements

For the years ended November 30, 2021 and 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BLUE STAR GOLD CORP.

Opinion
We have audited the consolidated financial statements of Blue Star Gold Corp. (the "Company"), which comprise:

- the consolidated statements of financial position as at November 30, 2021 and 2020;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a loss of $3,678,625 during the year ended November 30, 2021 and has an accumulated deficit of $15,235,077 as at November 30, 2021. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

March 22, 2022

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
As at November 30,

	Notes	2021	2020
ASSETS			
Current			
Cash		$ 2,433,209	$ 128,043
Advances and deposits		295,766	101,845
Other receivables		139,070	339,518
Deferred financing charges	12	-	179,375
Total current assets		2,868,045	748,781
Long-term deposits	6	2,991,541	2,755,076
Right-of-use assets	8	137,016	301,436
Equipment	7	521,576	369,795
Exploration and evaluation assets	9	17,233,182	10,607,385
Total assets		$ 23,751,360	$ 14,782,473
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 119,233	$ 670,637
Due to related parties	10	200,241	455,162
Lease liabilities – short term	8	151,000	154,869
Loans payable – short term	10, 11	2,281,562	1,067,366
Convertible debentures – short term	10, 12	-	483,859
Total current liabilities		2,752,036	2,831,893
Flow-through share premium liability	14	151,637	-
Lease liabilities – long term	8	-	151,000
Loans payable – long term	10, 11	-	2,172,590
Convertible debentures – long term	10, 12	-	3,412,595
Total liabilities		2,903,673	8,568,078
Shareholders' equity			
Share capital	13	33,937,314	15,385,183
Share subscription received in advance	13	-	400,000
Obligation to issue shares	10, 11	-	390,326
Equity component of convertible debentures	12	-	290,776
Reserves – options	13	1,907,101	1,356,185
Reserves – warrants	13	238,349	106,978
Deficit		(15,235,077)	(11,715,053)
Total shareholders' equity		20,847,687	6,214,395
Total liabilities and shareholders' equity		$ 23,751,360	$ 14,782,473

Nature of operations and going concern (Notes 1 and 2)
Events subsequent to the reporting period (Note 18)

Approved and authorized by the Board of Directors on March 22, 2022

"Kenneth R. Yurichuk" *"Robert Metcalfe"*

Kenneth R. Yurichuk, Director Robert Metcalfe, Director

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

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
For the years ended November 30,

	Notes	2021	2020
EXPENSES			
Accretion and interest	8, 10, 11, 12	$ 630,083	$ 1,113,116
Amortization	7	3,784	2,184
Amortization – ROU assets	8	164,420	27,403
Directors fee	10	100,000	100,000
Insurance		64,951	47,118
Investor and shareholder relations		623,838	265,291
Office and miscellaneous		97,779	63,385
Professional fees		118,982	221,339
Regulatory and transfer agent fees		63,376	25,264
Rent and administrative services		-	54,477
Share-based compensation	10, 13	550,916	162,916
Salaries	10	578,769	749,473
Travel and entertainment		-	29,526
Loss before other item		(2,996,898)	(2,861,492)
Loss on debt settlement	11	(681,727)	-
Loss and comprehensive loss for the year before income tax		(3,678,625)	(2,861,492)
Deferred income tax recovery	17	-	280,299
Loss and comprehensive loss for the year		$ (3,678,625)	$ (2,581,193)
Basic and diluted loss per common share		$ (0.10)	$ (0.17)
Weighted average number of common shares		37,095,513	14,797,062

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

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital								
	Number	Amount	Share subscription received in advance	Obligation to issue shares	Equity component of convertible debentures	Reserves - options	Reserves - warrants	Deficit	Total
Balance, November 30, 2019	12,960,031	$ 8,964,629	$ -	$ 187,420	$ 580,294	$ 1,203,705	$ 106,978	$ (9,133,860)	$ 1,909,166
Obligation to issue bonus shares on loans	-	-	-	342,159	-	-	-	-	342,159
Finders' shares	121,000	86,950	-	(25,200)	-	-	-	-	61,750
Shares issued for loan bonus	487,108	114,053	-	(114,053)	-	-	-	-	-
Exercise of options	32,500	42,936	-	-	-	(10,436)	-	-	32,500
Exercise of warrants	4,400,000	3,300,000	-	-	-	-	-	-	3,300,000
Convertible debentures	-	-	-	-	290,776	-	-	-	290,776
Conversion of convertible debentures	6,000,000	2,877,365	-	-	(580,294)	-	-	-	2,297,071
Share subscription received in advance	-	-	400,000	-	-	-	-	-	400,000
Share issuance costs	-	(750)	-	-	-	-	-	-	(750)
Share-based compensation	-	-	-	-	-	162,916	-	-	162,916
Loss for the year	-	-	-	-	-	-	-	(2,581,193)	(2,581,193)
Balance, November 30, 2020	24,000,639	15,385,183	400,000	390,326	290,776	1,356,185	106,978	(11,715,053)	6,214,395
Shares issued in private placement	17,187,782	12,019,424	(400,000)	-	-	-	110,050	-	11,729,474
Shares issued for loan bonus	500,000	150,186	-	(150,186)	-	-	-	-	-
Exercise of warrants	1,400,000	1,050,000	-	-	-	-	-	-	1,050,000
Shares issued for loan settlement	1,526,533	1,602,860	-	(81,539)	-	-	-	-	1,521,321
Cancellation of loan bonus shares	-	-	-	(158,601)	-	-	-	158,601	-
Conversion of convertible debentures	8,200,000	3,979,537	-	-	(290,776)	-	-	-	3,688,761
Shares issued for property acquisition	75,000	67,500	-	-	-	-	-	-	67,500
Finders' shares	249,884	174,087	-	-	-	-	-	-	174,087
Share issuance costs	-	(491,463)	-	-	-	-	21,321	-	(470,142)
Share-based compensation	-	-	-	-	-	550,916	-	-	550,916
Loss for the year	-	-	-	-	-	-	-	(3,678,625)	(3,678,625)
Balance, November 30, 2021	53,139,838	$33,937,314	$ -	$ -	$ -	$ 1,907,101	$ 238,349	$ (15,235,077)	$ 20,847,687

