KLONDIKE GOLD CORP.

Condensed Interim
Consolidated Financial Statements

For The Three and Nine Months Ended November 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of Klondike Gold Corp. ("Klondike Gold Corp." or the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

KLONDIKE GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)

		November 30, 2021	February 28, 2021
Assets			
Current assets			
Cash	$	**3,011,248**	$ 2,853,355
Restricted cash (Note 4)		**165,580**	165,580
Amounts receivable		**180,519**	96,924
Prepaid expenses and deposits		**150,107**	124,323
Total current assets		**3,507,454**	3,240,182
Investments (Note 5,7(b))		**10,250**	164,318
Reclamation bond		**3,500**	3,500
Property and equipment (Note 6)		**614,273**	721,910
Exploration and evaluation assets (Note 7)		**26,076,526**	23,693,548
Total assets	$	**30,212,003**	$ 27,823,458
Liabilities			
Current liabilities			
Trade and other payables	$	**77,144**	$ 96,746
Lease (Note 8)		**121,396**	113,856
Flow-through premium (Note 10)		**250,358**	331,059
Total current liabilities		**448,898**	541,661
Long-term lease (Note 8)		**330,195**	432,278
Total liabilities		**779,093**	973,939
Equity			
Share capital (Note 10)		**85,124,258**	82,137,236
Reserves (Note 10)		**6,863,370**	6,830,092
Deficit		**(62,554,718)**	(62,117,809)
Total equity		**29,432,910**	26,849,519
Total liabilities and equity	$	**30,212,003**	$ 27,823,458

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue on January 28, 2022:

"Peter Tallman" Director

"Gordon Keep" Director

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

KLONDIKE GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended November 30, **2021**	Three months ended November 30, 2020	Nine months ended November 30, **2021**	Nine months ended November 30, 2020
Expenses				
Consulting (Note 9)	**$ 71,756**	$ 46,642	**$ 190,419**	$ 150,053
Depreciation (Note 6)	**35,557**	37,124	**107,637**	111,371
Management fees and wages (Note 9)	**6,759**	95,844	**174,909**	316,994
Marketing	**13,378**	25,359	**60,870**	50,233
Office and miscellaneous (Note 8)	**13,529**	15,626	**62,247**	39,951
Professional fees	**10,557**	6,476	**35,498**	26,680
Regulatory and transfer agent	**23,788**	8,239	**58,097**	29,327
Share-based compensation	**-**	407,373	**-**	407,373
Travel	**2,714**	5,819	**10,927**	20,065
	(178,038)	(648,502)	**(700,604)**	(1,152,047)
Finance expense	**(7,686)**	(9,681)	**(24,595)**	(30,452)
Interest income	**2,076**	2,785	**7,436**	5,655
Other income - flow-through (Note 10(b))	**131,742**	90,724	**380,076**	126,616
Gain (loss) on sale of marketable securities	**(51,959)**	10,107	**(51,959)**	46,282
Unrealized gain (loss) on marketable securities (Note 5)	**39,430**	(117,255)	**14,737**	(31,955)
Unrealized gain (loss) on warrants (Note 5)	**(9,000)**	(143,000)	**(62,000)**	(96,332)
Loss and comprehensive loss	**(73,435)**	(814,822)	**(436,909)**	(1,132,233)
Basic and diluted loss per share	**$ (0.00)**	$ (0.01)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding	**139,652,967**	128,042,077	**135,651,443**	121,430,576

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

KLONDIKE GOLD CORP.

