FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

For the Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

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Independent Auditor's Report

To the Shareholders of Freeman Gold Corp.

Opinion

We have audited the consolidated financial statements of Freeman Gold Corp. ("the Group"), which comprise the consolidated statements of financial position as at November 30, 2021 and November 30, 2020 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows 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 Group as at November 30, 2021 and November 30, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

We obtained the other information prior to the date of this auditor's report. 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 in this auditor's report. 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 International Financial Reporting Standards, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group to cease to continue as a going concern.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pejman Mahlooji.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
February 10, 2022

FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	November 30, 2021 $	November 30, 2020 $
ASSETS			
Current assets			
Cash		20,054,776	5,066,930
Receivables	4	39,515	108,328
Prepaid expenses and deposits	5	69,442	121,287
Total current assets		20,163,733	5,296,545
Non-current assets			
Advances for exploration and evaluation activities		77,005	40,161
Property, plant and equipment	6	160,325	238,295
Exploration and evaluation assets	7	10,928,002	8,604,289
		11,165,332	8,882,745
TOTAL ASSETS		31,329,065	14,179,290
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	405,072	910,792
Warrant liabilities	10	4,848,315	-
Total current liabilities		5,253,387	910,792
SHAREHOLDERS' EQUITY			
Share capital	10	35,612,684	21,384,559
Reserves	10	4,369,480	3,168,691
Deficit		(13,906,486)	(11,284,752)
Total Shareholders' Equity		26,075,678	13,268,498
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		31,329,065	14,179,290

Subsequent events (Note 14)

Approved by the Board of Directors on February 10, 2022:

"Simon Marcotte"
Simon Marcotte, Director

"Victor Cantore"
Victor Cantore, Director

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

(Expressed in Canadian dollars, except number of shares)

		Year ended November 30, 2021	2020
		$	$
EXPENSES			
Bank charges		2,639	3,095
Consulting	9	937,163	670,196
General and administrative		86,262	25,285
Listing expense	3	-	6,887,417
Marketing fees		938,088	1,303,963
Professional fees		118,219	250,060
Project investigation		12,753	-
Regulatory and filing fees		110,141	75,571
Share-based compensation	9,10	1,285,030	1,863,721
Warrant issue costs	10	86,886	-
Net loss before other items		(3,577,181)	(11,079,308)
Other items			
Foreign exchange		87,351	-
Impairment of exploration and evaluation assets	7	-	(169,599)
Net loss and comprehensive loss		87,351	(169,599)
Net and comprehensive loss		(3,489,830)	(11,248,907)
Basic and diluted loss per common share		(0.04)	(0.21)
Weighted average number of common shares outstanding		84,348,582	53,532,923

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

FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars, except number of shares)

		Share Capital				
	Note	Number of shares outstanding	Amount	Reserves	Deficit	Total shareholders' equity
			$	$	$	$
Balance at November 30, 2019		15,740,000	432,620	-	(35,845)	396,775
Issuance of common shares pursuant to private placement	10	15,000,000	750,000	-	-	750,000
Share-based compensation prior to RTO transaction	10	-	-	112,000	-	112,000
Exercise of stock options prior to RTO transaction	10	3,000,000	262,000	(112,000)	-	150,000
Recognition of equity on RTO transaction	10	14,257,770	5,988,263	504,435	-	6,492,698
Finder's shares issued on RTO transaction	10	3,500,000	1,470,000	-	-	1,470,000
Elimination of 113BC shares on RTO	10	(33,740,000)	-	-	-	-
Replacement of shares of 113BC on RTO	10	33,740,000	-	-	-	-
Issuance of common shares and warrants pursuant to private placement	10	4,268,911	1,049,652	444,467	-	1,494,119
Issuance of common shares pursuant to private placement	10	20,690,000	10,345,000	-	-	10,345,000
Issuance of common shares for acquisition of property rights	10	4,410,273	2,323,342	-	-	2,323,342
Finder's shares issued for acquisition of property rights	10	260,000	135,200	-	-	135,200
Share issuance costs	10	-	(954,800)	-	-	(954,800)
Issuance of finders' warrants	10	-	(554,336)	554,336	-	-
Exercise of stock options	10	200,000	95,346	(75,346)	-	20,000
Exercise of warrants	10	73,500	42,272	(10,922)	-	31,350
Share-based compensation	10	-	-	1,751,721	-	1,751,721
Net loss for the year		-	-	-	(11,248,907)	(11,248,907)
Balance at November 30, 2020		81,400,454	21,384,559	3,168,691	(11,284,752)	13,268,498
Issuance of common shares and warrants pursuant to private placements	10	49,799,309	13,902,072	1,277,444	-	15,179,516
Exercise of warrants	10	133,596	72,753	(40,307)	-	32,446
Share issuance costs	10	-	(199,982)	-	-	(199,982)
Share-based compensation	10	-	-	1,285,030	-	1,285,030
Cancellation of options	10	-	-	(868,096)	868,096	-
Expiry of warrants	10	-	453,282	(453,282)	-	-
Net loss for the year		-	-	-	(3,489,830)	(3,489,830)
Balance at November 30, 2021		131,333,359	35,612,684	4,369,480	(13,906,486)	26,075,678