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

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
For the years ended November 30,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (3,678,625)	$ (2,581,193)
Items not affecting cash:		
Accretion and interest	580,255	936,362
Amortization	3,784	2,184
Amortization – ROU assets	164,420	27,403
Share-based compensation	550,916	162,916
Loss on debt settlement	681,727	-
Deferred income tax recovery	-	(280,299)
Changes in non-cash working capital items:		
Advances and deposits	(159,937)	(68,354)
Other receivables	200,448	(244,917)
Accounts payable and accrued liabilities	(8,689)	(107,623)
Due to related parties	(254,921)	164,013
Net cash used in operating activities	(1,920,622)	(1,989,508)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposit	-	(194,534)
Purchase of equipment	(252,506)	(380,273)
Exploration and evaluation expenditures	(7,239,491)	(7,416,027)
Net cash used in investing activities	(7,491,997)	(7,990,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	11,210,327	-
Share subscription received in advance	-	400,000
Share issuance costs	(296,055)	(750)
Proceeds from exercise of options and warrants	1,050,000	3,332,500
Proceeds from convertible debentures	-	4,100,000
Convertible debentures issuance costs	-	(30,662)
Proceeds from loans payable	-	2,435,542
Repayment of loan principal and interest	(91,618)	(200,000)
Repayment of lease liabilities	(154,869)	(22,970)
Net cash provided by financing activities	11,717,785	10,013,660
Change in cash during the year	2,305,166	33,318
Cash, beginning of year	128,043	94,725
Cash, end of year	$ 2,433,209	$ 128,043

Supplemental disclosures with respect to cash flows (Note 15)

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

1. Nature of Operations

Blue Star Gold Corp. ("Blue Star" or the "Company") was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BAU" and on OTCQB under the symbol "BAUFF" and its corporate head office is located at 507 - 700 West Pender St., Vancouver, BC, Canada V6C 1G8.

2. Basis of Presentation

a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized by the Board of Directors on March 22, 2022.

b) Share consolidation

Effective June 18, 2021, the Company consolidated its shares on a basis of one (1) post-consolidated share for ten (10) pre-consolidated shares. After the share consolidation, the Company had 29,603,172 common shares issued and outstanding. In these consolidated financial statements, reference to common shares and per share amounts have been retroactively restated.

c) Going concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of its resource properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Such adjustments could be material.

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. The Company incurred a loss of $3,678,625 during the year ended November 30, 2021 (2020 – 2,581,193) and has an accumulated deficit of $15,235,077 (2020 - $11,715,053) as at November 30, 2021. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The recovery of amounts capitalized for exploration and evaluation assets at November 30, 2021 and 2020 in the consolidated statement of financial position is dependent upon the ability of the Company to arrange appropriate financing to complete the development and continued exploration of the properties. The Company plans to raise funds primarily through the issuance of shares or obtain profitable operations. The outcome of these matters cannot be predicted at this time.

2. Basis of Presentation (continued)

c) Going concern (continued)

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak has caused staff shortages, reduced consumer demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments. There may be potential difficulties in accessing the Company's exploration and evaluation projects.

d) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Ulu Mining Inc. and Inukshuk Exploration Incorporated ("Inukshuk"), both incorporated under the laws of British Columbia. All significant intercompany transactions have been eliminated upon consolidation. A subsidiary is an entity that the Company controls, either directly or indirectly. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

e) Functional and presentation currency

The Company and its wholly owned subsidiaries' reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

f) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

g) Estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows.

Critical accounting estimates

i. Recognition of deferred taxes

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

2. Basis of Presentation (continued)

g) Estimates and judgments (continued)

Critical accounting estimates (continued)

ii. Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, expected life, price volatility, interest rate and dividend yield. Changes in the input assumptions can materially affect the fair value estimate of the Company's earnings and reserves.

iii. Interest rates

The Company estimates a market interest rate in determining the fair value of the liability component of its convertible debentures and loans payable and an incremental borrowing rate in determining the right-of-use asset. The determination of market interest rate is subjective and could materially affect the fair value estimate.

iv. Recoverable amount of exploration and evaluation assets

The carrying value of exploration and evaluation assets and the likelihood of future economic recoverability of these carrying values is subject to significant management estimates. The application of the Company's accounting policy for and determination of recoverability of capitalized assets is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

Critical accounting judgments

i. Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

ii. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. Basis of Presentation (continued)

g) Estimates and judgments (continued)

Critical accounting judgments (continued)

iii. Application of IFRS 16 *Leases*

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. Lease term reflects the period over which the lease payments are reasonably certain including renewal options that the Company is reasonably certain to exercise. The determination of lease terms involves significant judgment with respect to assumptions of whether lease extensions will be utilized. Management makes assumptions about long-term industry outlook and store operating performances and growth which relate to future events and circumstances. Actual results could vary from these assumptions, and the differences could be material to the carrying value of the lease liabilities and right-of-use assets, for which the lease term is the basis for determining useful life.

3. Significant Accounting Policies

a) Exploration and evaluation assets

All costs related to the acquisition, exploration and evaluation of mineral resource interests are capitalized by project. Costs incurred before the Company has obtained legal rights to explore an area are recognized in profit or loss. The Company recognizes the payment or receipt of amounts required under option agreements as an addition or reduction, respectively, in the book value of the property under option when paid or received.

Development expenditures incurred subsequent to a determination of the feasibility of mining operations and to increase or to extend the life of existing production, are capitalized and will be amortized using the unit-of-production method based upon estimated proven and probable reserves. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

The amounts shown for exploration and evaluation assets represent costs incurred to date, less recoveries, and do not necessarily reflect present or future values. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects, as well as future profitable production or proceeds from the disposition thereof.

At the end of each reporting period, the Company’s exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, an impairment test is conducted, where the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value 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 value in use, 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 estimated 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 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, 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 years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. Significant Accounting Policies (continued)

b) Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments on loss per common share from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

c) Share-based compensation

The Company grants stock options to acquire 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 granted to employees is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options vests. When stock options are exercised, share capital is increased by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves.

Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of awards is calculated using the Black-Scholes option pricing model, which considers the following factors:

- Exercise price
- Expected life
- Expected volatility
- Forfeiture rate
- Current market price of underlying shares
- Risk-free interest rate
- Dividend yield

d) 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 year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is recorded using the statement of financial position 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: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and 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 amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting 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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset 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.

3. Significant Accounting Policies (continued)

e) Share Capital

Equity units
The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common shares at the time of issuance, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

Flow-through Shares
The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, proceeds are allocated first to share capital up to the fair value of the common shares at the time of issuance, determined by referenced to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to a flow-through share premium. The flow-through share premium represents the estimated premium investors pay for the flow-through feature and is recognized as a liability. Upon expenses being incurred, the Company derecognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's fiscal period is disclosed separately as flow-through share premium.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "Look-back" Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

f) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the production assets along with a corresponding increase in the rehabilitation 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 rehabilitation asset is amortized on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation 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 or loss for the period.