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

	Share capital		Reserves			
	Shares issued	Amount	Share premium	Share-based payments	Deficit	Total equity
At February 29, 2020	113,396,918	$ 77,944,824	$ 27,405	$ 6,394,701	$ (60,801,489)	$ 23,565,441
Private placement	7,885,643	1,730,988	-	-	-	1,730,988
Private placement - flow-through	12,249,615	3,291,911	-	-	-	3,291,911
Flow-through premium	-	(490,626)	-	-	-	(490,626)
Share issuance costs	-	(374,668)	-	15,980	-	(358,688)
Share-based compensation	-	-	-	407,373	-	407,373
Exercise of options	162,000	34,807	-	(15,367)	-	19,440
Loss and comprehensive loss	-	-	-	-	(1,132,233)	(1,132,233)
At November 30, 2020	133,694,176	$ 82,137,236	$ 27,405	$ 6,802,687	$ (61,933,722)	$ 27,033,606
At February 28, 2021	133,694,176	$ 82,137,236	$ 27,405	$ 6,802,687	$ (62,117,809)	$ 26,849,519
Private placement	6,409,866	1,121,727	-	-	-	1,121,727
Private placement - flow-through	11,975,000	2,395,000	-	-	-	2,395,000
Flow-through premium	-	(299,375)	-	-	-	(299,375)
Share issuance costs	-	(230,330)	-	33,278	-	(197,052)
Loss and comprehensive loss	-	-	-	-	(436,909)	(436,909)
At November 30, 2021	152,079,042	$ 85,124,258	$ 27,405	$ 6,835,965	$ (62,554,718)	$ 29,432,910

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

KLONDIKE GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

	2021	2020
Operating activities		
Loss	**$ (436,909)**	$ (1,132,233)
Items not involving cash:		
Depreciation	**107,637**	111,371
Finance expense	**24,595**	30,452
Share-based compensation	**-**	407,373
Other income - flow-through	**(380,076)**	(126,616)
Loss (gain) on sale of marketable securities	**51,959**	(46,282)
Unrealized loss (gain) on marketable securities	**(14,737)**	31,955
Unrealized loss (gain) on warrants	**62,000**	96,332
Changes in non-cash working capital items:		
Amounts receivable	**(65,766)**	(78,795)
Prepaid expenses and deposits	**(25,784)**	(104,072)
Trade and other payables	**8,240**	(77,014)
	(668,841)	(887,529)
Financing activities		
Proceeds on issuance of common shares, net of share issuance costs	**3,319,675**	4,664,211
Proceeds from exercise of stock options	**-**	19,440
Lease payments	**(119,138)**	(117,312)
	3,200,537	4,566,339
Investing activities		
Exploration and evaluation asset expenditures	**(2,428,649)**	(1,045,432)
Sale of exploration and evaluation assets	**-**	100,000
Sale of marketable securities	**54,846**	337,177
	(2,373,803)	(608,254)
Change in cash	**157,893**	3,070,556
Cash, beginning	**2,853,355**	133,949
Cash, end	**$ 3,011,248**	$ 3,204,505

Supplemental cash flow information (Note 13)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Klondike Gold Corp. is a Vancouver-based resource exploration company listed on the TSX Venture Exchange under the symbol “KG”. The Company was incorporated on August 23, 1978, under the laws of the Province of British Columbia, Canada. The Company’s head office is located at Suite 3123 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J1, and the Company’s registered and records office is located at Suite 2500 - 700 West Georgia St., Vancouver, British Columbia, V6Y 1B3.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2021, the Company had working capital of $3,058,556 (February 28, 2021: $2,698,521) and cash of $3,011,248 (February 28, 2021: $2,853,355). For the nine months ended November 30, 2021, the Company reported loss of $436,909, and an accumulated deficit of $62,554,718 at that date. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The material uncertainty of the Company’s success in raising additional capital funding casts significant doubt on the Company’s ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been directly impacted by the spread of COVID-19 however timelines for work conducted by contractors and suppliers has significantly lengthened.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

2. BASIS OF PRESENTATION

a) Statement of Compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and, except as described below, they follow the same accounting policies and methods of application as the Company’s most recent annual financial statements. Accordingly, they should be read in conjunction with the Company’s most recent annual financial statements.

2. BASIS OF PRESENTATION (continued)

b) Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Foreign Currencies

The presentation and functional currency of the Company is the Canadian dollar. All financial information is presented in Canadian dollars unless otherwise noted and all financial information has been rounded to the nearest dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

d) Basis of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany balances and transactions are eliminated upon consolidation.

Non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Company's equity. The non-controlling interest consists of the non-controlling interest's portion of net assets and profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments

Financial assets and financial liabilities are classified into three categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss ("FVTPL"). The classification of financial assets is determined by their context in the Company's business model and by the characteristics of the financial asset's contractual cash flows.

