MLK Gold Ltd.

Financial Statements

For the years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of MLK Gold Ltd.

Opinion

We have audited the accompanying financial statements of MLK Gold Ltd. (formerly Mountain Lake Minerals Inc.) (the "Company"), which comprise the statements of financial position as at November 30, 2021 and 2020, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended November 30, 2021 and 2020, and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Waseem Javed.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
March 30, 2022

MLK Gold Ltd.
Statements of Financial Position
As at November 30, 2021 and 2020
(Expressed in Canadian dollars)

	Note	2021	2020
		$	$
ASSETS			
Current assets			
Cash		749,914	338,440
Amounts receivable		78,740	18,841
Prepaid expenses and deposits		6,000	
		834,654	357,281
Exploration and evaluation assets	6	826,064	305,816
Deposits		-	50,000
		1,660,718	**713,097**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	420,474	280,788
Flow-through premium liability	9	46,865	-
Notes payable	7	1,500	66,000
Other payables		-	69,564
		468,839	416,352
EQUITY			
Share capital	8	1,434,075	77,101
Contributed surplus	8	729,952	679,952
Deficit		(972,148)	(460,308)
		1,191,879	296,745
		1,660,718	**713,097**

Nature of business and going concern – Note 1
Commitments – Note 12
Subsequent event – Note 14

Approved and authorized for issue on behalf of the Board on March 30, 2022:

"Bill Fleming"
Director

"Paul Smith"
Director

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

MLK Gold Ltd.
Statements of Loss and Comprehensive Loss
For the years ended November 30, 2021 and 2020
(Expressed in Canadian dollars)

	Note	2021	2020
		$	$
Expenses			
Advertising and promotion		11,400	8,810
Legal and accounting		152,383	-
Management fees	10	171,000	220,500
Consulting	10	17,000	10,434
Interest and bank charge		7,687	-
Office and miscellaneous		2,148	14,459
Professional fee		52,016	50,160
Project investigation costs		-	101,944
Share-based compensation	8	40,000	54,000
Transfer agent and filing		33,510	-
Rent		6,000	-
Travel		10,271	-
Wages and benefits		32,846	-
Total expenses		536,261	460,307
Other items			
Recovery of flow-through premium	9	24,421	-
Net loss and comprehensive loss for the year		**511,840**	**460,307**
Loss per share – basic and diluted		(0.03)	(0.08)
Weighted average number of common shares outstanding		16,657,867	6,121,496

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

MLK Gold Ltd.
Statements of Changes in Equity
For the years ended November 30, 2021 and 2020
(Expressed in Canadian dollars

		Common Shares	Contributed Surplus	Deficit	Total
	#	$	$	$	$
Balance, November 30, 2019	**-**	**1**	**-**	**(1)**	**-**
Shares issued pursuant to Arrangement Agreement	10,636,945	-	625,952	-	625,952
Shares issued pursuant to mineral property agreements	1,285,000	77,100	-	-	77,100
Share-based compensation	-	-	54,000	-	54,000
Net and comprehensive loss	-	-	-	(460,307)	(460,307)
Balance, November 30, 2020	**11,921,945**	**77,101**	**679,952**	**(460,308)**	**296,745**
Shares issued for cash, net of costs (Note 8)	23,724,285	1,206,760	10,000	-	1,216,760
Flow-through premium (Note 9)	-	(71,286)	-	-	(71,286)
Shares issued pursuant to mineral property agreements	1,490,000	74,500			74,500
Shares issued for settlement of liabilities	2,940,000	147,000			147,000
Share-based compensation	-		40,000	-	40,000
Net and comprehensive loss	-	-	-	(511,840)	(511,840)
Balance, November 30, 2021	**40,076,230**	**1,434,075**	**729,952**	**(972,148)**	**1,191,879**

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

MLK Gold Ltd.
Statements of Cash Flows
For the years ended November 30, 2021 and 2020
(Expressed in Canadian dollars)

	2021	2020
	$	$
Cash provided (used) in operating activities		
Net loss for the year	(511,840)	(460,307)
Non-cash expense		
Share-based compensation	40,000	54,000
Recovery of flow-through premium	(24,421)	-
Net change in non-cash working capital balances related to operations:		
Amounts receivable	(59,899)	(18,841)
Amounts payable and accrued liabilities	217,122	280,788
Prepaid	(6,000)	
Other payables	(64,500)	-
	(409,538)	(144,360)
Cash provided (used) in investing activities		
Deposits	50,000	(50,000)
Exploration and evaluation assets	(445,748)	(17,200)
	(395,748)	(67,200)
Cash provided (used) in financing activities		
Cash received from issuance of common shares, net	1,216,760	550,000
Change in cash	411,474	338,440
Cash, beginning of year	338,440	-
Cash, end of year	**749,914**	**338,440**
Supplemental cash flow information:		
Shares issued for exploration and evaluation assets	74,500	77,100
Income taxes	-	-
	-	-