3. Significant Accounting Policies (continued)

g) Compound instruments

The convertible debentures and loans payable were separated into their liability and equity components on issuance of the instruments. The liability component is initially recognized at fair value, calculated at the present value of the liability based upon debt instruments with no bonus shares, conversion feature or warrants issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for debt instruments with similar terms at the time of issue. The residual value is then allocated to the equity component.

h) Financial instruments

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

Financial asset/liability	**Classification**
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Lease liabilities	Amortized cost
Loans payable	Amortized cost
Convertible debentures	Amortized cost

i. Financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

3. Significant Accounting Policies (continued)

h) Financial instruments (continued)

i. Financial assets (continued)

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

ii. Financial liabilities

The Company classified financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the profit or loss.

Financial assets and liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i) Deferred financing charges

Accretion and interest expense comprise interest expense on loans payable and convertible debentures and the accretion of the fair value discount. Deferred financing charges relate to interest payable in advance and are initially deferred and subsequently reclassified into accretion and interest expense as interest is accrued.

3. Significant Accounting Policies (continued)

j) Equipment

Equipment are carried at cost less accumulated amortization and any impairment charges. The cost of an item of equipment includes the purchase price and related costs in bringing the item to the location and preparing the condition necessary for its intended use, as well the estimated costs of dismantling, removing the item and restoring the site on which the item is installed.

Amortization expense of assets used in exploration are capitalized to exploration and evaluation assets. Amortization is recorded at rates designed to amortize the cost of capital assets over their estimated useful lives.:

Computer equipment	3 years
Office equipment	2 years
Camp and field equipment	3-5 years

k) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset, either explicitly or implicitly, including consideration of supplier substitution rights;
- The Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The Company applies the exemption not to recognize right-of-use assets and lease liabilities for leases relating to low-value assets. The ROU asset is initially measured based on the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received. The ROU asset is depreciated to the end-of-the-useful-life or the lease term, whichever comes earlier, using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise the option. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method and remeasured when there is a change in future lease payments.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

l) New, amended and future accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

4. Capital Management

Capital includes all the components of shareholders' equity as well as proceeds from loans and convertible debentures. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in note 5.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into joint venture property arrangements, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and investments.

To facilitate the management of its capital requirements, the Company prepares budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during year ended November 30, 2021. The Company is not subject to externally imposed capital requirements.

5. Management of Financial Risks

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments as at November 30, 2021 are as follows:

	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash	$ 2,433,209	$ -	$ -
Financial liabilities at amortized costs			
Accounts payable and accrued liabilities	$ 119,233	$ -	$ -
Due to related parties	$ 200,241	$ -	$ -
Lease liabilities	$ -	$ 151,000	$ -
Loans payable	$ -	$ 2,281,562	$ -

5. Management of Financial Risks (continued)

The Company's financial instruments as at November 30, 2020 are as follows:

		Level 1		Level 2		Level 3
Financial assets at FVTPL						
Cash	$	128,043	$	-	$	-
Financial liabilities at amortized costs						
Accounts payable and accrued liabilities	$	670,637	$	-	$	-
Due to related parties	$	445,162	$	-	$	-
Lease liabilities	$	-	$	305,869	$	-
Loans payable	$	-	$	3,239,956	$	-
Convertible debentures	$	-	$	3,896,454	$	-

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Fair value

The carrying value of cash, accounts payable and accrued liabilities and amounts due to related parties approximated their fair value since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The lease liabilities, loans payable and convertible debentures are classified as level 2 due as the fair value is determined based on market interest rates.

b) Interest rate risk

The Company has some exposure at November 30, 2021 and 2020 to interest rate risk through its financial instruments; however, the risk is not significant as the loans payable and convertible debentures have fixed, simple interest rates between 3% - 7.5% per annum.

c) Currency risk

As at November 30, 2021 and 2020, the majority of the Company's cash was held in Canadian dollars, the Company's functional and reporting currency. The majority of the Company's accounts payable and accrued liabilities are denominated in Canadian dollars. Loans payable, convertible debentures and lease liabilities outstanding as at November 30, 2021 and 2020 are in Canadian dollars. Currency risk is not significant.

d) Credit risk

Concentration of credit risk exists with respect to the Company's cash, as substantially all amounts are held at major financial institutions. The credit risk associated with cash is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

e) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at November 30, 2021, the Company had cash of $2,433,209 (2020 - $128,043) to settle current liabilities of $2,752,036 (2020 - $2,831,893).

(Expressed in Canadian dollars)

6. Management of Financial Risks (continued)

e) Liquidity risk (continued)

The amounts listed below are the remaining contractual maturities for financial liabilities held by the Company as at November 30, 2021 and 2020.

	November 30, 2021		November 30, 2020	
Due Date	0 to 12 months	>12 months	0 to 12 months	>12 months
Accounts payable and accrued liabilities	$ 119,233	$ -	$ 670,637	$ -
Due to related parties	200,241	-	455,162	-
Interest – Loans payable	30,628	-	195,590	-
Loans payable	2,250,934	-	1,000,000	2,435,542
Lease liabilities	151,000	-	154,869	151,000
Interest – Convertible debentures	-	-	307,500	-
Convertible debentures	-	-	-	4,100,000
Total	$ 2,752,036	$ -	$ 2,783,758	$ 6,686,542

6. Long-term deposits

As at November 30, 2021, the Company has the following long-term deposits:

a) A deposit of $943,835 (2020 - $943,835) held with the Kitikmeot Inuit Association pursuant to its application to obtain a Land Use License to get access to the Inuit Owned Lands for the Hood River exploration camp and operations;

b) A deposit of $1,685,542 (2020 - $1,685,542) with Crown-Indigenous Relations and Northern Affairs Canada, in relation to the Ulu Water License issued by the Nunavut Water Board ("NWB") for the reclamation liability of the mining license;

c) Advances of $362,164 (2020 - $91,715) for exploration and evaluation expenditures; and

d) Deposit of $Nil (2020 - $33,984) for the Company's office lease.