Financial assets and financial liabilities are measured at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, restricted cash, amounts receivable, reclamation bond, trade and other payables, and lease are classified as and measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method. Investments are classified as and measured at FVTPL.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

b) Standards Issued or Amended But Not Yet Effective

The Company has not applied the following revised IFRS that has been issued but was not yet effective at November 30, 2021. This accounting standard is not currently expected to have a significant effect on the Company's accounting policies or financial statements.

- IAS 16, Property, Plant and Equipment - Proceeds before Intended Use (effective for annual periods beginning on or after January 1, 2022). The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss.

4. RESTRICTED CASH

The Company maintains one-year term deposits as collateral for the credit cards, which automatically renew at maturity, of $165,580 (February 28, 2021 - $165,580). The Company has the ability to cancel its credit cards and receive the term deposits in full at any time.

5. INVESTMENTS

	As of November 30, 2021		As of February 28, 2021	
	Amount	**Fair Value**	Amount	Fair Value
Ximen Mining Corp. shares (Note 7(b))	**30,000**	**$ 5,250**	290,500	$ 97,318
Ximen Mining Corp. warrants (Note 7(b))	**1,000,000**	**5,000**	1,000,000	67,000
		$ 10,250		$ 164,318

During the year ended February 28, 2021, the Company received 1,000,000 common shares and 1,000,000 warrants from Ximen Mining Corp. ("Ximen"), exercisable at $0.45 per common share until March 5, 2022 (Note 7(b)). The fair value of the shares and warrants remaining as of November 30, 2021, was $5,250 and $5,000, respectively. The warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.45; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.95%; iv) expected life of 0.26 years; v) no dividend yield. During the nine months ended November 30, 2021, 260,500 common shares of Ximen with a cost basis of $106,805 were sold for net proceeds of $54,846 resulting in a loss on sale of $51,959.

KLONDIKE GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

6. PROPERTY AND EQUIPMENT

Cost		**Vehicles**		**Machinery/ Equipment**		**Building**		**Right-of-use asset**		**Total**
Balance February 29, 2020, February 28, 2021, and November 30, 2021	$	53,800	$	124,652	$	380,000	$	739,400	$	1,297,852
Accumulated depreciation										
Balance, February 29, 2020	$	47,942	$	124,652	$	133,000	$	123,228	$	428,822
Depreciation		4,892		-		19,000		123,228		147,120
Balance, February 28, 2021		52,834		124,652		152,000		246,456		575,942
Depreciation		966		-		14,250		92,421		107,637
Balance November 30, 2021	$	53,800	$	124,652	$	166,250	$	338,877	$	683,579
Carrying amount										
Balance, February 28, 2021	$	966	$	-	$	228,000	$	492,944	$	721,910
Balance November 30, 2021	$	-	$	-	$	213,750	$	400,523	$	614,273

7. EXPLORATION AND EVALUATION ASSETS

	Placer Claims	Quartz Claims	Total
	$	$	$
Acquisition costs:			
Balance, February 28, 2021 and November 30, 2021	1,167,436	4,885,243	6,052,679
Exploration costs:			
Balance, February 28, 2021	77,120	18,386,560	18,463,680
Camp supplies	-	96,951	96,951
Consulting & wages	-	583,269	583,269
Drilling	-	1,099,850	1,099,850
Fuel	-	82,163	82,163
Lab analysis	-	396,580	396,580
Property maintenance	-	22,315	22,315
Surveying	-	91,880	91,880
Travel	-	27,798	27,798
Balance, November 30, 2021	77,120	20,787,366	20,864,486
Royalty payments received:			
Balance, November 30, 2021	(840,639)	-	(840,639)
Total costs:			
Balance, November 30, 2021	403,917	25,672,609	26,076,526

