PACTON GOLD INC.

Consolidated Financial Statements

For the Years Ended November 30, 2021 and 2020

(Expressed in Canadian Dollars)

PACTON GOLD INC.

November 30, 2021 and 2020

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Consolidated Financial Statements

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Independent Auditor's Report

To the Shareholders of Pacton Gold Inc.

Opinion

We have audited the consolidated financial statements of Pacton Gold Inc. ("the Group"), which comprise the consolidated statements of financial position as at November 30, 2021 and November 30, 2020 and the consolidated statements of 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

- Management's Discussion and Analysis

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

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

We obtained 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 Hilda Leung.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
March 24, 2022

PACTON GOLD INC.
Consolidated Statements of Financial Position
As at November 30,
(Expressed in Canadian Dollars)

		2021		2020
Assets				
Current				
Cash and cash equivalents	$	2,088,868	$	2,721,339
Marketable securities (note 7)		3,567,740		-
Receivables (note 12)		557,546		325,268
Prepaid expenses (note 12)		23,183		109,302
		6,237,337		3,155,909
Equipment (note 8)		22,857		110,748
Exploration and Evaluation Assets (notes 8, 9 and 12)		17,395,747		18,521,789
	$	23,655,941	$	21,788,446
Liabilities				
Current				
Accounts payable and accrued liabilities (note 12)	$	171,904	$	1,029,424
Other liabilities (note 10)		37,470		217,993
		209,374		1,247,417
Shareholders' Equity				
Capital Stock (note 11)		52,811,277		47,234,016
Share-based Payments Reserve (note 11)		3,028,323		5,890,785
Deficit		(32,239,593)		(32,367,786)
Accumulated Other Comprehensive Loss – Cumulative Translation Adjustments		(153,440)		(215,986)
		23,446,567		20,541,029
	$	23,655,941	$	21,788,446

Going Concern (note 2)

Approved on behalf of the Board:

"Richard Boulay" ………………………………. Director
Richard Boulay

"Alec Pismiris" ………………………………. Director
Alec Pismiris

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

PACTON GOLD INC.
Consolidated Statements of Comprehensive Loss
For the Years Ended November 30,
(Expressed in Canadian Dollars)

		2021		2020
Expenses				
Consulting fees (note 12)	$	1,205,552	$	1,679,673
Foreign exchange loss (gain)		(77)		1,543
General exploration		-		5,846
Management fees (note 12)		90,000		90,000
Office and miscellaneous (note 12)		129,573		282,380
Professional fees (note 12)		266,230		334,973
Rent (note 12)		112,000		102,333
Share-based payments (notes 11 and 12)		-		1,688,352
Shareholder communications and investor relations		254,097		658,620
Transfer agent and filing fees		33,052		66,012
		(2,090,427)		(4,909,732)
Other Items				
Impairment of exploration and evaluation assets (note 9)		(1,244,064)		(2,268,922)
Part XII.6 tax (note 10)		-		(16,614)
Interest income		14,888		15,067
Other income (note 10)		418,705		680,957
Loss on deregistration of foreign operation		-		(34,241)
Gain on marketable securities (note 7)		525,616		-
Gain on disposal of equipment		3,634		-
Loss on sale of exploration and evaluation assets (note 9)		(379,328)		-
Net Loss for the Year		(2,750,976)		(6,533,485)
Other Comprehensive Income				
Reclassification on deregistration of foreign operation		-		34,241
Exchange difference on translating foreign operations		62,546		373,165
		62,546		407,406
Comprehensive Loss for the Year	$	(2,688,430)	$	(6,126,079)
Basic and Diluted Loss Per Share	$	(0.07)	$	(0.24)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted		37,417,527		27,033,001