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

FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
November 30, 2021 and 2020
(Expressed in Canadian dollars, unless otherwise noted)

	Year ended November 30,	
	2021	2020
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(3,489,830)	(11,248,907)
Items not affecting cash:		
Listing expense	-	6,887,417
Share-based compensation	1,285,030	1,863,721
Unrealized foreign exchange	(98,424)	-
Impairment of exploration and evaluation assets	-	169,599
Warrant issue costs	86,886	-
Changes in non-cash working capital items:		
Receivables	68,813	(95,746)
Prepaid expenses	51,845	162,856
Due to former shareholders	-	(10,000)
Accounts payable and accrued liabilities	(252,886)	(16,475)
Cash used in operating activities	(2,348,566)	(2,287,535)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired on RTO transaction	-	199,821
Transaction costs incurred in connection with RTO	-	(228,101)
Purchase of property and equipment	(9,060)	(254,296)
Advances for exploration and evaluation activities	(36,844)	(40,161)
Expenditures for exploration and evaluation assets	(2,573,381)	(5,193,008)
Cash used in investing activities	(2,619,285)	(5,515,745)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	20,027,831	12,589,119
Share issuance costs	(146,505)	(954,800)
Warrant issue costs	(56,499)	-
Repayment of advances	-	(266,000)
Proceeds from exercise of stock options	-	170,000
Proceeds from exercise of warrants	32,446	31,350
Advance received on RTO transaction	-	1,300,000
Cash provided by financing activities	19,857,273	12,869,669
Change in cash during the year	14,889,422	5,066,389
Effect of exchange rate changes on cash	98,424	-
Cash, beginning of year	5,066,930	541
Cash, end of year	20,054,776	5,066,930
Supplemental Cash Flow Information:		
Evaluation and exploration expenditures included in accounts payable	233,402	570,100
Share issuance costs included in accounts payable	53,477	-
Depreciation of property, plant and equipment included in exploration and evaluation expenditures	87,030	-
Shares issued for acquisition of property rights and claims	-	2,458,542
Shares, warrants and stock options issued in connection with RTO	-	7,962,698

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Freeman Gold Corp. (formerly Lodge Resources Inc.) (the "Company") was incorporated in the Province of British Columbia on October 24, 2018, under the Business Corporations Act of British Columbia. The Company is in the business of exploring exploration and evaluation assets. The Company's registered office is Suite 1500 – 1055 W. Georgia Street, Vancouver BC V6E 4N7 and its business office is located at 1570 – 505 Burrard Street, Vancouver, BC V7X 1M5. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "FMAN".

On April 16, 2020, (the "Closing Date"), the Company completed a share exchange transaction (the "RTO") with 1132144 B.C. Ltd. ("113BC"), the parent company of Lower 48 Resources Inc. ("Lower 48 BC") and Lower 48 Resources (Idaho) LLC ("Lower 48"), whereby the Company acquired all of the issued and outstanding common shares of 113BC through the issuance of 33,740,000 common shares of the Company, subject to escrow terms (see Note 10) to 113BC's shareholders. Additionally, the Company issued 3,500,000 common shares as finder fee shares to an arm's length finder that facilitated the RTO. Prior to the Closing Date, 14,257,770 common shares of the Company were outstanding. Following the Closing Date, 51,497,770 common shares of the Company were outstanding, with 66% of the Company's shares held by shareholders of 113BC.