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

	British Columbia Claims	Placer Claims	Quartz Claims	Total
	$	$	$	$
Acquisition costs:				
Balance, February 29, 2020 and February 28, 2021	-	1,167,436	4,885,243	6,052,679
Exploration costs:				
Balance, February 29, 2020	666,332	77,120	17,051,560	17,795,012
Camp supplies	-	-	46,765	46,765
Consulting & wages	-	-	443,199	443,199
Drilling	-	-	500,656	500,656
Fuel	-	-	39,192	39,192
Lab analysis	-	-	245,859	245,859
Property maintenance	-	-	14,385	14,385
Surveying	-	-	34,675	34,675
Travel	-	-	10,269	10,269
Sale of British Columbia Claims (Note 7(b))	(666,332)	-	-	(666,332)
Balance, February 28, 2021	-	77,120	18,386,560	18,463,680
Royalty payments received:				
Balance, February 28, 2021	-	(822,811)	-	(822,811)
Total costs:				
Balance, February 28, 2021	-	421,745	23,271,803	23,693,548

a) Yukon Quartz and Placer Claims

The Company holds a 100% beneficial interest in a group of quartz claims, crown grants and placer claims located between Eldorado Creek and Upper Bonanza Creek, Dawson Mining Division, Yukon Territory.

These claims include a large contiguous group of claims acquired by staking and option agreements, which include both the quartz and placer claims, which the Company considers to be one cash-generating unit.

<u>Assignment of Lease on Upper Eldorado Creek Property</u>

In September 2019, the Company entered into a lease agreement with Dulac Mining Ltd ("Dulac Mining") whereby the Company assigns to Dulac Mining the rights and permits to placer mine on the Upper Eldorado Creek property, contained wholly within the Company's Klondike District Property, Yukon Territory. Under the terms of the lease agreement, the Company will receive from Dulac Mining a direct 10% gold production royalty from mining on the placer property payable in raw gold. The lease agreement is for a term of 3 years, expiring July 2022, and is renewable thereafter subject to approval by both parties. During the year ended February 28, 2021, the Company accrued $79,476 (February 29, 2020: $nil) in royalty payments which was netted against capitalized exploration and evaluation asset costs.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition of Sophie claims

In March 2019, the Company entered into a Property Acquisition Agreement of a 100% interest in mining claims located in the Dawson mining district, Yukon Territory, for consideration of $12,400. The Company has also granted a 1% Net Smelter Returns (“NSR”) Royalty to the vendor in respect of the Sophie claims, of which the Company may purchase one-half of the NSR Royalty (being a 0.5% NSR Royalty) for cash in the amount of $750,000 at any time.

Acquisition of Burkhard claims

During the year ended February 28, 2018, the Company entered into a Property Acquisition Agreement of a 100% interest in mining claims located in the Dawson mining district, Yukon Territory, for consideration of $20,000. The Company has also granted a 2% NSR Royalty to the vendor in respect of the Burkhard claims, of which the Company may purchase one-half of the NSR Royalty (being a 1% NSR Royalty) for cash in the amount of $1,000,000 at any time.

Acquisition of Gimlex claims

During the year ended February 28, 2017, the Company entered into a Property Acquisition Agreement with Gimlex Enterprises Ltd. (“Gimlex”) for the purchase by the Company of a 100% interest in Gimlex’s mining claims located in the Dawson mining district, Yukon Territory, for consideration of $500,000 in cash and 3,000,000 common shares of the Company with a value of $1,200,000. The Company has also granted a 2% NSR Royalty to the vendor in respect of the Gimlex property, of which the Company may purchase one-half of the NSR Royalty (being a 1% NSR Royalty) for cash in the amount of $1,500,000 at any time.

Assignment of Lease on Montana Creek Placer Project

The Company holds a 100% interest in the Montana Creek Placer Project property where it formerly operated a placer mining operation south of Dawson City, Yukon. The interest in the property is subject to an existing third party 5% royalty on production of gold or other minerals.

