SIGNATURE RESOURCES

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CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

OCTOBER 31, 2021 AND 2020

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Signature Resources Ltd.

Opinion

We have audited the consolidated financial statements of Signature Resources Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and 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 October 31, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has an accumulated deficit as at October 31, 2021 and is not generating positive cash flows from operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that 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 and, in doing so, consider whether the other information is materially

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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 auditor's 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 cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement 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 risks 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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 of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 24, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	Note	October 31 2021	October 31 2020
		$	$
ASSETS			
CURRENT			
Cash		**75,281**	462,184
Investments	4	**1,350,000**	-
Amounts receivable		**254,546**	63,100
Prepaid expenses and deposit		**67,306**	22,686
Total current assets		**1,747,133**	547,970
Equipment	5	**1,301,383**	283,913
Exploration and evaluation assets	6,7,10	**12,811,830**	6,401,261
Total assets		**15,860,346**	7,233,144
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	7,9	**1,396,638**	1,591,182
Total current liabilities		**1,396,638**	1,591,182
Rehabilitation provision	10	**848,271**	273,847
Total liabilities		**2,244,909**	1,865,029
SHAREHOLDERS' EQUITY			
Share capital	8	**15,582,097**	7,730,552
Contributed surplus	8	**4,031,249**	2,249,444
Deficit		**(5,997,909)**	(4,611,881)
Total shareholders' equity		**13,615,437**	5,368,115
Total liabilities and shareholders' equity		**15,860,346**	7,233,144

Nature of business and continuing operations (note 1)
Commitments and contingencies (notes 6, 10 & 12)
Subsequent events (note 17)

Approved by the Board:

S/ "Paolo Lostritto" — Director

S/ "Stephen Timms" — Director

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

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	Year ended October 31, 2021	2020
		$	$
GENERAL AND ADMINISTRATION			
Salaries and wages	7	**524,880**	340,809
Office and general		**346,058**	115,640
Depreciation	5	**203,380**	82,437
Professional fees		**125,072**	186,346
Share-based payments	7,8	**711,885**	292,921
NET LOSS BEFORE OTHER ITEMS		**(1,911,275)**	(1,018,153)
Premium on flow-through shares income	14	**524,313**	31,694
Foreign exchange income (loss)		**934**	5,073
Interest expense	11	**-**	(12,775)
NET LOSS AND COMPREHENSIVE LOSS		**(1,386,028)**	(994,161)
LOSS PER SHARE, basic and diluted		**(0.01)**	(0.01)
Weighted average number of common shares, basic and diluted		**208,046,592**	114,948,118

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Note	Year ended October 31, 2021	2020
		$	$
OPERATING ACTIVITIES			
Net loss for the year		**(1,386,028)**	(994,161)
Items not affecting cash:			
Depreciation expense	5	**203,380**	82,437
Share-based payments	8	**711,885**	292,921
Premium on flow-through shares income	14	**(524,313)**	(31,694)
Interest expense	11	**-**	12,775
Shares issued for services	8	**36,000**	-
		(959,076)	(637,722)
Changes in non-cash working capital items:			
Amounts receivable		**(191,446)**	(33,723)
Prepaid expenses and deposit		**(44,620)**	17,458
Accounts payable and accrued liabilities		**217,294**	(76,779)
Net cash used in operating activities		**(977,848)**	(730,766)
FINANCING ACTIVITIES			
Shares to be issued related to private placement	8	**-**	(240,804)
Proceeds from private placement	8	**8,324,674**	2,059,438
Share issuance costs	8	**(288,630)**	(128,097)
Proceeds from warrant exercise	8	**865,680**	-
Repayment of promissory note	11	**-**	(182,315)
Net cash provided by financing activities		**8,901,724**	1,508,222
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	6	**(5,736,218)**	(557,911)
Expenditures on equipment	5	**(1,224,561)**	(25,000)
Investments	4	**(1,350,000)**	-
Net cash used in investing activities		**(8,310,779)**	(582,911)
Net change in cash		**(386,903)**	194,545
Cash and equivalent, beginning of year		**462,184**	267,639
Cash and equivalent, end of year		**75,281**	462,184
Non-cash activities:			
Depreciation included in exploration and evaluation assets	5	$3,711	$4,439
Shares for property acquisition	6	$37,000	$ -
Shares for services	8	$36,000	$ -
Shares for debt	8	$371,054	$ -
Increase in rehabilitation provision	10	$574,424	$ -
Change in accrued exploration and evaluation expenditures		$59,216	$ -