Management determined that the RTO transaction constituted a reverse acquisition for accounting purposes whereby 113BC acquired the Company. For accounting purposes, 113BC is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these consolidated financial statements. As 113BC was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. The Company's results of operations are included from the Closing Date. The comparative figures are those of 113BC prior to the reverse acquisition. See Note 3.

At November 30, 2021, the Company had cash totalling $20,054,776. As a result, the Company believes that it has adequate cashflow to meet obligations and carry out planned activities for the next twelve months.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved by the Board of Directors and authorized for issue on February 10, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below.

c) Functional and presentation currency

The presentation and functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Basis of consolidation

These financial statements include the accounts of the Company, and its wholly-owned subsidiaries including Lodge Minerals Inc., 113BC, Lower 48 BC and Lower 48 (see Notes 1 and 3). Control exists where the parent entity has power over the investee and is exposed, or has rights, 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 included in the financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

e) Exploration, evaluation and development expenditures

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, the Company capitalizes the costs of acquiring, maintaining its interest in, exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage. At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. 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 only to the extent that the increased carrying amount 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Financial instruments

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

	Classification
Financial Assets	
Cash	FVTPL
Receivables	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Warrant liabilities	FVTPL

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provision of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method. An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

g) Property, plant and equipment

Equipment and vehicles are recognized at cost less accumulated depreciation. The cost includes expenditures that are directly attributable to the acquisition of the equipment. Where parts (components) of an item of equipment have different useful lives or for which different amortization rates are appropriate, they are accounted for as separate items of equipment. Estimates of residual values, methods and useful lives of all assets are assessed annually.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate,

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property, plant and equipment (continued)

only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Depreciation of equipment and vehicles is calculated on a straight-line basis over a period of three years to write off the cost of the assets to their residual values over their estimated useful lives. Depreciation that is related to assets used for exploration is included in the costs of exploration and evaluation assets.

h) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in any arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including any expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal. Impairment is assessed at the level of cash-generating units or "CGUs", which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

i) Warrants

The proceeds from private placements that include warrants are allocated on a relative fair value basis between the common shares and warrants using the Black-Scholes pricing model. The fair value attributed to warrants is recorded in warrant reserve within equity. If the warrants are converted, the consideration paid, along with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. Upon expiry of warrants, any fair value attributed is reclassified to share capital.

j) Flow-through shares

Proceeds from flow-through issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting other income when the Company has made the required expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities.

k) Restricted share units

Restricted share units ("RSU's) for which shares are issued contingent upon a future event are not recorded as a liability and an expense until the occurrence of the event. RSU's are granted to officers and employees under the terms of the Company's RSU incentive plan. RSU's are measured at fair value on the date of grant and the corresponding share-based compensation is recognized over the vesting period in the consolidated statement of loss and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Share-based compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve. The fair value of options and finders' warrants is determined using the Black-Scholes pricing model.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting or for fully vested options that expire are reversed from equity settled share-based payment reserve.

m) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. 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 antidilutive.

n) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is provided for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided for 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 year end applicable to the period of expected realization or settlement.

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.

o) Derivatives

Derivatives are initially measured at fair value and are subsequently measured at FVTPL. If the transaction price does not equal to fair value at the point of initial recognition, management measures the fair value of each component of the investment or liability and any unrealized gains or losses at inception are recognized in profit or loss. Subsequent changes in fair value are recognized in profit or loss for the period. Transaction costs, which are directly attributable to the investment or liability, are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Leases

Effective December 1, 2019, the Company adopted all of the requirements of IFRS 16. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. There was no material impact on the Company's consolidated financial statements upon the adoption of this new standard.

q) Significant accounting estimates and judgments

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

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. 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. Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

Valuation of options and warrants
The fair value of common share purchase options and warrants granted is determined at the issue date using the Black-Scholes pricing model. The fair value of common shares issued for finders' fees are based on the closing price of the transaction those fees pertain to.

Current and deferred taxes
The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. Management provides for such differences where known based on its best estimate of the probable outcome of these matters.