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

PACTON GOLD INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock										
	Number of Shares		Capital Stock		Share-based Payments Reserve		Deficit		Accumulated Other Comprehensive Income (Loss)		Total
Balance, November 30, 2019	**18,367,303**	**$**	**34,021,523**	**$**	**4,261,056**	**$**	**(25,950,709)**	**$**	**(623,392)**	**$**	**11,708,478**
Private placements	13,547,716		12,331,004		-		-		-		12,331,004
Share issue costs	-		(243,696)		82,386		-		-		(161,310)
Flow-through liability	-		(599,356)		-		-		-		(599,356)
Shares issued for exploration and evaluation assets	1,632,500		1,666,025		-		-		-		1,666,025
Exercise of stock options	25,500		33,915		-		-		-		33,915
Fair value of stock options	-		24,601		(24,601)		-		-		-
Share-based payments (note 11)	-		-		1,688,352		-		-		1,688,352
Expiry of stock options	-		-		(18,807)		18,807		-		-
Expiry of warrants	-		-		(97,601)		97,601		-		-
Net loss for the year	-		-		-		(6,533,485)		-		(6,533,485)
Reclassification on deregistration of foreign operation	-		-		-		-		34,241		34,241
Exchange difference on translating foreign operations	-		-		-		-		373,165		373,165
Balance, November 30, 2020	**33,573,019**		**47,234,016**		**5,890,785**		**(32,367,786)**		**(215,986)**		**20,541,029**
Private placements	7,535,958		5,681,999		-		-		-		5,681,999
Share issue costs	-		(92,281)		16,707		-		-		(75,574)
Flow-through liability	-		(238,182)		-		-		-		(238,182)
Shares issued for exploration and evaluation assets	110,000		86,725		-		-		-		86,725
Shares issued for transaction costs	100,000		139,000		-		-		-		139,000
Expiry of stock options	-		-		(1,838,451)		1,838,451		-		-
Expiry of warrants	-		-		(1,040,718)		1,040,718		-		-
Net loss for the year	-		-		-		(2,750,976)		-		(2,750,976)
Exchange difference on translating foreign operations	-		-		-		-		62,546		62,546
Balance, November 30, 2021	**41,318,977**	**$**	**52,811,277**	**$**	**3,028,323**	**$**	**(32,239,593)**	**$**	**(153,440)**	**$**	**23,446,567**

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

PACTON GOLD INC.
Consolidated Statements of Cash Flows
For the Years Ended November 30,
(Expressed in Canadian Dollars)

	2021	2020
Operating Activities		
Net loss	$ (2,750,976)	$ (6,533,485)
Items not involving cash		
Other income	(418,705)	(680,957)
Foreign exchange loss (gain)	(77)	1,543
Gain on marketable securities	(525,616)	-
Gain on disposal of equipment	(3,634)	-
Loss on deregistration of foreign operation	-	34,241
Loss on sale of exploration and evaluation assets	379,328	-
Impairment of exploration and evaluation assets	1,244,064	2,268,922
Share-based payments	-	1,688,352
Changes in non-cash working capital		
Receivables	267,722	(186,572)
Prepaid expenses	86,119	(24,555)
Accounts payable and accrued liabilities	(82,001)	(195,129)
Cash Used in Operating Activities	(1,803,776)	(3,627,640)
Investing Activities		
Proceeds on sale of marketable securities	9,074	-
Exploration and evaluation assets, net of recoveries	(5,124,253)	(6,737,045)
Sale of exploration and evaluation assets	615,625	-
Proceeds on disposal of equipment	69,375	-
Purchases of equipment	-	(2,692)
Cash Used in Investing Activities	(4,430,179)	(6,739,737)
Financing Activity		
Net proceeds from share issuances	5,606,425	12,203,609
Cash Provided by Financing Activity	5,606,425	12,203,609
Inflow (Outflow) of Cash and Cash Equivalents	(627,530)	1,836,232
Effect of Foreign Exchange on Cash and Cash Equivalents	(4,941)	(20,249)
Cash and Cash Equivalents, Beginning of Year	2,721,339	905,356
Cash and Cash Equivalents, End of Year	$ 2,088,868	$ 2,721,339