Prior to fiscal 2017, the Company received $743,335 in royalty payments pursuant to a lease agreement, which are netted against capitalized exploration and evaluation asset costs on the statements of financial position. The assignee removed equipment and completed reclamation of mined areas as of February 28, 2017.

b) British Columbia (“B.C.”) Claims

The Company held title to a portfolio of mineral claims in south-eastern B.C., prospective for gold and base metals. In May 2020, the Company completed a Property Purchase Agreement (the "Agreement") dated February 14, 2020, with Ximen, whereby the Company sold to Ximen all of its B.C. properties totalling 98 mineral claims and one Crown Granted mineral claim. The Agreement covers four properties, namely Ron Gold (Nelson), Clubine, Hughes, and Quartz Mountain.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

The terms for the Agreement were as follows:

- Payment of $100,000 in cash (completed); and
- Payment of 1,000,000 Ximen common shares and 1,000,000 Ximen warrants to purchase 1,000,000 common shares of Ximen at $0.45 per share until March 5, 2022 (completed). The 1,000,000 common shares were valued at $0.41, being the closing price of Ximen on March 5, 2020, and the warrants were valued at $156,332, for total consideration of $566,332.

During the year ended February 29, 2020, reversal of impairment on the B.C. properties was recorded as the sale to Ximen in May 2020 represented an indicator that the B.C. properties' value has increased; accordingly, reversal of impairment loss was appropriate.

The Company retains a royalty equal to 1% of NSR from minerals produced from its Vine Extension Property, sold to PJX Resources Inc. in 2014.

c) Net Smelter Returns

Ontario Claims

The Company holds a 100% interest in the property subject to a 2% NSR of which half can be purchased for $1,000,000. The carrying value was written-down to $nil during the year ended February 28, 2014.

Portuguese Exploration Licenses

The Company previously held five exploration licenses prospective for gold from the Portuguese Department of Energy & Geology.

The Company retains a 2% NSR over the Portugese exploration licenses, of which Medgold Resource Ltd., a subsidiary of Medgold Resources Corp., may purchase all or parts of the NSR for $1,000,000 per percentage point.

8. LEASE PAYABLE

As at November 30, 2021, lease payable of $451,591 was outstanding, pursuant to the adoption of IFRS 16 Leases. The carrying amount of the right-of-use asset is depreciated on a straight-line basis over the life of the lease, which has a remaining term of 3.25 years to February 2025.

Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

Balance - February 29, 2020	$ 616,172
Depreciation	(123,228)
Balance - February 28, 2021	492,944
Depreciation	(92,421)
Balance - November 30, 2021	$ 400,523

(Expressed in Canadian dollars)

8. LEASE PAYABLE (continued)

The following table summarizes the Company's lease commitment:

Balance - February 29, 2020	$ 662,898
Lease payments	(156,416)
Finance expense	39,652
Balance - February 28, 2021	546,134
Lease payments	(119,138)
Finance expense	24,595
Balance - November 30, 2021	$ 451,591

Current lease liability included in lease	$ 121,396
Non-current lease liability included in long-term lease	330,195
Total	$ 451,591

During the nine months ended November 30, 2021, the Company received $25,650 (2020 - $51,300) in rental income relating to subleases of its office premises to third parties that is recorded as a recovery of rent expense, included in office and miscellaneous in profit or loss. The Company classified these subleases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the rights to use the underlying assets.

The following table summarizes the Company's undiscounted lease payments:

	November 30, 2021
Short-term portion of the lease (<1 Year)	$ 147,441
Long-term portion of the lease (>1 Year)	356,764
Total	$ 504,205

9. RELATED PARTY BALANCES AND TRANSACTIONS

The Company entered into the following transactions and had the following balances payable with related parties. The transactions were recorded at fair value. Balances outstanding are non-interest bearing, unsecured and have no specific terms of repayment.

a) During the nine months ended November 30, 2021, the Company was charged management fees of $112,500 (2020 - $103,500) by a company owned by the CEO of the Company. Of this amount, $90,000 (2020 - $64,400) was included in additions to exploration and evaluation assets on the statements of financial position.

b) During the nine months ended November 30, 2021, the Company was charged $125,167 (2020 - $140,229), $35,167 of which was share issue costs (2020 - $50,229) by a company whose CEO is a director of the Company, for corporate administration services included in consulting in profit or loss.

9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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 executive and non-executive members of the Company's Board of Directors and corporate officers.