(ii) Critical accounting judgments

Assessment of transactions as asset acquisitions or business combinations
Management has had to apply judgment relating to the reverse takeover transaction between 113BC and the Company with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Significant accounting estimates and judgments (continued)

(ii) Critical accounting judgments (continued)

Functional Currency
In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Impairment of exploration and evaluation assets
Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. During the year ended November 30, 2020, the Company decided not to proceed further with the purchase of the option on the Comstock property and an impairment of $169,599 was recorded in the consolidated statement of loss and comprehensive loss for the current year.

r) Accounting standards and interpretations issued but not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. REVERSE TAKEOVER TRANSACTION

Pursuant to the RTO transaction, on April 16, 2020, the Company issued 33,740,000 shares in exchange for all the issued and outstanding shares of 113BC, whereby 113BC and its subsidiaries Lower 48 BC and Lower 48 became wholly owned subsidiaries of the Company. For accounting purposes, the acquisition was considered a reverse takeover whereby the Company was deemed to be the acquiree and 113BC the acquirer. The Company did not meet the definition of a business, therefore the acquisition is outside of the scope of *IFRS 3 Business Combinations*, instead, the RTO was accounted for under *IFRS 2 Share-based Payments*. Accordingly, no goodwill or intangible assets were recorded with respect to the RTO transaction.

Under this basis of accounting, the consolidated entity is considered to be a continuation of the Company, with the net identifiable assets of the Company deemed to have been acquired by 113BC at fair value as at April 16, 2020, and the assets, liabilities and operations of 113BC are included in the financial statements at their historical value and include the results of the Company from Closing Date.

For purposes of the RTO, the consideration paid and the fair value of the net assets (liabilities) of the Company at April 16, 2020 is as follows:

(Expressed in Canadian dollars, unless otherwise noted)

3. REVERSE TAKEOVER TRANSACTION (Continued)

Net assets (liabilities) of the Company acquired (assumed)	April 16, 2020
	$
Cash	199,821
Prepaid expenses and GST receivable	296,725
Exploration assets	55,208
Receivable from 113BC	1,300,000
Accounts payable and accrued liabilities	(282,372)
Advances payable	(266,000)
Net assets (liabilities) aquired (assumed)	1,303,382

Consideration paid	
	$
Common shares issued (1)	5,988,263
Finder's shares issued	1,470,000
Warrants and stock options issued	504,435
Total consideration paid	7,962,698
Add: Professional fees incurred for RTO	228,101
Purchase price	8,190,799
Listing expense	6,887,417

(1) The fair value of common shares of the Company issued as consideration was determined based on the fair value of the 14,257,770 common shares outstanding prior to the RTO Transaction of $0.42 per common share.

4. RECEIVABLES

	November 30, 2021	November 30, 2020
	$	$
Goods and services tax receivable	39,515	102,353
Other receivables	-	5,975
Total receivables	39,515	108,328

(Expressed in Canadian dollars, unless otherwise noted)

5. PREPAID EXPENSES AND DEPOSITS

	November 30, 2021	November 30, 2020
	$	$
Marketing	20,358	89,689
Insurance	31,275	22,989
Regulatory and filing fees	5,866	-
Rent	2,500	-
Software	7,676	-
Other	1,767	8,609
Total prepaid expenses and deposits	69,442	121,287

6. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Vehicles	Total
	$	$	$
Cost			
Balance at November 30, 2019	-	-	-
Additions	56,499	197,797	254,296
Balance at November 30, 2020	56,499	197,797	254,296
Additions	620	8,440	9,060
Balance at November 30, 2021	57,119	206,237	263,356
Amortization			
Balance at November 30, 2019	-	-	-
Additions	2,265	13,736	16,001
Balance at November 30, 2020	2,265	13,736	16,001
Additions (Note 7)	18,988	68,042	87,030
Balance at November 30, 2021	21,253	81,778	103,031
Net book value			
Balance at November 30, 2020	54,234	184,061	238,295
Balance at November 30, 2021	35,866	124,459	160,325

(Expressed in Canadian dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets for the years ended November 30, 2021 and 2020 are as follows:

Year ended November 30, 2021	Lemhi
	$
Property acquisition costs	
Balance at November 30, 2020	5,260,586
Additions	259,222
	5,519,808
Exploration and evaluation costs	
Balance at November 30, 2020	3,343,703
Costs incurred during the year:	
Amortization of equipment and vehicles (Note 6)	87,030
Assaying and sampling	517,726
Archaeology	17,282
Camp and accommodations	16,670
Drilling	386,969
Fees and taxes	4,530
Geology	860,352
Metallurgy	159,663
Resource estimate	14,269
	5,408,194
Balance at November 30, 2021	10,928,002