Supplemental Disclosure with Respect to Cash Flows (note 13)

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

1. NATURE OF OPERATIONS

Pacton Gold Inc. (the "Company" or "Pacton") was incorporated pursuant to the British Columbia *Business Corporations Act* on December 15, 2010. The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5. The Company operates in Canada and Australia. On July 17, 2012, the Company's stock was listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "NX". On April 27, 2017, the Company changed its name to Pacton Gold Inc. and began trading under the symbol "PAC". The Company's shares also trade on the OTC Exchange in the United States under the symbol "PACXF" and on the Frankfurt Stock Exchange under the symbol "2NKN". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

On June 9, 2020, the Company consolidated its common shares on the basis of one new share for ten old shares. All share and per share amounts have been revised to reflect the consolidation.

2. GOING CONCERN

These consolidated financial statements (the "financial statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred a loss during the year ended November 30, 2021 of $2,750,976 (2020 - $6,533,485) and as at November 30, 2021 has a deficit of $32,239,593 (2020 - $32,367,786), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

In March 2020, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. In response to the military action by Russia, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the hostilities and sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic market and on various sectors, industries and markets for securities and commodities globally. While the Company expects any direct impacts to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could impact the Company's cash flows and liquidity.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

(Expressed in Canadian Dollars)

2. GOING CONCERN (Continued)

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

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

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 24, 2022.

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Subsidiaries

These financial statements include all subsidiaries in the accounts of the Company for the periods presented. These subsidiaries are listed as follows:

Subsidiary	Ownership November 30, 2021	Ownership November 30, 2020	Incorporated	Nature
Pacton Pilbara Pty. Ltd. ("Pacton Pilbara")	100%	100%	Australia	Mineral exploration
CTTR Gold Pty. Ltd. ("CTTR")	Nil	Nil*	Australia	Mineral exploration
Drummond East Pty. Ltd. ("Drummond East")	100%	100%	Australia	Mineral exploration
Arrow (Pilbara) Pty. Ltd. ("Arrow Pilbara")	100%	100%	Australia	Mineral exploration

*CTTR was de-registered during the year ended November 30, 2020

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout by the Company for purposes of these financial statements.

a) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

b) Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method are evaluated every reporting period and changes to the residual value, estimated useful life or depreciation method resulting from such review are accounted for prospectively. Depreciation is provided for using the declining-balance method at the following rate per annum:

Furniture and equipment	20%

c) Exploration and evaluation assets

i) Exploration and evaluation expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the amounts upon payment.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Exploration and evaluation assets (continued)

i) Exploration and evaluation expenditures (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures that would otherwise have been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

ii) Impairment

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount, and at least annually. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

iii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Capital stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance when the fair value of the non-monetary assets cannot be reasonably estimated. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve within share-based payments reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value in warrants reserve is transferred to capital stock. For those warrants that expire the recorded value is transferred to deficit.

e) Foreign currency translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries (Pacton Pilbara, CTTR, Drummond East and Arrow Pilbara) is the Australian dollar ("AUD"), which is the local currency of their home jurisdiction. Each component's functional currency is the currency of the primary economic environment in which the component operates. The Company's financial statements are presented in Canadian dollars.