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Note	Number of Shares #	Number of Shares to be Issued #	Share Capital $	Shares to be Issued $	Contributed Surplus $	Deficit $	Total $
Balance, October 31, 2019		**101,914,704**	**4,816,080**	**6,303,209**	**240,804**	**1,484,219**	**(3,617,720)**	**4,410,512**
Private placement	8	40,786,100	(4,816,080)	2,059,438	(240,804)	-	-	1,818,634
Issuance of warrants	8	-	-	(472,304)	-	472,304	-	-
Share issuance costs	8	-	-	(128,097)	-	-	-	(128,097)
Share-based payments	8	-	-	-	-	292,921	-	292,921
Premium on flow-through shares		-	-	(31,694)	-	-	-	(31,694)
Net loss and comprehensive loss for the year		-	-	-	-	-	(994,161)	(994,161)
Balance, October 31, 2020		**142,700,804**	**-**	**7,730,552**	**-**	**2,249,444**	**(4,611,881)**	**5,368,115**
Private placements	8	78,151,157	-	8,324,674	-	-	-	8,324,674
Share issuance costs	8	-	-	(288,630)	-	-	-	(288,630)
Issuance of warrants	8	-	-	(1,255,436)	-	1,255,436	-	-
Shares issued for acquisition of claims	6	200,000	-	37,000	-	-	-	37,000
Shares issued for debt	8	5,839,093	-	371,054	-	-	-	371,054
Shares issued for services	8	184,615	-	36,000	-	-	-	36,000
Exercise of stock options	8	1,750,000	-	169,674	-	(69,674)	-	100,000
Exercise of warrants	8	8,234,858	-	981,522	-	(115,842)	-	865,680
Share-based payments	8	-	-	-	-	711,885	-	711,885
Premium on flow-through shares	14	-	-	(524,313)	-	-	-	(524,313)
Net loss and comprehensive loss for the year		-	-	-	-	-	(1,386,028)	(1,386,028)
Balance, October 31, 2021		**237,060,527**	**-**	**15,582,097**	**-**	**4,031,249**	**(5,997,909)**	**13,615,437**

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Signature Resources Ltd. (the "Company" or "Signature") was incorporated on May 3, 2010, under the British Columbia Business Corporations Act. The Company's principal business activities include the acquisition and exploration of mineral properties in Canada. The Company's common shares are publicly traded on the TSX Venture Exchange ("TSXV") under the stock symbol "SGU", on the OTCQB under the symbol "SGGTF", and on the FSE under the symbol "3S3". The Company's head office address is 2704-401 Bay Street, Toronto, ON M5H 2Y4.

At October 31, 2021, the Company had not yet determined whether its properties contained ore reserves that are economically recoverable. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry practice 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 non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at October 31, 2021, the Company has an accumulated deficit of $5,997,909 (October 31, 2020 - $4,611,881), working capital of $350,495 (October 31, 2020 - working capital deficiency of $1,043,212), and is not yet generating positive cash flows from operations. These factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue its operations as a going concern and to realize its assets as their carrying values are dependent upon obtaining additional financing and for generating revenues sufficient to cover its operating costs.

The Company will need to raise capital in order to fund its operations. To address its financing requirements, the Company will seek financing through debt and equity financings, asset sales, and rights offerings to existing shareholders. The ability of the Company to raise sufficient capital cannot be predicted at this time.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time and continues to monitor the COVID-19 development but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis except as explained in the accounting policies set out in Note 3. The financial statements have been prepared on an accrual basis except for cash flow information.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE, continued

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The functional and presentation currencies of the Company and its subsidiary are the Canadian dollar.

These financial statements include the accounts of the Company and its wholly-owned subsidiary, Signature Exploration Ltd. (formerly, "Cool Minerals Inc."). All intercompany amounts and transactions have been eliminated on consolidation.

The financial statements were authorized for issue by the Board of Directors on February 24, 2022.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

ii. Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets ("E&E") according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are expensed. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its exploration and evaluation assets.

iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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 the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

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.

iv. Government assistance

Mining exploration tax credits for certain exploration expenditures incurred are treated as a reduction of the exploration and development costs of the respective exploration and evaluation assets.

b) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Signature Exploration Ltd. ("SEL"). All intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are entities over which the Company has control,

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

b) Basis of Consolidation, continued

where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

c) Rehabilitation Provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of an exploration and evaluation property. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating a related expense recognized in profit or loss.

d) Cash

Cash in the consolidated statements of financial position is comprised of cash held at major financial institutions or lawyer's trust accounts.

e) 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 in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or 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 regards to previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

e) Income Taxes, continued

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

f) Share Capital and Flow-Through Shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

The Company finances some exploration expenditures through the issuance of flow-through shares. In accordance with IAS 12, Income Taxes, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. At the time the flow-through shares are issued, there is a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. In the absence of a market price, the Company uses the fair value as determined by the price per share in recent non-flow-through share financings or other techniques as considered necessary. This premium is recorded as premium on flow-through shares liability on the consolidated statements of financial position reducing share capital and is drawn down proportionately as the flow-through exploration spending occurs and recorded to deferred tax expense. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in profit or loss in the period of renunciation.

g) Share-Based Payments

The Company has an equity-settled share-based compensation plan. Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at the grant date using the Black-Scholes option pricing model and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. Upon expiry, the recorded value remains in contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

h) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. During the years ended October 31, 2021 and 2020, all outstanding options and warrants were considered anti-dilutive and were therefore excluded from the diluted loss per share calculation.

i) Financial Instruments

Classification

On initial recognition, the Company determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through profit or loss (FVTPL)
3. Measured at fair value through other comprehensive income (FVTOCI)

The classification is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Assets held for the collection of contractual cash flows and for which those cash flows correspond solely to principal repayments and interest payments are measured at amortized cost. Contracts with embedded derivatives where the host is a financial instrument in the scope of the standard will be assessed as a whole for classification.