(Expressed in Canadian dollars)

7. Equipment

	Computer and office equipment	Camp and field equipment	Total
Cost			
Balance, November 30, 2019	$ 8,543	$ -	$ 8,543
Additions	10,554	369,719	380,273
Balance, November 30, 2020	19,097	369,719	388,816
Additions	-	252,506	252,506
Balance, November 30, 2021	19,097	622,225	641,322
Accumulated amortization			
Balance, November 30, 2019	7,830	-	7,830
Additions	2,184	9,007	11,191
Balance, November 30, 2020	10,014	9,007	19,021
Additions	3,784	96,941	100,725
Balance, November 30, 2021	$ 13,798	$ 105,948	$ 119,746
Carrying amounts			
At November 30, 2020	$ 9,083	$ 360,712	$ 369,795
At November 30, 2021	$ 5,299	$ 516,277	$ 521,576

During the year ended November 30, 2021, amortization expenses of $96,941 (2020 - $9,007) were recorded into the exploration and evaluation assets.

(Expressed in Canadian dollars)

8. Right-of-Use ("ROU") Assets and Lease Liabilities

On August 19, 2020, the Company entered into an office lease agreement for a 24-month lease period starting October 1, 2020. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $328,839 and recognized lease liabilities of $328,839 on commencement of the lease. As at August 19, 2020, the Company measured the present value of its lease liabilities using a discount rate of 12% as determined from its incremental borrowing rate.

a) *Right-of-use assets*

A reconciliation of the Company's right-of-use assets for the years ended November 30, 2021 and 2020 is as follows:

	Total
Balance, December 1, 2019	$ -
Acquisition of office lease ROU	328,839
Amortization of ROU	(27,403)
Balance, November 30, 2020	301,436
Amortization of ROU	(164,420)
Balance, November 30, 2021	$ 137,016

b) *Lease liabilities*

A reconciliation of the Company's lease liabilities for the years ended November 30, 2021 and 2020 is as follows:

	Total
Balance, December 1, 2019	$ -
Addition	328,839
Accretion of interest	7,347
Lease payments	(30,317)
Balance, November 30, 2020	305,869
Accretion of interest	28,400
Lease payments	(183,269)
Balance, November 30, 2021	$ 151,000

	November 30, 2021	November 30, 2020
Short-term portion of lease liability	$ 151,000	$ 154,869
Long-term portion of lease liability	$ -	$ 151,000

(Expressed in Canadian dollars)

9. Exploration and Evaluation Assets

	Ulu Property (Nunavut)	***Hood River Property (Nunavut)***	***Roma Property (Nunavut)***	***Total***
Balance, November 30, 2019	$ 1,688,280	$ 3,304,010	$ -	$ 4,992,290
Acquisition - cash	450,000	125,000	-	575,000
Exploration				
Amortization (Note 7)	4,504	4,503	-	9,007
Assay	146,330	109,906	-	256,236
Camp and supplies	183,995	126,400	-	310,395
Claim maintenance	6,602	-	-	6,602
Community support	32,080	26,996	-	59,076
Consulting	160,647	70,286	-	230,933
Equipment rental	96,469	125,744	-	222,213
Fuel	133,532	133,532	-	267,064
Geological data and analysis	74,716	40,848	-	115,564
Helicopter and flight	772,602	772,602	-	1,545,204
Permits	299,351	67,669	-	367,020
Site personnel	289,506	249,413	-	538,919
Remediation	543,855	-	-	543,855
Drilling and geological	1,078,610	1,090,057	-	2,168,667
Travel	51,739	33,143	-	84,882
Cash received from Mandalay	(1,685,542)	-	-	(1,685,542)
Balance, November 30, 2020	4,327,276	6,280,109	-	10,607,385
Acquisition - cash	-	125,000	22,230	147,230
Acquisition - shares	-	-	67,500	67,500
Exploration				
Amortization (Note 7)	48,471	48,470	-	96,941
Camp and supplies	2,556,952	4,812	-	2,561,764
Community support	10,078	7,000	-	17,078
Consulting	194,495	22,416	-	216,911
Drilling and geological	1,000,600	216,007	-	1,216,607
Equipment rental	37,615	13,880	-	51,495
General exploration	399,170	93,021	62,837	555,028
Geochemistry and assay	64,884	16,095	-	80,979
Geophysical	112,666	71,996	61,985	246,647
Geological data and analysis	139,670	75,980	-	215,650
Permits	30,898	24,545	-	55,443
Project manager	142,546	142,546	-	285,092
Remediation	810,973	-	-	810,973
Travel	-	459	-	459
Balance, November 30, 2021	$ 9,876,294	$ 7,142,336	$ 214,552	$17,233,182

9. Exploration and Evaluation Assets (continued)

a) Ulu Property

The Ulu Property consists of a renewable 21-year lease with an area of approximately 947 hectares and an expiry date of November 18, 2038.

On May 30, 2014, the Company entered into an option agreement (the "Option Agreement") with Elgin Mining Inc. and Bonito Capital Corp. (collectively, "Elgin"), to acquire an 80% undivided interest in the Ulu Property. Pursuant to the Option Agreement, the Company issued 500,000 post-consolidation shares (valued at $320,000), paid $125,000, and incurred $300,000 in property expenditures to earn a 70% interest in the Ulu Property. On September 10, 2014, Mandalay Resources Corporation ("Mandalay") acquired Elgin. The Ulu Property is subject to a 5% net production proceeds royalty payable after 675,000 ounces of gold have been mined and recovered.

On January 8, 2018, the Company and Mandalay entered into a New Ulu Property Option Agreement. The new option agreement supersedes all prior agreements covering the Ulu Property. On July 19, 2019, the option agreement was further amended (the "Amended Option Agreement"). The TSX-V approved the Amended Option Agreement on November 26, 2019.

Pursuant to the terms of the Amended Option Agreement, the Company paid $850,000, completed other obligations under the Amended Option Agreement, and acquired 100% of Ulu Property on February 10, 2020.

In February 2020, the Company received $1,685,542 from Mandalay on assignment of the rights to the remediation security which is recorded as a reduction to the Ulu Property. The Company reposted the remediation security with the Nunavut government, which is recorded as a long-term deposit (Note 6).

b) Hood River Property

Pursuant to a letter of intent dated May 15, 2014, on February 26, 2018, the Company signed the final Transaction Agreement (the "Definitive Agreement") and NSR Royalty Agreement to acquire 100% of the outstanding shares of Inukshuk Exploration Inc. ("Inukshuk"), with an effective date as of September 18, 2014. Inukshuk owns a 100% interest in the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement ("MEA") dated June 1, 2013, issued by Nunavut Tunngavik Incorporated ("NTI").