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at each reporting period end at the foreign exchange rate in effect at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of income (loss) are translated at the average exchange rates for the reporting period. The exchange differences arising on consolidation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is reclassified to profit or loss.

f) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Upon issuance, the Company bifurcates the flow-through share into: (i) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and (ii) share capital. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the investors. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Flow-through shares (continued)

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

g) Financial instruments

All financial assets not classified at amortized cost or fair value through other comprehensive income ("FVTOCI") are measured at fair value through profit or loss ("FVTPL"). On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated 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 net income (loss) for the period. Financial assets and financial liabilities classified at amortized cost are subsequently measured at amortized cost using the effective interest method. Financial assets classified at FVTOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss). When the financial instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial instruments (continued)

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 assets or liabilities that are not based on observable market data.

h) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves within share-based payments reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

i) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. The Company's options and warrants were anti-dilutive in the years ended November 30, 2021 and 2020, as losses were incurred.

k) Impairment of long-lived assets

Assets that have an indefinite useful life are tested annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to depreciation to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so 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 CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

l) Joint arrangements

Certain activities of the Company may be conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Company has a direct ownership interest in jointly controlled assets and obligations for liabilities. The financial statements include the Company's proportionate share of the assets, liabilities, revenues, expenses and cash flows of this type of arrangement.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Joint arrangements (continued)

Joint ventures arise when the Company has rights to the net assets of the arrangement. For these arrangements, the Company uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Company's share of the joint venture's income or loss, less dividends received thereafter. Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

m) Leases

On the date that the leased asset becomes available for use, the Company recognizes a right-of-use ("ROU") asset and a corresponding lease obligation. Interest expense associated with the lease obligation is charged to the consolidated statement of income (loss) over the lease period with a corresponding increase to the lease obligation. The lease obligation is reduced as payments are made against the principal portion of the lease. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation of the ROU asset is recognized in depreciation expense.

n) New accounting standards adopted during the year

IFRS 3 *Business Combinations*

IFRS 3 has been amended to revise the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create outputs. The amendment to IFRS 3 is effective for years beginning on or after January 1, 2020. The amendment to IFRS 3 did not have any impact for the Company.

International Accounting Standard ("IAS") 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

IAS 1 and IAS 8 have been amended to use a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting; clarify the explanation of the definition of material; and incorporate guidance in IAS 1 regarding immaterial information. The amendments to IAS 1 and IAS 8 are effective for years beginning on or after January 1, 2020. These amendments did not have any impact for the Company.

o) Accounting standards issued but not yet effective

Classification of Liablilities as Current or Non-Current (Amendments to IAS 1 *Presentation of Financial Statements*)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments to IAS 1 are effective for years beginning on or after January 1, 2023. These amendments are expected to have no impact for the Company.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

b) Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

c) Joint arrangement

Significant judgment is required in determining whether the Company's interest in arrangements constitutes a joint arrangement. The Company has not, after considering the structure and form of the arrangement and the terms agreed by the parties in the contractual arrangement and the Company's rights and obligations arising from the arrangement, classified its interests as joint ventures under IFRS 11 *Joint Arrangements*. Consequently, it accounts for its interest under IFRS 6 *Exploration for and Evaluation of Mineral Resources*.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty (continued)

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires assumptions about future events or circumstances and whether it is likely that future economic benefits will flow to the Company. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available. In the current year, estimates were involved in determining the carrying value of exploration and evaluation assets, particularly the Friendly Creek and Golden Palm agreements within the Pilbara Project, which were adjusted to an estimated recoverable amount of $500,000. The recoverable amount is its fair value less costs of disposal, determined using level 3 inputs within the fair value hierarchy. These estimates and the related uncertainty could impact the carrying value of exploration and evaluation assets next year.

b) Credit risk

The Company's determination of whether the credit risk for the proceeds receivable for the sale of the Arrow Pilbara, Yandicoogina and Boodalyerrie properties (note 9(a)) has increased significantly since its initial recognition requires judgment regarding the ability of other parties to discharge financial obligations. In the current year, expected credit loss is estimated to be $nil. These estimates and the related uncertainty could impact the carrying value of accounts receivable next year.