Year ended November 30, 2020	Comstock	Lemhi	Total
	$	$	$
Property acquisition costs			
Balance at November 30, 2019	-	451,072	451,072
Additions	25,000	4,809,514	4,834,514
Impairment	(25,000)	-	(25,000)
	-	5,260,586	5,260,586
Exploration and evaluation costs			
Balance at November 30, 2019	-	29,957	29,957
Costs incurred during year:			
Assaying and sampling	-	120,967	120,967
Camp and accommodations	-	71,112	71,112
Amortization of equipment and vehicles	-	16,001	16,001
Drilling	-	2,389,753	2,389,753
Geological	144,599	715,913	860,512
Impairment	(144,599)	-	(144,599)
	-	3,343,703	3,343,703
Balance at November 30, 2020	-	8,604,289	8,604,289

7. EXPLORATION AND EVALUATION ASSETS (Continued)

Comstock Property

The Company's wholly owned subsidiary, Lodge Minerals Inc., entered into an option agreement (the "Comstock Option") dated October 31, 2018, with an arm's-length party to acquire 100% of mineral claims located in British Columbia, known as the Comstock Property. Pursuant to the Comstock Option, the Company, was required to issue common shares and make certain payments and expenditures. The optionor retained a 2% net smelter return royalty ("NSR") and the Company had the option to acquire 1% of the NSR by paying a one-time sum of $1,000,000 at any time prior to the commencement of commercial production on the property. The Company issued 100,000 common shares with a fair value of $10,000, cash payments of $15,000 and incurred the minimum of $100,000 in exploration expenditures required by the option agreement. During the year ended November 30, 2020, the Company decided not to continue with the purchase of the option and recorded an impairment of $169,599 on the property in the statement of loss and comprehensive loss for the year ended November 30, 2020.

Lemhi Property

On October 16, 2019, the Company entered into an option agreement to acquire 100% of the rights and interest in certain mining claims located in Lemhi County, Idaho for USD $1,615,000. As at November 30, 2021, the Company has paid $1,872,002 (USD $1,615,000) to acquire the Lemhi Property.

On August 19, 2019, the Company entered into an option agreement to acquire a 100% interest in an additional 46 unpatented mining claims located in Lemhi County, Idaho. In order to exercise the option, the Company is required to make the following payments:

i) USD $75,000 within 3 days of the effective date (paid - $101,475);
ii) USD $50,000 on or before the first anniversary of the effective date (paid – $67,531);
iii) USD $50,000 on or before the second anniversary of the effective date (paid - $62,772);
iv) USD $50,000 on or before the third anniversary of the effective date;
v) USD $75,000 on or before the fourth anniversary of the effective date;
vi) USD $75,000 on or before the fifth anniversary of the effective date;
vii) USD $75,000 on or before the sixth anniversary of the effective date; and
viii) USD $550,000 on or before the seventh anniversary of the effective date.

On September 8, 2020, the Company acquired and extinguished a back-in right from Yamana Gold Inc. ("Yamana") over the Lemhi Project for the issuance of 4,035,273 common shares with a fair value of $2,098,342. In connection with the transaction the Company issued finder's fees consisting of 260,000 common shares of the Company with a fair value of $135,200.

On September 15, 2020, the Company acquired 100% ownership of the Moon #100 and Moon #101 unpatented mining claims ("Moon Claims"), located within the Lemhi project for cash consideration of $199,950 (US $150,000) and the issuance of 375,000 common shares of the Company with a fair value of $225,000. In the current year, this agreement was revised, requiring the payment of an additional USD $100,000 ($124,546) (paid).

During the current year, the Company also paid $71,577 in maintenance claims on the Lemhi property which are included in acquisition costs.