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

MLK Gold Ltd. (formerly Mountain Lake Minerals Inc.) (the "Company") was incorporated under the Business Corporations Act of British Columbia on June 7, 2018 as 1167343 B.C. Ltd. On May 14, 2020, the Company changed its name to Mountain Lake Minerals Inc. On May 4, 2021, the Company changed its name to MLK Gold Ltd. The address of the Company's head office is 59 Payzant Dr., Windsor, Nova Scotia, Canada, B0N 2T0. The Company's registered office is, Suite 2080 - 777 Hornby Street, Vancouver, B.C., Canada, V6Z 1S4.

In accordance with an Arrangement Agreement dated June 7, 2018, the Company was incorporated as a wholly owned subsidiary of Pac Roots Cannabis Corp. ("Pac Roots"). During the year ended November 30, 2020, Pac Roots transferred its mineral exploration business and other assets to the Company in exchange for 10,636,945 common shares of the Company. The common shares were then distributed to the shareholders of Pac Roots. The exchange in shares for the exploration business and other assets has been recorded as a capital transaction at the fair value of the net assets received, as follows:

	$
Cash receivable from Pac Roots	550,000
Exploration and evaluation assets	211,516
Notes payable	(66,000)
Other liabilities	(69,564)
	625,952

The Company received a cash payment of $550,000 from Pac Roots during the year ended November 30, 2020. Other liabilities pertained to transaction costs being shared by the Company and Pac Roots and were repaid during the year ended November 30, 2021.

The Company is a junior exploration company exploring for precious and base metal deposits. The Company's current projects are located in the provinces of Newfoundland and Labrador and Nova Scotia in Canada (Note 6).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at November 30, 2021, the Company had not yet generated revenues and had an accumulated deficit of $972,148.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company's operations have not been drastically affected by the pandemic. Management continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of compliance

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

The financial statements were authorized for issue by the Board of Directors on March 30, 2022.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all years presented in these financial statements.

c) Functional and presentation currency

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates and Judgments

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of revenues and expenses. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The more significant areas are as follows:

Critical accounting estimates

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, exploration costs will be reclassified to mineral properties under exploration and subject to different accounting treatment. As at November 30, 2020, management had determined that no reclassification of exploration expenditures was required.

Decommissioning liabilities

Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that existed during the year.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Use of Estimates and Judgments (continued)

Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's exploration and evaluation assets are impaired. External sources of information management consider includes changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mining interests. Internal sources of information management consider include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's exploration properties, management makes estimates of the discounted future pre-tax cash flows expected to be derived from the Company's exploration properties, and the appropriate discount rate.

Income taxes

The assessment of deferred income tax assets and liabilities requires management to make judgments on whether or not the Company's deferred tax assets are probable to be recovered from future income. Management has determined that the recoverability of the Company's deferred tax assets is remote due to the history of losses. As a result, no deferred income tax assets have been recognized as at November 30, 2020.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

b) Cash

Cash consists of cash on hand and balances with banks.

c) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study and a decision to proceed with development, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to resource property and development assets.

An impairment review of exploration and evaluation assets is performed, either individually or at the cash generating unit level, when there are indicators the carrying amount of the assets may exceed their recoverable amounts. To the extent this occurs, the excess is fully provided against the carrying amount, in the period in which this is determined.

Exploration and evaluation assets are reviewed for indicators of impairment on a regular basis and these costs are carried forward provided at least one of the following conditions is met:

- such costs are expected to be recovered through successful exploration and development of the area of interest or by its sale; or

- exploration and evaluation activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned in the future.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Share Capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

e) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed. Commissions paid to agents and other related share issue costs are charged directly to share capital.

f) Financial Instruments

Financial Assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;
ii. Fair value through profit and loss ("FVTPL"); and
iii. Fair value through other comprehensive income ("FVOCI").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company has classified its deposits at amortized cost.

FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial Instruments (continued)

FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

The Company has classified its cash at FVTPL.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Amortized cost

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, note payable and other payables at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

g) Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the date of grant. Fair value is measured using the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services 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.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Income Taxes

Income tax on profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset would be recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

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

i) Basic and Diluted Earnings (loss) per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

j) Decommissioning Liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising 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, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of loss. The liability is assessed at each reporting date for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Adoption of New Standards

During the year ended November 30, 2021, the Company was not required to adopt any new standards or amendments which had a significant impact on the Company's financial statements.