Pursuant to the terms of the Definitive Agreement, the Company acquired 100% of the outstanding shares of Inukshuk by issuing the shareholders (the "Vendors") and their assignees 800,000 post-consolidation common shares of the Company (valued at $560,000) for the transaction. The TSX-V approved the transaction on September 18, 2014.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company will carry out the following:

i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
ii. Make advance royalty payments totaling $500,000 (final $125,000 paid on February 25, 2021);
iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
iv. Maintain the Hood River Property in good standing during the conveyance period.

9. Exploration and Evaluation Assets (continued)

b) Hood River Property (continued)

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to $8,000,000 under the following terms:

i. Purchase an initial 0.5% of the NSR for $1,000,000;
ii. Purchase an additional 0.5% of the NSR for an additional $1,500,000;
iii. Purchase an additional 0.5% of the NSR for an additional $2,500,000; and
iv. Purchase an additional 0.5% of the NSR for an additional $3,000,000.

c) Roma property

On February 17, 2021, the Company entered into a Property Purchase Agreement to acquire 100% interest in 9 mineral claims ("Roma") located in Nunavut. The Company issued 75,000 post-consolidation shares (valued at $67,500) on February 22, 2021 and reimbursed all expenses ($22,230) in connection with staking the claims.

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

(Expressed in Canadian dollars)

9. Exploration and Evaluation Assets (continued)

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

10. Related Party Transactions and Key Management Compensation

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

As at November 30, 2021, $200,241 (2020 - $455,162) was due to directors and officers of the Company:

	November 30, 2021	November 30, 2020
CFO	$ 13,490	$ 9,984
Former CEO**	168,000	168,000
Directors	18,751	237,338
Former CFO*	-	39,840
	$ 200,241	$ 455,162

Interest is not charged on outstanding balances and there are no specified terms of repayment.

* Former CFO was related parties during the year ended November 30, 2019 or during previous fiscal years.
** The Company's CEO was terminated during the year ended November 30, 2020.

(Expressed in Canadian dollars)

10. Related Party Transactions and Key Management Compensation (continued)

During the years ended November 30, 2021 and 2020, the Company entered into the following transactions with related parties:

		Year ended November 30, 2021		Year ended November 30, 2020
Salary – CEO	$	204,000	$	59,500
Salary – Spouse of CEO		123,360		28,320
Management fee – CFO		132,000		96,750
Directors fees		100,000		100,000
Salary – former CEO*		-		246,285
Share-based compensation (Note 13) - 1,800,000 (2020 – 6,300,000) options were granted to directors and officers		236,896		162,916
	$	796,256	$	693,771

*The Company's CEO was terminated during the year ended November 30, 2020.

Loans and convertible debentures

During the year ended November 30, 2021:

i) On January 25, 2021, the Company issued 1,526,533 post-consolidation shares to settle three loans with Dr. Georg Pollert (Note 11).

ii) On July 3, 2021, Dr. Georg Pollert converted 3,175 units of convertible debentures into 6,350,000 shares (Note 12).

During the year ended November 30, 2020:

i) On November 21, 2019, the Company entered into a loan agreement with Dr. Georg Pollert, a director of the Company. The loan principal amount of $2,435,542 was received on December 10, 2019 (Note 11). In connection with the loan, the Company issued 487,108 post-consolidation bonus shares with a fair value of $114,053 during the year ended November 30, 2020.

ii) On July 3, 2020, Dr. Georg Pollert, a director of the Company, subscribed for 3,175 units of the Company's convertible debenture for a principal amount of $3,175,000 (Note 12).

iii) During the year ended November 2020, Dr. Georg Pollert privately sold his 2,200 units of the Company's convertible debenture issued in August 2019. Those units were converted by the purchaser into 4,400,000 post-consolidation shares of the Company afterwards.

11. Loans Payable

- On December 19, 2018, March 10, 2019, and May 7, 2019, the Company entered into three loan agreements with a director of the Company (Note 10). Each loan had a principal of $250,000, bore 7.5% simple interest per annum, and was repayable on or before December 31, 2020, March 31, 2021, and June 30, 2021, respectively. In addition, the director will receive 100,000 post-consolidation bonus shares on each loan upon approval by the TSX-V.

  On January 25, 2021, the Company issued 1,526,533 post-consolidation shares to settle the three loans with a total principal of $750,000 and accrued interest of $89,594 at a deemed price of $0.55 per share. The Company also issued 100,000 post-consolidation bonus shares (valued at $39,227 recorded as a reduction to obligation to issue shares) in accordance with the loan that matured on December 29, 2020, while the remaining 200,000 post-consolidation bonus shares (valued at $81,539) were not issued.

  The Company recorded the 1,526,533 post-consolidation shares issued at the market price on the issuance date, being $1,602,860 ($1.05 per share), while the carrying amount of the loans was $839,594 and the carrying amount of the equity portion was $81,539. As a result, a loss on debt settlement of $681,727 is recorded in the consolidated statements of loss and comprehensive loss.

- On June 19, 2019, a loan agreement was entered into with a third party for $250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of July 30, 2021. In consideration, the lender will receive 100,000 post-consolidation bonus shares.

  In July 2021, the loan principal of $250,000 and interest of $38,373 was fully settled by the third party participating in 411,961 flow-through share financing at $0.70 per share (Note 13). No gain or loss was recorded on this transaction. The Company also issued 100,000 post-consolidation bonus shares valued at $41,454 recorded as a reduction to obligation to issue shares.

- On November 21, 2019, the Company entered into a loan agreement with Dr. Georg Pollert. The loan principal amount is $2,435,542 (Note 10; received on December 10, 2019). The loan has a term of three years and bears interest at 3% per annum. In relation to the loan, the Company intends to issue up to 787,108 post-consolidation bonus shares to Dr. Georg Pollert which was approved by TSX-V on November 26, 2019. In connection with the bonus shares described above, the Company initially recognized an obligation to issue shares of $342,159 and a deferred tax recovery of $126,552.

  During the year ended November 30 2021, the Company issued 300,000 (2020 - 487,108) post consolidation bonus shares valued at $69,505 (2020 - $114,053) recorded as a reduction to obligation to issue shares. The Company transferred the remaining balance of obligation to issue shares ($158,601) into deficit as the Company will not seek approval from TSX-V to issue additional bonus shares.

For accounting purposes, the loans with bonus shares were considered a hybrid financial instrument and were allocated into corresponding debt and equity components at the date of issue. The Company used the residual value method to allocate the principal amount of the loans between the liability and obligation to issue shares component. The Company valued the debt component of the loan agreements by calculating the present value of principal and interest payments, discounted at a rate of 11% for loans with bonus shares borrowed during the year ended November 30, 2020 which represents management's best estimate of the rate that a loan without bonus shares would earn. The debt component is subsequently accreted to the face value of the loan agreements with an effective interest rate of 10% for loans with bonus shares borrowed during the year ended November 30, 2020.