(Expressed in Canadian dollars, unless otherwise noted)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2021	November 30, 2020
	$	$
Accounts payable (Note 9)	382,173	859,100
Accrued liabilities	22,899	51,692
	405,072	910,792

9. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and senior corporate officers. The Company entered into the following transactions with related parties during the years ended November 30, 2021 and 2020:

Year ended	2021	November 30, 2020
	$	$
Consulting fees paid to the former CEO	-	2,100
Consulting fees paid to a company controlled by the CEO	200,000	201,417
Consulting fees paid to a company controlled by the former CFO	-	50,000
Consulting fees paid to the CFO and to a company controlled by the CFO	417,000	53,000
Consulting and equipment rental fees paid to the VP, Exploration	189,076	129,950
Consulting fees paid to the VP, Development	48,000	28,000
Consulting fees paid to a company controlled by the Executive Chairman	49,500	-
Consulting fees paid to a company controlled by a director	-	84,750
Share-based compensation paid to officers and directors	1,218,204	1,205,760
	2,121,780	1,754,977

Included in accounts payable at November 30, 2021 is $Nil (November 30, 2020 - $35,556) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

On July 23, 2021, the Company issued 1,000,000 RSU's (November 30, 2020 – Nil) to the Chief Financial Officer and to the Executive Chairman of the board. The RSUs expire three years from the date of issue and vest upon the occurrence of any one of the following events:

1) The Company is sold;
2) The participant resigns;
3) The participant is terminated without cause; or
4) The participant is otherwise unable to perform services for the Company.

10. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Common share transactions

Year ended November 30, 2021:

On November 29, 2021, the Company closed a non-brokered private placement financing issuing 38,261,617 units at $0.44 (US $0.35) per unit for gross proceeds of $17,028,031. Each unit consisted of one common share and one-half of one common share purchase warrant.

Each whole share purchase warrant is exercisable at a price of $0.83 (US $0.65) per share for 60 months from the date of issuance. The warrants were valued at $4,848,315 using the Black-Scholes pricing method. The warrants are classified as a liability because the exercise price is denominated in US dollars, which is not the functional currency of the Company. Costs of $86,886, related to the issuance of warrants, are recorded in the consolidated statements of loss and comprehensive loss.

Year ended November 30, 2021 (continued):

Costs of $197,556, related to the issuance of shares, are deducted from share capital in the consolidated statements of financial position.

On September 7, 2021, the Company closed a non-brokered private placement financing issuing 11,537,692 units at $0.26 per unit for gross proceeds of $2,999,800. Each unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at a price of $0.35 per share for 36 months from the date of issuance. The warrants were valued at $1,277,444, using the Black-Scholes pricing method. Share issuance costs of $2,426 were incurred in connection with the private placement financing.

During the year ended November 30, 2021, the Company issued 133,596 common shares for proceeds of $32,446 pursuant to the exercise of 133,596 warrants and reclassified $40,307 from reserves to share capital.

Year ended November 30, 2020:

During December 2019, the Company closed a private placement of 15,000,000 common shares at $0.05 per share for proceeds of $750,000.

On April 16, 2020, pursuant to the RTO transaction (Note 3), 33,740,000 shares of 113BC were exchanged for 33,740,000 shares of the Company, with the original 14,257,770 shares of the Company remaining in outstanding shares. Pursuant to escrow agreements, the shares are subject to a voluntary release schedule with 17.5% of the shares released on Closing Date, 22.5% released six months after Closing Date, 30% released nine months after Closing Date, and the balance to be released 12 months after Closing Date. As at November 30, 2020, 20,444,273 shares were subject to escrow provisions.

On April 16, 2020, pursuant to the RTO transaction (Note 3), 3,500,000 shares of the Company with a fair value of $1,470,000 were issued to finders.

During May 2020, the Company closed a private placement of 4,268,911 units at $0.35 per unit for gross proceeds of $1,494,119 whereby each unit comprised one common share and one common share purchase warrant. Each common share purchase warrant is exercisable for a period of 12 months from the date of issuance and has an exercise price of $0.50. The fair value of the common shares was determined to be $1,049,652 and the fair value of the warrants was determined to be $444,467. In connection with the financing, the Company incurred $31,709 in finders' fees, $17,766 in other share issuance costs and issued

(Expressed in Canadian dollars, unless otherwise noted)

10. SHARE CAPITAL (Continued)

b) Common share transactions (continued)

Year ended November 30, 2020 (continued):

89,900 finders' warrants with a fair value of $18,334.

During July 2020, the Company closed a private placement of 20,690,000 common shares at $0.50 per share for gross proceeds of $10,345,000. In connection with the financing, the Company incurred $896,450 in finders' fees, $8,875 in other share issuance costs and issued 1,418,650 finders' warrants with a fair value of $536,002.

On September 8, 2020, the Company acquired and extinguished a back-in right from Yamana Gold Inc. ("Yamana") over the Lemhi Project for the issuance of 4,035,273 common shares with a fair value of $2,098,342. In connection with the transaction the Company issued finder's fees consisting of 260,000 common shares of the Company with a fair value of $135,200.