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and cash equivalents and marketable securities, as FVTPL; receivables, as amortized cost; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

November 30, 2021	Level 1	Level 2	Level 3	Total
Cash	$ 2,088,868	$ -	$ -	$ 2,088,868
Marketable securities	2,826,863	740,877	-	3,567,740
	$ 4,915,731	$ 740,877	$ -	$ 5,656,608

November 30, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,721,339	$ -	$ -	$ 2,721,339

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

6. FINANCIAL INSTRUMENTS (Continued)

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. The Company manages credit risk, in respect of cash and cash equivalents, by placing it at major Canadian financial institutions. Included in receivables is $57,546 (2020 - $271,753) owing from the Canada Revenue Agency and the Australian Taxation Office. The remaining $500,000 (2020 - $nil) is owing from the purchaser of the 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property (note 9(a) - Pilbara Project). The Company has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of November 30, 2021 equal $171,904 (2020 - $1,029,424). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of November 30, 2021.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on capital.

i) Currency risk – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Australia and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the AUD will have an impact upon the results of the Company. The Company holds a material amount of marketable securities, a small amount of cash and accounts payable and accrued liabilities denominated in AUD. A fluctuation in the exchanges rates between the Canadian and Australian dollars of 10% would result in a $4,800 change in the Company's cash, $3,200 change in accounts payable and accrued liabilities, $356,800 change in marketable securities and $24,700 change in other comprehensive income (loss). The Company does not use any techniques to mitigate currency risk.

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to price risk on its marketable securities.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (Continued)

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

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. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

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.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended November 30, 2021. The Company is not subject to externally imposed capital requirements.

7. MARKETABLE SECURITIES

During the year ended November 30, 2021, the Company sold a 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property (note 9(a)) and received 129,721,250 common shares of Raiden Resources Limited ("Raiden"), a company listed on the Australian Securities Exchange (valued at $2,327,503 based on the trading price on February 19, 2021 and net of their put option value for a six-month hold period).

During the year ended November 30, 2021, the Company sold the remaining 25% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property (note 9(a)) and received 36,338,315 common shares of Raiden (valued at $723,695 based on the trading price on June 18, 2021 and net of their put option value for a six-month hold period).

Following the sale, a director of the Company was appointed as a director of Raiden.

During the year ended November 30, 2021, the Company sold 442,402 shares (2020 - $nil) of Raiden for a realized loss of $1,458 (2020 - $nil) and the put option expired resulting in a realized gain of $760,589.

The Company recorded unrealized loss on investments of $233,515 (2020 - $nil) during the year ended November 30, 2021 which is included in the consolidated statement of comprehensive loss. The marketable securities are carried at FVTPL. The market value is based on the quoted closing price of the securities at November 30, 2021, less their put option value for the remaining hold period.

Marketable securities at November 30, 2021 consist of the following:

	Shares	Cost	Market Value
Raiden Resources Limited	129,278,848	$ 3,077,561	$ 2,826,863
Raiden Resources Limited (net of put option)	36,338,315	723,695	740,877
	165,617,163	$ 3,801,256	$ 3,567,740

(Expressed in Canadian Dollars)

8. EQUIPMENT

		Furniture and Equipment
Cost		
Balance, November 30, 2019	**$**	**150,453**
Additions		2,692
Balance, November 30, 2020		**153,145**
Disposals		(101,453)
Balance, November 30, 2021	**$**	**51,692**
Accumulated Depreciation		
Balance, November 30, 2019	**$**	**15,046**
Depreciation*		27,351
Balance, November 30, 2020		**42,397**
Depreciation**		22,150
Disposals		(35,712)
Balance, November 30, 2021	**$**	**28,835**
Net Book Value, November 30, 2020	**$**	**110,748**
Net Book Value, November 30, 2021	**$**	**22,857**

* $27,351 capitalized to exploration and evaluation assets
** $22,150 capitalized to exploration and evaluation assets

9. EXPLORATION AND EVALUATION ASSETS

a) Pilbara Project

Arrow Pilbara

On May 11, 2018, the Company entered into a share purchase and option agreement whereby the Company could earn up to an 80% interest in Arrow Pilbara, an Australian proprietary limited exploration company. Arrow Pilbara holds two granted tenement licenses and two applications for licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company was required to make cash payments and issue common shares and common share purchase warrants of the Company to acquire a 51% interest in Arrow Pilbara as follows:

- Issue 108,695 common shares (issued and valued at $695,652) and 108,695 common share purchase warrants (issued and valued at $583,761) exercisable into one share at $3.50 for three years and pay $500,000 (paid $400,000), with remaining due upon grant of application. On January 7, 2020, the outstanding $100,000 payment was renegotiated down to $45,995 and paid.