A financial asset is measured at amortized cost if both of the following criteria are met:

1. Held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company may irrevocably elect, on initial recognition, to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives), or if the Company has chosen to evaluate them at FVTPL.

The Company has assessed the classification and measurement of its financial instruments as follows:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

i) Financial Instruments, continued

Financial Instrument	Classification
Cash	Amortized cost
Investments	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note	Amortized cost

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Amortized cost – The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount on initial recognition.

Fair value through profit or loss – Changes in fair value after initial recognition, whether realized or not, are recognized through the consolidated statements of loss. Income arising in the form of interest, dividends, or similar, is recognized through the consolidated statements of loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Fair value through other comprehensive income – Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the statements of net loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Company has applied the simplified approach to recognize lifetime expected credit losses for its amounts receivable. In general, the Company anticipates that the application of the expected credit loss model of IFRS 9 results in earlier recognition of credit losses for the respective items.

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Gains and losses from the derecognition are recognized in the consolidated statements of loss.

Financial liabilities – The Corporation derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements loss.

j) Flow-through shares

To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the statement of financial position at the time of subscription. The liability is subsequently reduced and recorded in the consolidated statement of loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

Resource expenditure deductions for income tax purposes related to exploration and evaluation activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that became payable by the shareholder as a result of the Company not meeting its commitments.

k) Warrants

Warrants are measured at fair value on the date of grant and included in contributed surplus. The fair value is estimated using the Black-Scholes option pricing model. Upon expiry, the recorded value remains in contributed surplus.

l) Equipment

Equipment is carried at cost less accumulated depreciation. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives for the current and comparative periods for equipment are as follows:

- Computer and communication equipment - 3 years
- Vehicles - 5 years
- Equipment - 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

m) Share capital – common shares

Common shares are classified as equity. Incremental costs of issuance are recognized as a deduction from equity, net of any tax effects.

n) Critical Accounting Estimates

The preparation of these consolidated financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge on the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

i. Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

ii. Income, value added, withholding and other taxes related estimates

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities, such as those arising from the renunciation of flow-throw expenditures, requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. In the case of flow-through, reassessment may result in amounts owing to certain shareholders.

iii. Estimation of restoration, rehabilitation and environmental obligation

Restoration, rehabilitation and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation and environmental liabilities that may occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

iv. Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions 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 life of the share option, volatility and dividend yield and making assumption about them, the assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

Adoption of new accounting standards

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

IFRS 3 – Business Combinations ("IFRS 3") was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The Company has adopted these new standards effective November 1, 2020 and has determined there was no significant impact on the consolidated financial statements.

Standards issued and effective for years beginning on or after November 1, 2021

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of new accounting standards, continued

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

The Company is currently assessing the impact of these standards.

4. INVESTMENTS

As of October 31, 2021, the Company has an interest-bearing guaranteed investment certificate (GIC) in the amount of $1,350,000 (October 31, 2020 - $Nil). The Company's GIC is held with a first-tier bank, with a maturity greater than 90 days but less than one year.

5. EQUIPMENT

	Vehicles	Equipment	Computer Equipment	Total
Cost				
Balance, October 31, 2019	$9,299	$422,996	$-	$432,295
Additions	25,000	-	-	25,000
Balance, October 31, 2020	$34,299	$422,996	$-	$457,295
Additions	310,199	903,735	10,627	1,224,561
Balance, October 31, 2021	**$344,498**	**$1,326,731**	**$10,627**	**$1,681,856**
Accumulated Depreciation				
Balance, October 31, 2019	$5,890	$80,616	$-	$86,506
Depreciation	2,276	84,600	-	86,876
Balance, October 31, 2020	$8,166	$165,216	$-	$173,382
Depreciation	51,253	154,571	1,267	207,091
Balance, October 31, 2021	**$59,419**	**$319,787**	**$1,267**	**$380,473**
Net Book Value				
Balance, October 31, 2020	$26,133	$257,780	$-	$283,913
Balance, October 31, 2021	**$285,079**	**$1,006,944**	**$9,360**	**$1,301,383**

The depreciation for the year ended October 31, 2021 of $207,091 (2020 - $86,876) includes $3,711 (2020 - $4,439) included in exploration and evaluation assets (note 6).