(Expressed in Canadian dollars)

11. Loans Payable (continued)

		Liability Component		Obligation to issue shares
Balance at November 30, 2019	$	1,094,654	$	162,220
Proceeds received		1,966,831		468,711
Accretion and interest		400,618		-
Deferred income tax recovery		-		(126,552)
Bonus shares issued		-		(114,053)
Repayment of loan principal		(200,000)		-
Repayment of interest		(22,147)		-
Balance at November 30, 2020		3,239,956		390,326
Accretion and interest		299,230		-
Bonus shares issued		-		(231,725)
Bonus shares cancelled		-		(158,601)
Loan principal settled by shares		(1,000,000)		-
Loan interest settled with shares		(235,702)		-
Interest repaid in cash		(21,922)		-
Balance at November 30, 2021	$	2,281,562	$	-

		November 30, 2021		November 30, 2020
Short-term portion of liability	$	2,281,562	$	1,067,366
Long-term portion of liability	$	-	$	2,172,590

12. Convertible Debentures

Convertible debenture 2019

On November 26, 2019, the TSX-V approved the closing of a non-brokered private placement of convertible debentures. Each unit is priced at $1,000 and consists of 20,000 non-secured Convertible Debentures (the "Debentures") and 20,000 non-transferable Common Share purchase warrants ("Warrants"). Each Debenture bears an annual simple interest rate of 7.5% over its term of up to three years (the "Term") and the interest is to be calculated and paid annually in advance for each year. During the first year of the Term, the conversion price will be $0.50 per post-consolidation share. During the second and third years of the Term, the conversion price will be $1.00 per post-consolidation share. Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.75 per post-consolidation share during the Term.

The Company received total proceeds of $3,000,000 by issuing 3,000 units of convertible debentures. In November 2019, upon the approval of the TSX-V, the Company issued 6,000,000 post-consolidation warrants to the debenture holders. The Company paid finders' fees of $66,635, incurred legal and filing fees of $41,257, and has an obligation to issue 56,000 post-consolidation finders' shares at a fair value of $25,200 (issued in February 2020).

Upon issuance, the convertible debentures of $3,000,000 were separated into a debt component of $2,116,662 and an equity component of $883,338. On issuance, the Company also recognized deferred financing charges of $278,630 related to interest for the first year payable in advance on the Debentures.

12. Convertible Debentures (continued)

Convertible debenture 2019 (continued)

In November 2020, the principal of $3,000,000 was converted into 6,000,000 post-consolidation common shares of the Company at a conversion price of $0.50. The Company repaid interest of $73,909 and the remaining interest of $202,604 (repaid in December 2020) was recorded in accounts payable and accrued liabilities as of November 30, 2020. At the date of conversion, the carrying amount of liabilities of $2,297,071 and equity components of the debts of $580,294, totaling $2,877,365, was transferred to share capital. There is no gain or loss recorded at conversion.

Convertible debenture 2020

On July 3, 2020, the Company closed a non-brokered private placement of 4,100 units of the Company (the "Units") at a price of $1,000 per Unit for gross proceeds of up to $4,100,000. Each Unit is comprised of 20,000 unsecured convertible debentures (the "Debentures") and 20,000 non-transferable common share purchase warrants ("Warrants") of the Company.

Each Debenture has a maximum term of 3 years (the "Term") and will bear an annual simple interest rate of 7.5%. During the first year of the Term, the principal amount of each Debenture may be converted by the holder, for no additional consideration, into common shares of the Company at a conversion price of $0.50 per post-consolidation share and $1.00 per post-consolidation share during the second and third years of the Term.

Each Warrant entitles the holder to purchase one additional share at an exercise price of $0.75 per post-consolidation share until the expiry date of the Term.

The Company paid finder's fee of $32,500 in cash, issued 65,000 post-consolidation finder's shares at a fair value of $61,750 and incurred legal and filing fees of $30,662.

For accounting purposes, the convertible debentures of $4,100,000 are hybrid financial instruments and were allocated into corresponding debt and equity components at the date of issue. The Company determined the conversion feature and warrant components of the convertible debenture meet the definition of equity instruments as the Company is obligated to issue a fixed number of shares for a fixed price within each year of the Term. The Company used the residual value method to allocate the principal amount of the Debentures between the liability and equity components. The Company valued the debt component of the Debentures by calculating the present value of principal and interest payments, discounted at a rate of 13.25% which represents management's best estimate of the rate that a non-convertible debenture with similar terms and risk would earn. The debt component is subsequently accreted to the face value of the debt portions of the convertible debentures at the effective interest rate of 14%. Upon issuance of the unsecured debentures, the fair value was separated into a debt component of $3,641,508 and an equity component of $458,492. On issuance, the Company recognized deferred financing charges of $307,500 related to interest for the first year payable in advance on the Debentures.

On July 3, 2021, the principal of $4,100,000 was converted into 8,200,000 post-consolidation common shares of the Company at a conversion price of $0.50. The Company repaid interest of $307,693. At the date of conversion, the carrying amount of liabilities of $3,688,761 and equity components of the debts of $290,776, totaling $3,979,537, were transferred to share capital. There is no gain or loss recorded at conversion.

(Expressed in Canadian dollars)

12. Convertible Debentures (continued)

	Liability component	Equity component
Balance, November 30, 2019	$ 2,350,684	$ 580,294
Accretion and interest	445,281	-
Interest paid or accrued	(276,514)	-
Deferred financing charges	(222,380)	-
Conversion	(2,297,071)	(580,294)
Convertible debenture at issuance	3,641,508	458,492
Transaction costs	(110,943)	(13,969)
Accretion and interest	186,514	-
Interest payable recorded as deferred financing charges	179,375	-
Deferred income tax recovery	-	(153,747)
Balance, November 30, 2020	3,896,454	290,776
Accretion and interest	279,377	-
Conversion	(3,688,763)	(290,776)
Interest repaid by shares	(239,647)	-
Interest repaid in cash	(68,046)	-
Deferred financing charges	(179,375)	-
Balance, November 30, 2021	$ -	$ -

	November 30, 2021	November 30, 2020
Short-term portion of liability	$ -	$ 483,859
Long-term portion of liability	$ -	$ 3,412,595

13. Share Capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Share issuances

At November 30, 2021, the Company had 53,139,838 (2020 - 24,000,639) post-consolidation common shares issued and outstanding.