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Arrow Pilbara (continued)

To acquire a further 29% interest in Arrow Pilbara, the Company was required to:
- Pay $250,000 or an equivalent number of common shares based on the five-day trailing volume-weighted average price at the time of issue, subject to a floor price of no lower than $1.90 per common share; and
- Fund exploration expenditures up to a maximum of $500,000.

The vendor retains a right to explore for, mine and extract lithium, caesium and tantalum from the property.

A discovery bonus of $500,000 cash is payable if the Company reports a National Instrument ("NI") 43-101-defined "measured mineral resource" or "inferred mineral resource" of at least 100,000 ounces of gold on the property.

The Company also issued 22,794 common shares valued at $58,125 as a finder's fee on the transaction.

The acquisition of 51% of Arrow Pilbara has been accounted for as an acquisition of assets and liabilities, as Arrow Pilbara does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Arrow Pilbara was recorded at the fair value of the consideration transferred of $1,637,538, as detailed above. The net assets acquired were as follows:

Net Assets Acquired		
Exploration and evaluation assets	$	3,210,860
Non-controlling interest		(1,573,322)
	$	1,637,538

On August 20, 2018, the Company entered into a share purchase agreement to acquire the remaining ownership interest in Arrow Pilbara. Under the terms of the agreement, the Company acquired the remaining 49% ownership interest in Arrow Pilbara by paying $1,000,000 (paid) and issuing 200,000 common shares (issued and valued at $820,000).

The purchase of the remaining 49% interest was accounted for as follows:

Acquisition of 49% Interest		
Additional consideration paid	$	1,820,000
Elimination of non-controlling interest		(1,573,322)
Loss on acquisition	$	246,678

On January 6, 2020, the Company surrendered two tenement licenses, which resulted in an impairment charge of $636,906 for the year ended November 30, 2019.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Arrow Pilbara (continued)

On February 16, 2021, the Company sold a 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property. The Company received $500,000 and 129,721,250 common shares of Raiden, a company listed on the Australian Securities Exchange (valued at $2,327,503 based on the trading price on February 19, 2021 and net of their put option value for a six-month hold period). The Company will receive a further $500,000 by the following schedule:

- $100,000 by March 21, 2022 (received subsequent to November 30, 2021);
- $125,000 by May 31, 2022;
- $125,000 by August 31, 2022; and
- $150,000 by November 30, 2022.

The Company retained a 25% carried interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property until the delineation of a mineral resource in accordance with the Joint Ore Reserves Committee 2012 guidelines (or other globally recognized code) of at least 250,000 ounces gold at a minimum grade of one gram per tonne gold across any of the properties. Following that, the parties would be required to enter into a joint venture, under which the Company could contribute proportional to its respective equity interest or dilute.

On March 29, 2021, the Company issued 100,000 common shares valued at $139,000 as a finder's fee for the sale of a 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property. The finder's fee was recorded as a transaction cost during the year ended November 30, 2021.

On June 18, 2021, the Company sold its remaining 25% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property, along with certain equipment owned by the Company. The Company received $115,625 and 36,338,315 common shares of Raiden (valued at $723,695 based on the trading price on June 18, 2021 and net of their put option value for a six-month hold period).

During the year ended November 30, 2021, the Company recorded a loss on the sale of the properties of $379,328, including the finder's fee of $139,000.