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The Company holds a 100% interest in the Lingman Lake Property for the main purpose of gold exploration. A 3% net smelter return (“NSR”) is attached to each of three (3) different claim blocks. The Company can purchase one-half (1/2) of the NSR of each claim block for $1.5 million, collectively totaling $4,500,000 for all three blocks.

On May 11, 2021, the Company announced the acquisition of a certain number of claims (the "Claims") along the Southern contact of the Lingman Lake Greenstone Belt. The consideration for the Claims was the payment of $8,000 in cash and the issuance of 200,000 common shares in the capital of the Company valued at the market price of $0.185 per common share.

The following table summarizes the cumulative expenditures incurred at the Lingman Lake Property:

	Lingman Lake
Balance, October 31, 2019	**$5,838,911**
Staking	6,000
Consulting expenses	202,725
Geophysical consulting	37,847
Contract labour	50,178
Logistics	117,907
Travel and lodging	30,351
Equipment rentals	2,268
Depreciation (note 5)	4,439
Airborne survey	37,044
Field supplies	73,591
Balance, October 31, 2020	**$6,401,261**
Acquisition costs	37,000
Asset retirement obligation adjustment (note 10)	574,424
Consulting expenses	353,584
Geophysical and geological consulting	495,980
Contract labour	698,341
Logistics	744,056
Travel and lodging	1,121,533
Equipment rentals	21,866
Depreciation (note 5)	3,711
Airborne survey	628,793
Field supplies	1,377,308
Salaries and wages	345,567
Drilling	8,406
Balance, October 31, 2021	**$12,811,830**

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties. As at October 31, 2021, the Company owes $66,902 (October 31, 2020 - $322,459) to executives of the Company for unpaid salaries and wages. No other amounts were owing to related parties at October 31, 2021 (October 31, 2020 - $40,738). These amounts are included in accounts payable and accrued liabilities (note 9). They are unsecured, non-interest-bearing, and due on demand. See note 8 for details on unit subscriptions by related parties through private placements.

Short-term wages paid to related parties during the year ended October 31, 2021 includes $246,467 (October 31, 2020 - $nil) which has been recorded in Exploration and evaluation assets on the statement of financial position.

Year ended October 31,	**2021**	2020
Short-term wages	**$629,475**	$297,110
Share-based payments	**537,821**	172,667
	$1,167,296	$469,777

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding – see consolidated statements of changes in equity.

i. On November 6, 2019, the Company closed a non-brokered private placement for gross proceeds of $322,104 by issuing 6,442,080 non-flow-through units at the price of $0.05 per unit. Cash proceeds of $240,804, related to the private placement were received prior to October 31, 2019 and were included in shares to be issued as at October 31, 2019 (note 8(c)). Each non-flow-through unit consists of one common share of the Company and one warrant. Each warrant is exercisable for a period of two years at a price of $0.10 per share from the date of issuance. The Company issued a total of 6,442,080 warrants with an estimated value of $84,564 in connection with this private placement. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of $13,577 were incurred in connection with this private placement.

ii. On June 15, 2020, the Company closed a non-brokered private placement for gross proceeds of $192,300 by issuing 3,846,000 non-flow-through units at a price of $0.05 per unit. Each non-flow-through unit consists of one common share of the Company and one warrant. Each whole warrant is exercisable for a period of two years at a price of $0.10 per share from the date of issuance. The Company issued a total of 3,846,000 warrants with an estimated value of $50,381 in connection with this private placement. The Company also issued finder's warrants to purchase 286,000 common shares, exercisable for a period of two years at a price of $0.05 per share with an estimated value of $5,834. With respect to the warrants and finders' warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the

8. SHARE CAPITAL, continued

Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of $15,730 were incurred in connection with this private placement.

iii. On August 25, 2020, the Company closed the first tranche of its non-brokered private placement. In the first tranche, the Company raised aggregate gross proceeds of $1,170,034 by issuing 22,560,686 hard dollar units at a price of $0.05 per unit and 700,000 flow-through units at a price of $0.06 per unit. Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 22,910,686 warrants with an estimated value of $241,440 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of $0.10 for a period of 2 years from the date of issuance. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. A director of the Company subscribed for 400,000 hard dollar units for proceeds of $20,000.

The Company issued total 1,018,800 finder's warrants with a total estimated value of $17,759 in connection with the first tranche. 948,800 finders' warrants with an estimated value of $16,651 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of $0.05 and 70,000 finders' warrants with an estimated value of $1,108 were issued pursuant to the sale of flow through units exercisable to acquire one common share at a price of $0.06 for a period of 24 months following closing of the tranche.

The total premium on the flow-through shares was $7,000 (note 14).

iv. On September 14, 2020, the Company closed the second and final tranche of its non-brokered private placement (see first tranche above). In the second tranche, the Company raised additional gross proceeds of $375,000 by issuing 5,924,000 hard dollar units at a price of $0.05 per unit and 1,313,334 flow-through units at a price of $0.06 per unit. Total proceeds from both tranches were $1,545,034. Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 6,580,667 warrants with an estimated value of $65,996 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of $0.10 for a period of 2 years from the date of issuance. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release.