There was $nil for vested stock options granted to directors and officers of the Company, and affiliated companies of directors and officers of the Company, included in share-based compensation for the nine months ended November 30, 2021 (2020 - $344,175).

10. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) *Issued during the nine months ended November 30, 2021*

Non-brokered private placement completed November 2021

The Company issued 11,975,000 flow-through units at a price of $0.20 per flow-through unit for gross proceeds of $2,395,000. Each flow-through unit consists of one flow-through common share and one-half of one warrant, with each whole warrant exercisable at $0.25 per common share until November 17, 2023, or October 22, 2023 (Note 10(c)). The Company allocated $nil value to the warrants.

A flow-through premium liability of $299,375 was allocated to the flow-through obligation of this private placement, and the remainder of the proceeds were allocated to share capital. As at November 30, 2021, the Company has incurred eligible expenditures of $392,136 of the total obligation of $2,395,000, leaving a flow-through premium liability of $250,358.

The Company also issued 6,409,866 non flow-through units at a price of $0.175 per non flow-through unit for gross proceeds of $1,121,727. Each non flow-through unit consists of one common share and one-half of one warrant, with each whole warrant exercisable at $0.25 per common share until November 17, 2023, or October 22, 2023 (Note 10(c)). The Company allocated $nil value to the warrants.

Cash transaction costs of $197,052 were incurred as share issuance costs, and 661,329 warrants were issued as a finder's fee, exercisable at $0.25 per common share until November 17, 2023, with a value of $33,278 in relation to this private placement (Note 10(c)). The finder's warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.25; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.52%; iv) expected life of 2 years; v) no dividend yield.

10. SHARE CAPITAL (continued)

Issued during the year ended February 28, 2021

Non-brokered private placement completed October 2020

The Company issued 8,768,036 flow-through units at a price of $0.30 per flow-through unit for gross proceeds of $2,630,411. Each flow-through unit consists of one flow-through common share and one-half of one warrant, with each whole warrant exercisable at $0.45 per common share until September 22, 2022, or October 19, 2022 (Note 10(c)). The Company allocated $nil value to the warrants.

A flow-through premium liability of $438,402 was allocated to the flow-through obligation of this private placement, and the remainder of the proceeds were allocated to share capital. As at November 30, 2021, the Company has incurred eligible expenditures of $2,630,411 of the total obligation of $2,630,411, leaving a flow-through premium liability of $nil.

The Company also issued 4,680,000 non flow-through units at a price of $0.25 per non flow-through unit for gross proceeds of $1,170,000. Each non flow-through unit consists of one common share and one-half of one warrant, with each whole warrant exercisable at $0.45 per common share until September 22, 2022, or October 19, 2022 (Note 10(c)). The Company allocated $nil value to the warrants.

Cash transaction costs of $290,585 were incurred as share issuance costs, and 70,000 warrants were issued as a finder's fee, exercisable at $0.45 per common share until October 19, 2022, with a value of $4,219 in relation to this private placement (Note 10(c)). The finder's warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.45; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.19%; iv) expected life of 2 years; v) no dividend yield.

Non-brokered private placement completed April 2020

The Company issued 3,481,579 flow-through units at a price of $0.19 per flow-through unit for gross proceeds of $661,500. Each flow-through unit consists of one flow-through common share and one warrant exercisable at $0.25 per common share until April 23, 2022 (Note 10(c)). The Company allocated $nil value to the warrants.

A flow-through premium liability of $52,224 was allocated to the flow-through obligation of this private placement, and the remainder of the proceeds were allocated to share capital. As at February 28, 2021, the Company has incurred eligible expenditures of $661,500 of the total obligation of $661,500, leaving a flow-through premium liability of $nil.

The Company concurrently issued 3,205,643 non flow-through units at a price of $0.175 per non flow-through unit for gross proceeds of $560,988. Each non flow-through unit consists of one common share and one warrant exercisable at $0.25 per common share until April 23, 2022 (Note 10(c)). The Company allocated $nil value to the warrants.