NOTE 4 – ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET ADOPTED

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's financial statements.

NOTE 5 – FINANCIAL INSTRUMENTS

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, deposits, accounts payable, notes payable and other payables.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of November 30, 2021, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
November 30, 2021				
Cash	749,914	–	–	749,914

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

NOTE 5 – FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company's amounts payable to related parties are due over one year. The Company's notes and loans payable are due on demand. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at November 30, 2021, the Company has cash of $749,914 to settle current liabilities of $468,839.

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

	Newfoundland and Labrador	Nova Scotia	Total
	$	$	$
Acquisition Costs			
Balance, November 30, 2019	-	-	-
Acquired pursuant to Arrangement Agreement	211,516	-	211,516
Additions	57,200	37,100	94,300
Balance, November 30, 2020	268,716	37,100	305,816
Additions	209,237	4,270	213,507
Balance, November 30, 2021	477,953	41,370	519,323
Exploration Costs			
Balance, November 30, 2020 and 2019	-	-	-
Additions	306,741	-	306,741
Balance, November 30, 2021	306,741	-	306,741
Balance, November 30, 2020	**268,716**	**37,100**	**305,816**
Balance, November 30, 2021	**784,694**	**41,370**	**826,064**

Newfoundland and Labrador

Grand Falls and Caledonia Brooks Properties

In connection with the Arrangement Agreement described in Note 1, the Company acquired an Option Agreement dated October 30, 2017 ("Agreement") with New Dawn Resources Inc. (the "Optionor") whereby the Company could acquire a 100% interest in a gold exploration property in the Central Newfoundland area of Newfoundland and Labrador consisting of 53 mineral claims under two mineral exploration licenses.

On March 6, 2020, the Company entered into a purchase agreement ("Purchase Agreement") with the Optionor whereby the Company would acquire a 100% interest in the above-noted gold exploration property consisting of 53 mineral claims and two mineral exploration licenses and a 100% interest in 30 additional mineral claims under two mineral exploration licenses. The Purchase Agreement superseded the Option Agreement with the Optionor, and as consideration, the Company was required to make a cash payment $5,000 and issue 583,333 common shares, which the Company paid and issued during the year ended November 30, 2020.

Pursuant to the Purchase Agreement, the Company earned a 100% interest in 83 claims under four mineral exploration licenses (together, the "Grand Falls and Caledonia Brooks Properties"). During the year ended November 30, 2020, 30 claims under two mineral exploration licenses were cancelled as the Company identified claims of interest at the Grand Falls and Caledonia Brooks Properties for further exploration.

The Grand Falls and Caledonia Brooks Properties are subject to a net smelter returns royalty ("NSR") of 1.0% of commercial production. The Company can purchase 0.5% of the NSR for $500,000 at any time.

NOTE 6 – EXPLORATION AND EVALUATION ASSETS (continued)

Manuels Property

On April 6, 2020, the Company entered into a purchase agreement with New Dawn Resources Inc. and the sole director of New Dawn Resources Inc. (the "Optionors"), whereby the Company acquired a 100% interest in 21 mineral claims under three mineral licenses known ("Manuels Property"). As consideration, the Company issued 83,333 common shares and agreed to pay an aggregate of $72,000 in ten equal annual installments of $7,200 to the Optionors. During the year ended November 30, 2020, $7,200 was paid to the Optionors.

The Manuels Property is subject to an NSR of 1.0% of commercial production. The Company can purchase 0.5% of the NSR for $500,000 at any time.

Caledonia 2 Property

On April 6, 2020, the Company entered into an agreement with a company controlled by a director of the Company, whereby the Company would acquire (the "Acquisition") a 50% interest in certain mineral exploration licenses (the "Caledonia 2 Property") in exchange for, among other things, a 50% interest in the Manuels property (the "Caledonia 2 Agreement"). The Acquisition was subject to the Company acquiring 100% of the Manuels Property. In addition, the Company has also committed to issuing 200,000 share purchase warrants, making a cash payment of $30,000, providing a 2% NSR in the Manuels property and incurring $1,000,000 in exploration expenses before December 31, 2022. Furthermore, the Company also committed to issuing certain number of performance warrants dependent on results of geological surveys which have not yet been conducted.

On September 20, 2021, the Company and the vendor amended the Caledonia 2 Agreement, and the Company acquired a 100% interest in the Caledonia 2 Property by making a cash payment of $75,500 (recorded in accounts payable as at November 30, 2021 and paid subsequent to November 30, 2021) and issuing 1,490,000 common shares of the Company (issued). The Company has granted to the vendor a 0.5% NSR royalty on the Caledonia 2 Property and a 0.5% NSR on the Manuels Property.