On September 15, 2020, Freeman acquired 100% ownership of the Moon #100 and Moon #101 unpatented mining claims ("Moon Claims"), located within the Lemhi project for cash consideration of $199,950 (US $150,000) and the issuance of 375,000 common shares of the Company with a fair value of $225,000.

During the year ended November 30, 2020, the Company issued 3,200,000 common shares for proceeds of $170,000 pursuant to the exercise of stock options and reclassified $187,346 from reserves to share capital.

During the year ended November 30, 2020, the Company issued 73,500 common shares for proceeds of $31,350 pursuant to the exercise of 73,500 warrants and reclassified $10,922 from reserves to share capital.

During January 2019, the Company executed an escrow agreement (the "Escrow Agreement"), whereby all common shares issued to related parties are subject to escrow requirements. Pursuant to the Escrow Agreement, the shares will be released pro rata to such shareholders as to 10% on the date of final notice and 15% every six months thereafter over a 36-month period. Specifically, escrowed shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the CSE.

At November 30, 2021, 807,000 shares (November 30, 2020 – 1,614,000 shares) were held in escrow.

c) Warrants

The following is a summary of the Company's warrant transactions for the years ended November 30, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance at November 30, 2019	-	-
Recognized on RTO (Note 3)	99,380	0.10
Issued	5,777,461	0.50
Exercised	(73,500)	0.43
Balance at November 30, 2020	5,803,341	0.49
Issued	30,668,496	0.65
Exercised	(133,596)	0.24
Expired	(4,270,451)	0.50
Balance at November 30, 2021	32,067,790	0.64

(Expressed in Canadian dollars, unless otherwise noted)

10. SHARE CAPITAL (Continued)

c) Warrants (continued)

Pursuant to the RTO (Note 3), the Company recognized $34,395 in warrant reserves related to 99,380 warrants outstanding during the year ended November 30, 2020.

The fair value of equity warrants issued as part of unit private placements during the years ended November 30, 2021 and 2020 was estimated using the Black-Scholes pricing model with the following assumptions:

	November 30, 2021	November 30, 2020
Risk-free interest rate	0.60%	0.29%
Expected life of warrants	3 years	1 year
Annualized volatility	125.00%	125.00%
Dividend rate	0%	0%

The fair value of liability warrants issued as part of unit private placements during the years ended November 30, 2021 and 2020 was estimated using the Black-Scholes pricing model with the following assumptions:

	November 30, 2021	November 30, 2020
Risk-free interest rate	1.56%	-
Expected life of warrants	5 years	-
Annualized volatility	125.00%	-
Dividend rate	0%	-

The fair value of finders' warrants issued during the years ended November 30, 2021 and 2020 was estimated using the Black-Scholes pricing model with the following assumptions:

	November 30, 2021	November 30, 2020
Risk-free interest rate	-	0.23%
Expected life of warrants	-	2 years
Annualized volatility	-	125.00%
Dividend rate	-	0%

Volatility assumptions for the valuation of warrants were derived by reference to the volatility of comparable companies.

Warrants outstanding at November 30, 2021 are as follows:

Exercise Price ($)	Number of Shares	Expiry Date
Equity Warrants		
0.50	1,399,294	July 28, 2022
0.35	11,537,692	September 7, 2024
Liability Warrants		
0.83	19,130,804	November 29, 2026
	32,067,790	

The weighted average remaining life of equity warrants is 2.5 years and the remaining life of liability warrants is 5 years.

(Expressed in Canadian dollars, unless otherwise noted)

10. SHARE CAPITAL (Continued)

d) Stock Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the date of grant for a period of up to ten years from the date of grant.

The following is a summary of the Company's stock option transactions for the years ended November 30, 2021 and 2020:

	Number of Options	Weighted Average Exercise Price $
Balance November 30, 2019	-	-
Recognized on RTO (Note 3)	1,350,000	0.43
Granted	6,990,000	0.36
Exercised	(3,200,000)	0.05
Balance November 30, 2020	5,140,000	0.57
Granted	3,700,000	0.40
Cancelled	(2,090,000)	0.54
Balance November 30, 2021	6,750,000	0.49
Exercisable at November 30, 2021	6,750,000	0.49

Pursuant to the RTO (Note 3), the Company recognized $470,040 of share-based compensation reserve related to 1,350,000 stock options outstanding. Of the stock options granted during the year ended November 30, 2020, 2,500,000 options vest after one year and the remaining options vested upon grant.