Cash transaction costs of $68,103 were incurred as share issuance costs, and 157,895 warrants were issued as a finder's fee, exercisable at $0.25 per common share until April 23, 2022, with a value of $11,761 in relation to this private placement (Note 10(c)). The finder's warrants were fair

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.25; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.33%; iv) expected life of 2 years; v) no dividend yield.

c) A summary of the changes in warrants follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, February 29, 2020	20,599,556	$	0.34
Issued	13,639,135		0.35
Balance, February 28, 2021	34,238,691		0.35
Issued	9,853,762		0.25
Expired	(3,611,666)		0.35
Balance, November 30, 2021	40,480,787	$	0.32

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

Outstanding		Exercise Price	Expiry Date
9,700,390	$	0.35	March 18, 2022
5,575,000		0.30	April 4, 2022
6,687,222		0.25	April 23, 2022
157,895		0.25	April 23, 2022
750,000		0.35	May 22, 2022
962,500		0.50	September 3, 2022
2,850,351		0.45	September 25, 2022
3,873,667		0.45	October 19, 2022
70,000		0.45	October 19, 2022
5,717,075		0.25	October 22, 2023
661,329		0.25	November 17, 2023
3,475,358		0.25	November 17, 2023
40,480,787			

During the nine months ended November 30, 2021, the Company issued 9,853,762 warrants with an exercise price of $0.25 (Note 10(b)).

During the nine months ended November 30, 2021, 3,611,666 warrants with an exercise price of $0.35 expired.

d) The Company has established a "rolling" Stock Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each stock option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Stock options granted to consultants performing Investor Relations Activities shall vest over

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

a minimum of 12 months with no more than 1/4 of such stock options vesting in any 3-month period. All other stock options vest at the discretion of the Board of Directors.

A summary of the changes in stock options follows:

	Number of Options		Weighted Average Exercise Price
Balance, February 29, 2020	9,631,500	$	0.24
Granted	2,450,000		0.25
Exercised	(162,000)		0.12
Cancelled	(250,000)		0.26
Balance February 28 and November 30, 2021	11,669,500	$	0.24

As at November 30, 2021, the following stock options were outstanding:

Outstanding		Exercise Price	Expiry Date
1,244,500	$	0.12	December 16, 2024
805,000		0.19	April 19, 2026
660,000		0.28	June 21, 2026
400,000		0.30	September 13, 2026
1,050,000		0.26	April 4, 2027
3,350,000		0.29	March 28, 2028
1,710,000		0.21	May 17, 2029
2,450,000		0.25	October 30, 2030
11,669,500			

11. MANAGEMENT OF CAPITAL

The Company manages its cash and components of equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in an interest bearing Canadian chartered bank account.

11. MANAGEMENT OF CAPITAL (continued)

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

12. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these unaudited condensed interim consolidated financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are not based on observable market data

The fair values of the Company's cash, restricted cash, amounts receivable, reclamation bond, trade and other payables, and lease approximate their carrying value, due to their short-term maturities. Common shares of publicly traded companies included in investments are classified as FVTPL and measured using Level 1 inputs. Warrants of publicly traded companies included in investments are classified as FVTPL and measured using Level 2 inputs.

As at the date of this report, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is attributable to cash, restricted cash and amounts receivable. Cash and restricted cash are held with large Canadian banks or brokerages. Management believes the risk of loss to be remote. The Company's amounts receivable is primarily comprised of amounts owing from the Government of Canada for input tax credits receivable. Accordingly, the Company does not believe it is subject to significant credit risk.

b) Liquidity risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes, the Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year.

12. FINANCIAL INSTRUMENTS (continued)

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash and restricted cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values of the Company's cash and restricted cash balances as at the date of this report. The Company does not have any interest bearing debt.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's purchases are predominantly transacted in Canadian dollars.

iii) Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including gold, silver, zinc and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators.

The Company has elected not to actively manage its commodity price risk, as the nature of Company's business is in exploration.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company is exposed to price risk with respect to its investments in Ximen (Note 5).

13. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended November 30, 2021, the Company:

- Incurred exploration and evaluation asset expenses of $14,393 (February 28, 2021 - $42,236) through trade and other payables.

- Paid no cash for interest or income taxes.