The Company issued total 360,400 finder's warrants with a total estimated value of $6,329 in connection with the second tranche. 312,400 finders' warrants valued at $5,556 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of $0.05 and 48,000 finders' warrants valued at $773 were issued pursuant to the sale of flow through units exercisable to acquire one common share at a price of $0.06 for a period of 24 months following closing of the tranche.

8. SHARE CAPITAL, continued

The total premium on the flow-through shares was $31,694 (note 14).

Total issuance costs of $98,790 were incurred in connection with the first and second tranches of the private placement.

v. On November 26, 2020, the Company entered into debt settlement agreements and completed shares for debt transactions with certain creditors of the Company, including certain directors and officers. Pursuant to these agreements, the Company issued 5,839,093 common shares to settle $371,054 of outstanding debt. No gain or loss was recorded on the debt settlement.

vi. In November 2020, 1,000,000 options with an exercise price of $0.055 and 750,000 options with an exercise price of $0.060 were exercised for deemed proceeds of $100,000. The fair value of these options, in the amount of $69,674, was transferred from contributed surplus to share capital.

vii. On December 4, 2020, the Company closed its non-brokered private placement. The Company raised gross proceeds of $2,000,000 by issuing 22,847,201 hard dollar units at a price of $0.05 per unit and 14,293,999 flow-through units at a price of $0.06 per unit.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 29,994,199 warrants with a value of $299,713 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of $0.10 until December 4, 2021.

The Company issued a total of 832,557 finder's warrants with a total value of $13,947 in connection with the private placement. 700,000 finders' warrants valued at $11,930 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of $0.05 and 132,557 finders' warrants valued at $2,017 were issued pursuant to the sale of flow-through units exercisable to acquire one common share at a price of $0.06 for a period of 12 months following closing of the tranche. Directors and officers subscribed for 1,000,000 flow-through units and 1,434,601 hard dollar units for this private placement.

The total premium on the flow-through shares was $217,554 (note 14).

Total issuance costs of $63,203 were incurred in connection with the private placement.

viii. On December 17, 2020, the Company closed its non-brokered private placement. The Company raised gross proceeds of $1,000,000 by issuing 999,945 hard dollar units at a price of $0.11 per unit and 6,846,200 flow-through units at a price of $0.13 per unit. Directors of the Company subscribed for 386,309 units of the financing.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 4,423,045 warrants with a value of $114,126 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of $0.20 until April 17, 2022.

8. SHARE CAPITAL, continued

The Company also issued finder's warrants to purchase 205,386 common shares, exercisable until April 17, 2022 at a price of $0.13 per share and valued at $7,480.

The total premium on the flow-through shares was $234,724 (note 14).

Total issuance costs of $68,945 were incurred in connection with the private placement.

ix. On March 18, 2021, the Company closed a non-brokered charity flow-through private placement issuing 9,090,909 common shares at a price of $0.156 per common share for gross proceeds of $1,418,182. Total issuance costs of $25,371 were incurred in connection with the private placement. There was no premium on flow-through shares incurred in connection with the private placement.

x. On April 1, 2021, the Company issued 184,615 common shares at $0.195 per common share to satisfy the payment of certain services for a total cost of $36,000. The value of the shares was estimated based on the quoted market price of the Company's shares at the date of issuance.

xi. On May 11, 2021, the Company issued 200,000 common shares, with a market value of $37,000, or $0.185 per common share, for the acquisition of 45 claims. (See note 6). The value of the shares was estimated based on the quoted market price of the Company's shares at the date of issuance.

xii. On July 9, 2021, the Company closed a non-brokered private placement by issuing 13,107,312 non-flow-through units and 10,965,591 flow-through units for aggregate gross proceeds of $3,906,492. Each flow-through unit was issued at a price of $0.165 per unit and was comprised of one common share of the Company and one half of one warrant with an exercise price of $0.25 per flow-through warrant. Non-flow-through units were issued at a price of $0.16 per unit consisting of one common share and one half of one warrant with an exercise price of $0.22 per non-flow-through warrant. Both the flow-through and non-flow-through warrants expire two years from date of issuance.

The Company issued a total of 6,553,656 non-flow-through warrants with a value of $450,481 and issued 5,482,796 flow-through warrants with a value of $353,888 in connection with this private placement.

The Company issued finder's warrants with a total value of $41,419 in connection with the private placement. 500,625 finders' warrants valued at $26,681 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of $0.16 and 281,818 finders' warrants valued at $14,738 were issued pursuant to the sale of flow-through units exercisable to acquire one common share at a price of $0.165 for a period of 12 months following closing of the tranche.

The total premium on the flow-through shares was $72,035 (note 14).