Of the options exercised during the prior year, 3,000,000 were exercised prior to the RTO and, as such, the weighted average share price is not relevant. For the 200,000 options exercised after the date of the RTO, the weighted average share price on the dates of exercise was $0.58 per share.

The fair value of the stock options granted during the years ended November 30, 2021 and 2020 was estimated using the Black-Scholes pricing model with the following assumptions:

Year ended	November 30, 2021	November 30, 2020
Risk-free interest rate	0.87%	0.90%
Expected life of options	5 years	5 years
Annualized volatility	125.00%	114.00%
Dividend rate	0%	0%

Volatility assumptions for the valuation of options were derived by reference to the volatility of comparable companies.

During the years ended November 30, 2021 and 2020, the Company incurred $1,285,030 and $1,863,721, respectively, in share-based compensation expense related to the vesting of stock options.

(Expressed in Canadian dollars, unless otherwise noted)

10. SHARE CAPITAL (Continued)

d) Stock Options (continued)

Stock options outstanding at November 30, 2021 are as follows:

Exercise Price ($)	Number of Shares Issuable on Exercise	Expiry Date
0.60	1,750,000	May 27, 2025
0.60	1,300,000	October 6, 2025
0.40	3,700,000	August 31, 2026
	6,750,000	

The weighted average remaining life of stock options is 4.3 years.

e) Restricted Share Units

During the year ended November 30, 2021, the Company adopted a restricted share unit plan (the "RSU Plan") to promote and advance the interests of the Company by (i) providing eligible persons (as defined in the RSU Plan) with additional incentive through an opportunity to receive discretionary bonuses in the form of shares of the Company, (ii) encouraging stock ownership by such eligible persons, (iii) increasing the proprietary interest of eligible persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate eligible persons.

The proposed RSU Plan provides that RSUs may be granted by the Board or a committee or member of the Board as the administrator of the RSU Plan, to directors, officers, employees, and consultants of the Company. The maximum number of shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the shares issued and outstanding from time to time, less any shares reserved for issuance under all other share compensation arrangements (including the Company's stock option plan). Due to uncertainties related to the amount and timing of the future settlement of the RSU's, no value has been assigned to the RSU's as of November 30, 2021. See Note 9.

11. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

At November 30, 2021, the fair value of the Company's warrant liabilities are based on Level 3 measurements and the fair value of cash is based on Level 1 measurements. The fair values of other financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

(Expressed in Canadian dollars, unless otherwise noted)

11. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no debt or interest-bearing assets and therefore has minimal interest rate risk.

Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution and amounts receivable from the Government of Canada. As such, the Company's credit exposure is minimal.

Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. At November 30, 2021, the Company has US dollar denominated assets of $16,851,856 and US dollar denominated liabilities of $5,036,155. Based on this net US dollar exposure, at November 30, 2021, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's net gain or loss by $1,181,570.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity. The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

13. INCOME TAXES

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

	2021	**2020**
	$	**$**
Net loss	(3,489,830)	(11,248,907)
Statutory income tax rate	27%	27%
Expected income tax recovery	(942,254)	(3,037,205)
Non-deductible expenditures	325,274	2,539,302
Change in unrecognized deductible temporary differences	616,980	497,903
Total income tax recovery	-	-

(Expressed in Canadian dollars, unless otherwise noted)

13. INCOME TAXES (Continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2021	2020
	$	$
Deferred tax assets (liabilities)		
Exploration and evaluation assets	(2,450)	(2,450)
Property, plant and equipment	27,818	4,320
Share issuance costs	225,121	218,957
Non-capital losses	1,220,188	555,377
Capital losses	8,138	8,138
Valuation allowance	(1,478,815)	(784,342)
Net deferred tax liability	-	-

The Company has non-capital losses of approximately $4,519,213 that expire up to 2041 and may be carried forward to reduce taxable income in future years.

14. SUBSEQUENT EVENTS

On February 1, 2022, the Company granted 2,950,000 stock options to consultants, officers and directors. Each stock option is exercisable into one common share at a price of $0.50 per share for a period of 5 years.