The titles to the mineral licenses comprising the Caledonia 2 Property were held by an officer of the Company as at November 30, 2021, and are in the process of being transferred to the Company.

Little River Property

The Company holds an undivided 100% interest in 20 mineral claims in the Little River area of southern Newfoundland known as the Golden Eye Project. There is a 2.0% NSR on the property of which 1% can be purchased for $1,500,000.

Nova Scotia

Highfield Property

During the year ended November 30, 2020, the Company entered into agreements with two parties (the "Optionors") to acquire a 100% interest in six mineral claims under one mineral exploration license in Nova Scotia (the "NS Agreements" and the "Highfield Property"). Pursuant to the terms of the NS Agreements, the Company has issued 583,333 common shares. The mineral exploration license is currently held by the Optionors. In addition, the Company also issued 35,000 common shares as finders' fee to a third party.

The Highfield Property is subject to two NSRs of 0.75% and 2.0%, of which the Company can purchase up to 0.5% of the first, and 0.5% of the second may be purchased for $250,000 and $50,000, respectively. Furthermore, the Company will also be required to make a royalty payment of $25,000 within one year of a feasibility report which identifies commercial viability of the property.

The title to the exploration license comprising the Highfield Property were held by an officer of the Company as at November 30, 2021, and are in the process of being transferred to the Company.

NOTE 7 – NOTES PAYABLE

As part of the Arrangement Agreement described in Note 1, the Company assumed notes payable of $66,000. The notes payable are non-interest bearing, unsecured and due on demand. During the year ended November 30, 2021, the Company repaid $64,500.

NOTE 8 – SHARE CAPITAL

Common shares

The Company's authorized capital consists of an unlimited numbers of common shares without par value. As at November 30, 2021, there were 40,076,230 (November 30, 2020 – 11,921,945) issued and outstanding common shares.

During the year ended November30, 2021:

Effective May 5, 2021, the Company consolidated all of its issued and outstanding share capital on a basis of one post-consolidated share for six pre-consolidated shares. All share and per share amounts in these financial statements have been retroactively adjusted to reflect this share consolidation.

On June 10, 2021, the Company issued 100,000 units for a price of $0.05 per unit. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share for a period of 12 months at an exercise price of $0.10 per common share.

On September 30, 2021, the Company completed a non-brokered private placement raising aggregate gross proceeds of $1,252,500 through the sale of 3,564,285 flow through subscription receipts at a price of $0.07 per flow through subscription receipt and 20,060,000 subscription receipts at a price of $0.05 per subscription receipt. The subscription receipts were converted into flow-through common shares and non flow-through common shares of the Company, respectively. The Company paid $40,750 in finders' fees and issued 742,999 finders' warrants. The fair value of the finders' warrants was estimated to be $10,000 and was calculated using the Black-Scholes calculator and the following assumptions: share price on grant date – $0.05; expected life – 1 year; volatility – 150%; annual rate of dividends – 0%; and risk-free rate – 0.20%.

On September 30, 2021, the Company issued 1,490,000 common shares pursuant to the acquisition agreement pertaining to the Caledonia 2 Property.

On September 30, 2021, the Company issued 2,940,000 common shares to settle outstanding liabilities of $147,000 with certain directors and officers of the Company.

During the year ended November 30, 2020:

On May 22, 2020, the Company issued 10,636,945 common shares with a fair value of $625,952 related to the Arrangement Agreement as described in Note 1.

On May 22, 2020, the Company issued 583,333 common shares with a fair value of $35,000 as consideration for the NS Agreements.

On May 22, 2020, the Company issued 35,000 common shares with a fair value of $2,100 in relation to finders' fees issued for the NS Agreements.

On August 12, 2020, the Company issued an aggregate of 666,667 common shares with a fair value of $40,000 in connection with the Company's properties in Newfoundland and Labrador.

NOTE 8 – SHARE CAPITAL (continued)

Stock Options

The Company has a stock option plan (the "Plan) which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

A summary of the Company's stock options activity for the year ended November 30, 2021 is as follows:

	Number of options	Weighted Average Exercise Price
		$
Outstanding, November 30, 2019	-	-
Issued	1,192,194	0.60
Outstanding, November 30, 2020	1,192,194	0.60
Issued	900,000	0.07
Cancelled	(1,192,194)	0.60
Outstanding, November 30, 2021	900,000	0.37

The following is a summary of stock options outstanding as at November 30, 2021:

Number of stock options	Exercise Price	Expiry date
900,000	$0.07	October 26, 2026

During the year ended November 30, 2021, the Company granted 900,000 stock options to certain officers and directors of the Company. The stock options are exercisable at a price of $0.07 for a period of five years from the date of grant. fair value of the stock options grated was estimated to be $40,000, and was calculated using the Black-Scholes calculator and following assumptions: share price on grant date – $0.05; expected life – 5 years; volatility – 150%; annual rate of dividends – 0%; and risk-free rate – 1.48%.