Total issuance costs of $131,112 were incurred in connection with the private placement.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL, continued

xiii. During the year ended October 31, 2021, 8,234,858 warrants were exercised at prices ranging from $0.05-$0.15 per unit, for gross proceeds of $865,680. Total amount of $115,842 was transferred from contributed surplus to share capital.

c) Shares to be issued

Cash proceeds of $240,804, related to the first tranche of a private placement closed in November 2019, was received prior to October 31, 2019 (note 8(b)). During the year ended October 31, 2020, the total value of $240,804 in shares to be issued was transferred to share capital.

d) Stock option plan

Under the Company's stock option plan (the "Plan"), the Company's Board of Directors is authorized to grant stock options to directors, senior officers, employees, consultants, consultant company or management company employees of the Company and its subsidiaries not to exceed 10% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan are exercisable over a period not exceeding 10 years from the date granted. Exercise prices may not be less than the market price of the common shares at the time of the grant. An option shall vest in the manner imposed by the Board of Directors as a condition at the grant date.

The following table summarizes the stock options activity for the years ended October 31, 2021 and 2020:

	Number of Options	Weighted Average Exercise Price $
Balance at October 31, 2019	**6,325,000**	**0.078**
Granted	4,100,000	0.090
Forfeited	(500,000)	0.120
Expired	(250,000)	0.050
Balance at October 31, 2020	**9,675,000**	**0.082**
Granted	13,325,000	0.110
Exercised	(1,750,000)	0.057
Expired	(125,000)	0.055
Balance at October 31, 2021	**21,125,000**	**0.102**

(Expressed in Canadian Dollars)

8. SHARE CAPITAL, continued

d) Stock option plan

The following table summarizes the outstanding stock options at October 31, 2021:

Grant Dates	Exercise Price $	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
Mar. 1- Oct. 29, 2018	0.08 - 0.12	1.33 - 1.99	3,450,000	3,450,000
Jun. 17 - Nov. 7, 2019	0.05 - 0.075	2.63 - 3.02	350,000	350,000
Apr. 1 - Aug. 17, 2020	0.05 - 0.10	1.42 - 3.80	4,000,000	4,000,000
Nov. 1 - Dec. 23, 2020	0.065 - 0.13	0.15 – 4.15	8,575,000	3,262,500
Jan. 19 - Feb.16, 2021	0.11 - 0.13	4.22 – 4.30	800,000	300,000
May 10 – Aug. 4, 2021	0.16 - 0.20	2.53 – 4.76	3,950,000	1,062,500
	0.102	**3.61**	**21,125,000**	**12,425,000**

i. On November 7, 2019, the Company issued 100,000 options to a consultant. The options have an exercise price of $0.05 and expire on November 7, 2024. The options vest immediately upon issuance.

ii. On April 1, 2020, the Company issued 500,000 options to a consultant. The options have an exercise price of $0.05 and expire on April 1, 2023. The options vest quarterly over a period of twelve months with one quarter vesting three months from the date of issuance and each additional one quarter of the options vesting quarterly thereafter.

iii. On July 14, 2020, the Company issued 250,000 options to a director. The options have an exercise price of $0.05 and expire on July 14, 2025. The options vest immediately upon issuance.

iv. On August 17, 2020, the Company issued 3,250,000 options to directors, officers and consultants. The options have an exercise price of $0.10 and expire five years from the date of issuance and vest immediately upon issuance.

v. On November 8, 2020, the Company granted 3,000,000 incentive stock options to a director. The options have an exercise price of $0.065, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

vi. On November 11, 2020, the Company granted 3,000,000 incentive stock options to a director and officer. The options have an exercise price of $0.07, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

vii. On December 23, 2020, 2,575,000 options were granted to directors, officers and consultants of the Company. 2,500,000 options have an exercise price of $0.13, expire

(Expressed in Canadian Dollars)

8. SHARE CAPITAL, continued

d) Stock option plan, continued

five years from the date of issuance, and vest 25% immediately, and 12.5% ever six months thereafter through to the third anniversary. The remaining 75,000 stock options have an exercise price of $0.13, expire one year from the date of issuance and vest immediately upon issuance.

viii. On January 19, 2021, 200,000 options were granted to an advisor. The options have an exercise price of $0.11, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

ix. On January 27, 2021, 200,000 options were granted to an advisor. The options have an exercise price of $0.125, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

x. On February 12, 2021, 200,000 options were granted to an advisor. The options have an exercise price of $0.12, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

xi. On February 16, 2021, 200,000 options were granted to an advisor. The options have an exercise price of $0.12, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

xii. On May 10, 2021, the Company issued 100,000 options to a consultant. The options have an exercise price of $0.20 and three years from the date of issuance. The options vest immediately upon issuance.

xiii. On June 23, 2021, 2,250,000 options were granted to a consultant. The options have an exercise price of $0.16, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

xiv. On August 4, 2021, 1,600,000 options were granted to an officer of the Company. The options have an exercise price of $0.16, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