13. Share Capital and Reserves (continued)

b) Share issuances (continued)

During the year ended November 30, 2021:

i) In December 2020, the Company closed a private placement by issuing 2,201,000 post-consolidation units (the "Units") at a price of $0.80 per Unit for gross proceeds of $1,760,800, of which $400,000 was received as of November 30, 2020. Each Unit consists of one common share and one transferable common share purchase warrant with each warrant exercisable into shares of the Company at a price of $1.10 per post-consolidation share with an expiry date of December 16, 2021 (extended to December 16, 2022). The Company allocated $110,050 to the value of share purchase warrants.

In relation to the private placement, the Company paid or accrued $38,328 cash finders' fees and $12,214 of legal and filing fees and issued 47,910 of share purchase warrants (valued at $21,321) with each warrant exercisable into shares of the Company at a price of $0.80 per post-consolidation share until December 16, 2022.

ii) On January 25, 2021 the Company issued 1,526,533 post-consolidation shares to settle loans and interest totaling $839,593 at a deemed price of $0.55 per share (Note 11). The shares are valued at $1,602,860 ($1.05 per share) at the market price of the share issuance date. The Company also issued 100,000 post-consolidation bonus shares valued at $39,227. The Company also paid filing fees of $5,589.

iii) On February 17, 2021, the Company issued 1,400,000 post-consolidation shares as per exercise of warrants at $0.75 per share for total proceeds of $1,050,000.

iv) the Company issued 300,000 post-consolidation bonus shares (valued at $69,505) to Dr. Georg Pollert in relation to a loan of $2,453,542 the Company received in December 2019 (Note 11). The Company also issued 100,000 post-consolidation bonus shares (valued at $41,454) to a non-related party in accordance with a $250,000 loan repaid in July 2021.

v) On February 22, 2021, the Company issued 75,000 post-consolidation shares (valued at $67,500) to acquire the Roma Property in accordance with a Property Purchase Agreement dated February 17, 2021.

vi) On July 3, 2021, the Company issued 8,200,000 post-consolidation shares pursuant to the convertible debts issued in July 2020 (Note 12) with a value of $3,979,537.

vii) In June and July, 2021, the Company closed a non-brokered private placement by issuing 9,299,049 common shares and 2,738,994 flow-through common shares at a price of $0.70 per share for gross proceeds of $8,426,630. In relation with the private placement, the Company issued 229,051 finders' shares (valued at $160,337), and paid $85,453 of finders' fees, $8,250 corporate finance fees, $33,835 filing fees and $7,517 legal fees.

viii) In November 2021, the Company closed a non-brokered private placement by issuing 2,213,445 flow-through common shares at a price of $0.72 per share for gross proceeds of $1,593,680 and 735,294 common shares at a price of $0.68 per share for gross proceeds of $500,000. In relation with the private placement, the Company issued 20,833 finders' shares (valued at $13,750), and paid $84,000 of finders' fees, $12,773 filing fees and $8,096 legal fees.

13. Share Capital and Reserves (continued)

b) Share issuances (continued)

During the year ended November 30, 2020:

i) The Company issued 121,000 post-consolidation finders' shares valued at $86,950.

ii) The Company issued 487,108 post-consolidation bonus shares (valued at $114,053) to Dr. Georg Pollert in relation to a loan of $2,453,542 the Company received in December 2019 (Note 11).

iii) The Company issued 4,400,000 post-consolidation shares to Dr. Georg Pollert pursuant to the exercise of warrants at $0.75 per share for total proceeds of $3,300,000. The fair market value of the common shares on the exercise date was $1.10.

iv) The Company issued 32,500 post-consolidation shares pursuant to the exercise of options at $1.10 per share for total proceeds of $32,500. The Company recorded $10,436, the fair value of the 32,500 post-consolidation options exercised, from reserves to share capital.

v) The Company issued 6,000,000 post-consolidation shares pursuant to the convertible debts issued in November 2019 (Note 12) with a value of $2,877,365.

c) Stock options

The Company has a stock option plan under which the aggregate number of common shares to be reserved for exercise of all options granted under the plan and any other share compensation arrangement shall not exceed 10% of the issued shares of the Company at the time of granting of options. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. Options granted to consultants providing investor relations services shall vest at a minimum over a period of twelve months with no more than one-quarter of such options vesting in any three-month period.

On June 28, 2021, the Company granted to an employee 25,000 post-consolidation stock options, exercisable at $1.10 per share for a term of 3 years. These options vested on the date of grant. The fair value of the stock options granted was $10,321 ($0.41 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

On December 17, 2020, the Company granted to directors, officers and consultants 1,060,000 post-consolidation stock options, exercisable at $1.10 per share for a term of 3 years. These options vested on the date of grant. The fair value of the stock options granted was $512,468 ($0.80 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

In August 2020, the Company granted to two directors 60,000 post-consolidation stock options, exercisable at $1.25 per share for a term of 4.19 years. These options vested on the date of grant. The fair value of the stock options granted was $61,833 ($1.00 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

In August 2020, the Company granted 120,000 post-consolidation stock options to the CEO, exercisable at $1.25 per share for a term of 5 years. These options vested on January 1, 2021. The fair value of the stock options granted was $129,210 ($1.10 per option). During the year ended November 30, 2021, the Company recorded share-based compensation of $28,127 (2020 - $101,083) in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

13. Share Capital and Reserves (continued)

c) Stock options (continued)

The fair value of the stock options granted was determined using the Black-Scholes option price modelling with the following assumptions:

Weighted average assumptions	November 30, 2021	November 30, 2020
Risk free interest rate	0.30%	0.38%
Volatility	120.34%	131.99%
Expected life of options	3 years	4.73 years
Dividend rate	0%	0%

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2019	1,292,500	$ 0.70
Granted	180,000	1.25
Exercised	(32,500)	1.00
Expired/cancelled	(340,000)	1.00
Balance, November 30, 2020	1,100,000	1.00
Granted	1,085,000	1.10
Expired/cancelled	(245,000)	1.04
Balance, November 30, 2021	1,940,000	$ 1.07
Exercisable, at November 30, 2021	1,940,000	$ 1.07

At November 30, 2021, the Company has the following outstanding stock options outstanding:

Number of Options	Exercise Price	Expiry Date
765,000	$ 1.10	December 17, 2023
120,000	$ 1.25	August 7, 2025
60,000	$ 1.25	October 17, 2024
970,000	$ 1.10	October 17, 2024
25,000	$ 1.10	June 28, 2024

d) Warrants

During the year ended November 30, 2020, the Company issued 8,200,000 post-consolidation warrants with an exercise price of $0.75 and a three-year term, pursuant to the private placement of convertible debentures closed on July 3, 2020 (Note 12).