Drummond East

On August 15, 2018, the Company entered into a share purchase agreement to acquire a 100% interest in Drummond East, an arm's length Australian exploration company wholly owned by Impact Minerals Ltd. ("Impact"). Drummond East holds seven granted tenement licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company paid Impact a total of $350,000 and issued to Impact 212,500 common shares of the Company valued at $860,625.

In addition, the Company will pay a bonus to Impact of $500,000 if the Company publishes measured, indicated or inferred gold resources of more than 250,000 ounces on the property. The Company granted Impact a 2% net smelter return royalty ("NSR") in respect of the property. The Company retains an exclusive and unlimited right to purchase back 50% of the NSR from Impact for $500,000.

The Company paid a finder's fee of 29,187 common shares (issued and valued at $145,938).

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Drummond East (continued)

The acquisition of Drummond East has been accounted for as an acquisition of assets and liabilities, as Drummond East does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Drummond East was recorded at the fair value of the consideration transferred of $1,356,563, as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

On January 6, 2020, the Company surrendered three tenement licenses, which resulted in an impairment charge of $629,073 for the year ended November 30, 2019.

At November 30, 2020, the Company decided not to complete expenditure on three additional tenement licenses. An impairment charge of $644,600 has been recorded effective November 30, 2020.

During the year ended November 30, 2021, the Company decided not to pursue further exploration on the project and recorded an impairment charge of $245,204 on the project to reduce the carrying amount to $nil.

Friendly Creek

On August 11, 2018, the Company entered into a tenement sale agreement to acquire 100% of the Friendly Creek exploration license and mining leases in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company purchased a 100% interest in Friendly Creek by paying the vendors a total of $25,000 (paid) and issuing to the vendors 250,000 common shares of the Company (issued and valued at $562,500).

During the year ended November 30, 2021, the Company decided not to pursue further exploration on the project. An impairment charge of $594,472 has been recorded effective November 30, 2021.

Yandicoogina and Boodalyerrie

On September 25, 2018, the Company entered into a tenement sale agreement to acquire 100% of both the Yandicoogina and Boodalyerrie exploration licenses and mining leases from Gardner Mining Pty. Ltd. (“Gardner Mining”), an Australian proprietary limited exploration company.

Under the terms of the agreement, the Company purchased a 100% ownership interest in the projects by paying Gardner Mining $25,000 (paid) and issuing to Gardner Mining 300,000 common shares of the Company (issued and valued at $720,000).

On February 16, 2021, the Company sold a 75% interest in Yandicoogina and Boodalyerrie. See “Arrow Pilbara”.

On June 18, 2021, the Company completed the sale of its remaining 25% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property. See “Arrow Pilbara”.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Golden Palms Project

On November 5, 2018, the Company entered into a tenement sale agreement to acquire the Golden Palms tenement license in Western Australia.

Under the terms of the agreement, Pacton can purchase 100% of the property by paying a total of $100,000 (paid) and issuing 40,000 common shares on completion of the transaction (issued on February 18, 2020 and valued at $40,000).

During the year ended November 30, 2021, the Company decided not to pursue further exploration on the project. An impairment charge of $67,459 has been recorded effective November 30, 2021.

Hong Kong Project

On November 23, 2018, the Company entered into a tenement sale agreement to acquire a 70% interest in the Hong Kong project from Clancy Exploration Ltd. ("Clancy"), an Australian Securities Exchange-listed exploration company.

Under the terms of the agreement, the Company purchased a 70% interest in the Hong Kong project by paying Clancy $200,000 (paid) and issuing to Clancy 378,061 common shares of the Company (issued and valued at $1,323,215). In addition, the Company issued 30,000 common shares valued at $82,500 as a finder's fee on the project.

Upon completion of the acquisition, the Company and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong project. A minimum of AUD $520,000 must be spent by the Company within two years of completion of the transaction. Clancy will be free carried with respect to expenditures until a decision to mine is made unanimously by both parties.