The fair value of the Company's stock options issued was estimated using the Black-Scholes option pricing model using the following assumptions for the years ended October 31:

	2021	2020
Expected volatility (based on historical share prices)	**110%-137%**	107%-134%
Risk-free interest rate	**0.22%-0.97%**	0.35%-1.59%
Expected life (years)	**1-5**	3-5
Expected dividend yield	**Nil**	Nil
Forfeiture rate	**Nil**	Nil
Underlying share price	**$0.07-$0.175**	$0.04-$0.05

(Expressed in Canadian Dollars)

8. SHARE CAPITAL, continued

d) Stock option plan, continued

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the year ended October 31, 2021 was $711,885 (2020 - $292,921). The weighted average fair value of each option granted during the year ended October 31, 2021 was approximately $0.098 (2020 - $0.07).

The range of fair values for options granted during the year ended October 31, 2021 was approximately $0.06-$0.13 (2020 - $0.02-$0.08).

(e) Warrants

The following is the warrants activity for the years ended October 31, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price $
Balance at October 31, 2019	**17,816,199**	**0.233**
Granted	41,444,633	0.098
Expired	(15,995,464)	0.209
Balance at October 31, 2020	**43,265,368**	**0.113**
Granted	48,274,082	0.143
Exercised	(8,234,858)	0.105
Balance at October 31, 2021	**83,304,592**	**0.130**

For the years ended October 31, 2021 and 2020, the fair value of the Company's warrants issued, was estimated using the Black-Scholes option pricing model, using the following assumptions:

	2021	2020
Expected volatility (based on historical share prices)	**132%**	99%-112%
Risk-free interest rate	**0.24%-0.27%**	0.25%-1.65%
Expected life (years)	**1-1.33**	2
Expected dividend yield	**Nil**	Nil
Forfeiture rate	**Nil**	Nil
Underlying share price	**$0.13-$0.15**	$0.04-$0.08

(Expressed in Canadian Dollars)

8. SHARE CAPITAL, continued

(e) Warrants

The following table summarizes the warrants outstanding at October 31, 2021:

Grant Date	Exercise Price $	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
November 7, 2019	0.10	0.27	5,766,080
June 15, 2020	0.05 - 0.10	0.87	4,132,000
August 25, 2020	0.05 - 0.10	1.07	21,429,486
September 11, 2020	0.05 - 0.10	1.12	6,750,667
December 4 - 17, 2020	0.05 - 0.20	0.35 - 0.71	32,407,464
July 9, 2021	0.16 - 0.25	0.94 - 1.94	12,818,895
	0.130	**0.62**	**83,304,592**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	October 31, 2021	October 31, 2020
Accounts payable	**$374,114**	$546,828
Accrued liabilities - MENDM[(1)]	**884,325**	884,325
Other accrued liabilities	**138,199**	160,029
	$1,396,638	$1,591,182

(1) Prior to the acquisition of Signature Exploration Ltd. and the Lingman Lake Property, the Ministry of Energy, Northern Development and Mines ("MENDM") had requested the removal of certain above ground storage tanks containing approximately 800,000 litres of fuel that was considered a mine hazard. Due to the failure of the prior owners to comply with MENDM's request for it to be cleaned up, MENDM took action and managed the disposition of the fuel at a cost of $884,325.

10. REHABILITATION PROVISION

Historical work done by other companies on the Company's mining sites resulted in the MENDM issuing an order to the Company requiring the filing of a closure plan. Therefore the rehabilitation provision recorded in these financial statements represents the estimate of the eventual legal and contractual obligations associated with a future closure of the Company's mining operations either progressively or at the end of the mine life. A draft plan was submitted to MENDM in September 2021 and the Company is awaiting MENDM's comments. These obligations consist of estimated costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company's mining sites.

(Expressed in Canadian Dollars)

10. REHABILITATION PROVISION, continued

A summary of the Company's rehabilitation provision is presented below:

As at October 31,	2021	2020
Balance at beginning of year	**$273,847**	$273,847
Change in estimate	**574,424**	-
Accretion expense	**-**	-
Balance at end of year	**$848,271**	$273,847

The estimated costs of $848,271 increased from the historic estimated costs of $273,847 due to an expanded scope of work and a change of certain assumptions regarding inflation and the cost of capital. The Company has recorded the additional liability on the Statement of financial position at its present value amount, adjusted for 2% annual inflation, and discounted back to October 31, 2021 using a risk-free rate of 1.77%.

11. PROMISSORY NOTE

On June 3, 2019, the Company issued a promissory note for a principal amount of $164,000, which matured on September 1, 2019. The Company signed an extension through September 30, 2020. The note bears a fixed interest rate of 8% per annum on the unpaid portion of the principal amount until fully repaid, accruing on a monthly basis and payable on the maturity date. During the year ended October 31, 2020, the Company repaid the full principal amount including interest of $182,315. Total interest incurred for the year ended October 31, 2021 is $nil (2020 - $12,775).