(Expressed in Canadian dollars)

13. Share Capital and Reserves (continued)

d) Warrants (continued)

In December 2020, the Company closed a private placement by issuing 2,201,000 post-consolidation units (the "Units") at a price of $0.80 per Unit for gross proceeds of $1,760,800. Each Unit consists of one common share and one transferable common share purchase warrant with each warrant exercisable into shares of the Company at a price of $1.10 per share until December 16, 2021 (extended to December 16, 2022).

In relation to the private placement, the Company issued 47,910 of post-consolidation share purchase warrants with each warrant exercisable into shares of the Company at a price of $0.80 per share until December 16, 2022. The fair value of the finders' warrants ($21,321) was valued by using Black-Scholes option price modelling with the following assumptions: volatility 120.84%, risk-free interest rate 0.25%, dividend rate 0%, and expected life of 2 years.

In July 2021, 7,850,000 warrants with exercise price at $0.75 per share were voluntarily cancelled. At the initial recognition, the warrants were classified as equity at issuance. The equity is not remeasured or reclassified afterwards even if the warrants are not exercised, expired or cancelled.

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2019	6,000,000	$ 0.75
Granted	8,200,000	0.75
Exercised	(4,400,000)	0.75
Balance, November 30, 2020	9,800,000	0.75
Granted	2,248,910	1.10
Cancelled	(7,850,000)	0.75
Exercised	(1,400,000)	0.75
Balance, November 30, 2021	2,798,910	$ 1.03
Exercisable, at November 30, 2021	2,798,910	$ 1.03

As at November 30, 2021, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
47,910	$ 0.80	December 16, 2022
2,201,000	$ 1.10	December 16, 2021 (extended to December 16, 2022)
550,000	$ 0.75	July 3, 2023

(Expressed in Canadian dollars)

14. Flow-Through Share Premium Liabilities

During the year ended November 30, 2021:

In June and July 2021, the Company raised $1,917,296 through the issuance of 2,738,994 flow-through shares at a price of $0.70 per share. A flow-through liability of $nil was recognized on the issuance date. As of November 30, 2021, all of the $1,917,296 in qualified expenditures had been incurred.

On November 17, 2021, the Company raised $1,400,000 through the issuance of 1,944,445 flow-through shares at a price of $0.72 per share. A flow-through liability of $116,667 (premium of $0.06 per share) was recognized on the issuance date. As of November 30, 2021, $nil of the $1,400,000 in qualified expenditures had been incurred. The Company renounced these expenditures under the look-back rule and has until December 31, 2022 to complete qualified expenditures.

On November 29, 2021, the Company raised $193,680 through the issuance of 269,000 flow-through shares at a price of $0.72 per share. A flow-through liability of $34,970 (premium of $0.13 per share) was recognized on the issuance date. As of November 30, 2021, $nil of the $193,680 in qualified expenditures had been incurred. The Company renounced these expenditures under the look-back rule and has until December 31, 2022 to complete qualified expenditures.

15. Supplement Disclosure with Respect to Cash Flows

		November 30, 2021		November 30, 2020
Exploration and evaluation assets included in accounts payable and accrued liabilities	$	64,141	$	571,827
Exploration and evaluation expenditures included in long-term deposits	$	362,164	$	91,715
Finders' shares included in convertible debenture issue costs	$	-	$	61,750
Convertible debenture issue costs included in accounts payable and accrued liabilities	$	-	$	32,500
Deferred financing costs included in convertible debentures – short term	$	-	$	218,788
Convertible debentures converted into shares	$	3,979,537	$	2,297,071
Proceeds from private placement from share subscription received in advance	$	400,000	$	-
Shares issued for loan settlement	$	1,602,860	$	-
Shares issued for mineral properties	$	67,500	$	-
Flow-through share premium liability	$	151,637	$	-
Accounts payable and accrued liabilities settled with shares	$	670,784	$	-
Amortization in exploration and evaluation assets	$	96,941	$	9,007
Interest paid	$	564,320	$	175,483
Taxes paid	$	-	$	-

16. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At November 30, 2021 and 2020, the Company's exploration and evaluation assets are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

(Expressed in Canadian dollars)

17. Income Taxes

As at November 30, 2021, the Company had accumulated non-capital losses for tax purposes in Canada of approximately $11,698,000. The losses expire as follows:

2027	$	11,000
2028		21,000
2029		133,000
2030		294,000
2031		368,000
2032		383,000
2033		280,000
2034		407,000
2035		1,008,000
2036		690,000
2037		611,000
2038		758,000
2039		1,257,000
2040		2,344,000
2041		3,133,000
	$	**11,698,000**

Income tax expense (recovery) differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.00% (2020 – 27.00%) to income before income taxes. A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2021		**2020**
Net loss for the year	$ (3,678,625)	$	(2,581,193)
Statutory income tax rate	27%		27%
Income tax benefit computed at statutory tax rate	(993,229)	$	(696,922)
Items not deductible for income tax purposes	154,962		12,056
Over (under) provided in prior years	8,311		(46,455)
Unused tax losses and tax offsets not recognized	829,956		451,022
Deferred income tax expense (recovery)	**$ -**	**$**	**(280,299)**

(Expressed in Canadian dollars)

17. Income Taxes (continued)

Deferred tax assets and liabilities

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate sufficient taxable income to utilize its deferred tax assets. The tax effected items that give rise to significant portions of the deferred income tax liabilities at November 30, 2021 and 2020 are presented below:

		2021		2020
Deferred tax liabilities:				
Exploration and evaluation assets	$	(147,123)	$	(111,801)
Loans payable		(57,487)		(106,044)
Convertible debt		-		(161,287)
Deferred financing charges		-		(48,431)
Deferred tax assets				
Non-capital losses carry-forwards		204,610		427,563
Deferred income tax expense	**$**	**-**	**$**	**-**

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of November 30 are as follows:

		2021		2020
Non-capital losses carried forward	$	10,797,577	$	7,012,046
Equipment		121,353		20,628
Flow-through premium		151,637		-
Investment tax credits		79,102		79,102
Share issue costs		139,599		201,932
Unrecognized deductible temporary differences	**$**	**11,289,268**	**$**	**7,313,708**

18. Events subsequent to the reporting period

On January 20, 2022, the Company granted to a consultant 50,000 stock options, exercisable at $1.10 per share for a term of 2 years. These options vested on the date of grant.