During the year ended November 30, 2020, the Company granted 1,192,194 stock options to certain officers and directors of the Company. The stock options are exercisable at a price of $0.60 for a period of five years from the date of grant. fair value of the stock options grated was estimated to be $54,000, and was calculated using the Black-Scholes calculator and following assumptions: share price on grant date – $0.06; expected life – 5 years; volatility – 150%; annual rate of dividends – 0%; and risk-free rate – 0.33%.

Warrants

A summary of the Company's warrant activity for the year ended November 30, 2021 is as follows:

	Number of warrants	Weighted Average Exercise Price
		$
Outstanding, November 30, 2019	-	-
Issued	2,104,560	3.00
Outstanding, November 30, 2020	2,104,560	3.00
Issued	24,474,284	0.10
Expired	(2,104,560)	3.00
Outstanding, November 30, 2021	24,474,284	0.10

As part of the Arrangement Agreement described in Note 1, the Company issued 2,104,560 share purchase warrants upon the completion of the Arrangement Agreement, which expired on April 28, 2021.

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

Number of warrants	Exercise Price	Expiry date
842,999	$0.10	June 10, 2022
23,631,285	$0.10	September 30, 2022

NOTE 9 – FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability is as follows:

	$
Balance, November 30, 2020 and 2019	-
Flow-through share premium recognized upon issuance	71,286
Reduction pursuant to incurring qualified expenditures	(24,421)
Balance, November 30, 2021	46,865

NOTE 10 – RELATED PARTY TRANSACTIONS AND BALANCES

Payments to key management personnel including the President and Chief Executive Officer, Chief Financial Officer, Directors and companies directly controlled by key management personnel are for salaries, consulting fees, management fees, or professional fees and are directly related to their position in the Company or to services provided to the Company.

The Company incurred the following costs from its key management personnel and related parties for the years ended November 30, 2021 and 2020:

	2021	2020
	$	$
Management, consulting fees and wages	202,500	220,500
Rent	12,000	10,435
Share-based compensation	35,556	54,000

As at November 30, 2021, the Company had amounts payable totaling $196,720 (November 30, 2020 - $172,490) to certain directors and officers of the Company.

During the year ended November 30, 2021, the Company received $79,451 in advances from a director of the Company. The advances were unsecured and due on demand. The Company repaid $87,396 during the year, which comprised of the principal amount along with accrued interest.

NOTE 11 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. As at November 30, 2021, the Company had a working capital surplus of $365,815 (November 30, 2020 - $59,071).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will utilize its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and business opportunities and seek to acquire an interest in additional properties or businesses if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

The Company generally invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid financial instruments, such as cashable guaranteed investment certificates, held with a major Canadian financial institution.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

NOTE 12 – COMMITMENTS

During the year ended November 30, 2021, the Company issued flow-through common shares for gross proceeds of $249,500. Expenditures related to the use of flow-through share proceeds are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors. As at November 30, 2021, the Company had $164,028 in unspent flow-through funds. The Company is required to incur these expenditures before December 31, 2021 under the general rule and before December 31, 2022 under the look-back rule.

NOTE 13 – INCOME TAXES

The Company has losses carried forward of approximately $862,000 (2020 - $406,000) available to reduce income taxes in future years, which begins expiring in 2040.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probably that sufficient taxable income will be realized during the carry forward years to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates for the years ended November 30, 2021 and 2020:

	2021	2020
Canadian statutory income tax rate	31%	27%
	$	$
Income tax recovery at statutory rate	(159,000)	(124,000)
Effect of income taxes of:		
Permanent differences and other	18,000	14,000
Change in deferred tax assets not recognized	141,000	110,000
Deferred income tax recovery	–	–

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2021	2020
	$	$
Non-capital loss carry forwards	267,000	110,000
Exploration and evaluation assets	(26,000)	-
Share issuance cost	10,000	-
Deferred tax assets not recognized	(251,000)	(110,000)
	–	–

NOTE 14 – SUBSEQUENT EVENT

On February 23, 2022, the Company entered into a purchase agreement to acquire certain mineral claims adjoining the Company's Caledonia Brook property located in Newfoundland and Labrador in exchange for 15,000 common shares of the Company.