12. COMMITMENTS AND CONTINGENCIES

As at October 31, 2021, the Company has recorded a rehabilitation provision for its environmental liabilities (note 10).

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

As at October 31, 2021, the Company believes it has incurred all of its eligible exploration expenditures with respect to its flow-through financings.

The Company has termination and change of control provisions included in its agreements with management and members of the board of directors. In the event of a transaction that constitutes a change of control of the Company, certain amounts would be required to be paid out to those individuals based on their annual base fees and salaries. These contracts contain minimum commitments of approximately $284,000 and additional contingent payments of up to approximately $850,000. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

13. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to support the Company's exploration and corporate activities. In doing so, the Company strives to safeguard its ability to continue as a going concern in order to pursue its principal business of exploration and thereby maximize shareholder returns. As the Company has no revenue from operations, it must self-finance. Historically, the Company has been successful in the past in obtaining financing from private equity placements, however there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

The Company's capital management objectives, policies and processes have remained unchanged during the periods ended October 31, 2021 and 2020. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

As at October 31, 2021, the Company is not in compliance with the TSXV capital requirements. The consequences of non-compliance are at the discretion of the TSXV.

14. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of loss and comprehensive loss on a pro-rata basis based on the corresponding eligible exploration expenditures that have been incurred. Total premium liability of $524,313 was recognized in respect of the December 4, 2020, December 17, 2020 and July 8, 2021 flow-through financings (note 8).

During the year ended October 31, 2021, $524,313 (2020 - $31,694) of the deferred premium liability was recognized as income in the consolidated statements of loss and comprehensive loss.

15. FINANCIAL INSTRUMENTS

Categories and fair value of financial instruments

The Company's financial instruments consist of cash, investments, amounts receivable, and accounts payable and accrued liabilities. The carrying values of the Company's short-term financial assets and liabilities approximate their fair values due to their short periods to maturity.

The following table summarizes the categories and fair values of the Company's financial instruments:

15. FINANCIAL INSTRUMENTS, continued

As at October 31, 2021				
			Carrying Value	**Fair Value**
	FVTPL	**FVTOCI**	**Amortized Cost**	**Total**
Financial Assets and Liabilities			**$**	**$**
Cash	**-**	**-**	**75,281**	**75,281**
Investments	**-**	**-**	**1,350,000**	**1,350,000**
Amounts receivable	**-**	**-**	**254,546**	**254,546**
Accounts payable and accrued liabilities	**-**	**-**	**(1,396,638)**	**(1,396,638)**

As at October 31, 2020				
			Carrying Value	Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			$	$
Cash	-	-	462,184	462,184
Amounts receivable	-	-	63,100	63,100
Accounts payable and accrued liabilities	-	-	(1,591,182)	(1,591,182)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and investments. To minimize the credit risk on cash the Company places the instruments with a high credit quality financial institution.

Liquidity Risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, administrative, and exploration and evaluation expenditures. The objective of this process is to ensure that it secures sufficient cash to meet these planned expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset-backed commercial paper or similar instruments.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as most of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk as the interest on the promissory note is a fixed rate.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

16. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2020 - 26.5%) were as follows:

	2021	2020
	$	$
Loss before income taxes:	(1,386,028)	(994,161)
Expected income tax (recovery) based on statutory rate	(367,000)	(263,000)
Adjustment to expected income tax benefit:		
Non-deductible expenses and other	189,000	81,000
Flow-through renunciation	1,318,000	32,000
Change in unrecorded deferred tax asset	(1,140,000)	150,000
Deferred income tax provision (recovery)	**-**	**-**

b) Deferred Income Taxes:

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2021	2020
	$	$
Non-capital loss carry-forwards	-	2,718,000
Share issue costs	-	146,000
Other temporary differences	-	463,000
Total	-	3,327,000

Deferred taxes are as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

	2021	2020
	$	$
Recognized deferred tax assets and liabilities		
Non-capital loss carry-forwards	1,114,000	219,000
Share issue costs	87,000	-
Mineral property costs	(1,527,000)	(219,000)
Asset retirement obligation	225,000	-
Other temporary differences	101,000	-
Deferred income tax asset (liability)	**-**	**-**

17. SUBSEQUENT EVENTS

a. Subsequent to the year ended October 31, 2021, 33,545,113 warrants with a weighted average exercise price of $0.10 expired, unexercised.

b. On December 23, 2021, 75,000 options with a weighted average exercise price of $0.13 were forfeited.

c. On February 15, 2022, the Company announced a proposed non-brokered private placement ("March Offering") of flow-through shares and non-flow-through shares, for an aggregate of $1,000,000 in gross proceeds. On February 25, 2022 the Company further announced that the proposed March Offering had been increased to $2,000,000.

d. Subsequent to the year ended October 31, 2021, the Company entered into a short-term loan agreement with a director of the Company in the amount of $200,000. The amount is unsecured, non-interest bearing, and due on demand.