At November 30, 2020, the Company decided not to complete expenditure on the tenement license. An impairment charge of $1,624,322 has been recorded effective November 30, 2020.

Keras Project

On October 18, 2018, the Company entered into a grant of gold rights agreement to acquire the conglomerate gold rights of Calidus Resources Ltd. in both the Marble Bar sub basin and the northeast Pilbara sub basin of Western Australia's Pilbara craton.

Under the terms of the agreement, the Company acquired the gold rights by paying $10,000 (paid) and issuing 700,000 common shares of the Company (issued and valued at $1,925,000) and deferred compensation of 300,000 additional common shares of the Company (issued and valued at $330,000). A minimum of AUD $55,000 was required to be spent by the Company on each anniversary of the completion of the transaction.

On January 6, 2020, the Company decided not to pursue further exploration on the project. An impairment charge of $2,221,479 has been recorded effective November 30, 2019.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Tardarinna Project

On March 22, 2019, the Company entered into a tenement sale agreement to acquire the Tardarinna tenement license in Western Australia.

Under the terms of the agreement, the Company acquired a 100% interest in the property by issuing 125,000 common shares on completion of the transaction (issued on August 27, 2019 and valued at $281,250).

During the year ended November 30, 2021, the Company decided not to pursue further exploration on the project. An impairment charge of $336,929 has been recorded effective November 30, 2021 to reduce the carrying amount to $nil.

Sandstorm Royalties

On May 25, 2020, the Company entered into an agreement with Sandstorm Gold Ltd. ("Sandstorm"), whereby the Company granted Sandstorm a 1% NSR on all the tenements owned by Pacton in Australia for $81,819. The tenements covered are part of Arrow Pilbara, Friendly Creek, Yandicoogina and Boodalyerrie, Golden Palms Project, Hong Kong Project and Tardarinna Project above. The Company also assigned its royalty buyback on Drummond East to Sandstorm.

b) Red Lake Project

On May 23, 2017, the Company entered into an option agreement to earn a 100% interest in 14 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 30,000 common shares of the Company (issued and valued at $42,000) and pay $16,000 (paid) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $12,000 on or before May 26, 2018 (paid);
- Pay $16,000 on or before May 26, 2019 (paid); and
- Pay $26,000 on or before May 26, 2020 (paid).

The claims are subject to an underlying 2% NSR.

On May 23, 2017, and as amended November 23, 2017, June 14, 2018 and May 22, 2019, the Company entered into an additional option agreement to earn a 100% interest in 30 additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 250,000 common shares of the Company (issued and valued at $350,000) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $20,000 on or before June 30, 2018 (paid);
- Pay $80,000 on or before January 31, 2019 (paid); and
- Pay $150,000 on or before June 30, 2019 (paid).

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for $1,500,000. On October 25, 2018, one of the vendors became a director of the Company.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

On November 1, 2018, the Company entered into an option agreement to earn a 100% interest in 12 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Pay $15,000 on or before November 6, 2018 (paid);
- Pay $15,000 (paid) and issue 10,000 common shares of the Company (issued and valued at $25,500) within five days of approval by the TSX-V, which was received November 19, 2018;
- Pay $40,000 (paid) and issue 7,500 common shares of the Company on or before November 19, 2019 (issued and valued at $7,875); and
- Pay $40,000 (paid) and issue 7,500 common shares of the Company on or before November 19, 2020 (issued and valued at $7,425).

The vendors retain a NSR that ranges from 0.25% to 2.25%, of which one-half can be repurchased by the Company for $250,000.

On January 29, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company issued 19,231 common shares on February 6, 2019 valued at $48,077. The claims are subject to a 0.25% to 2.25% NSR, of which a portion can be repurchased by the Company for $250,000.

On February 12, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company paid $15,000 and on February 28, 2019 issued 7,500 common shares valued at $19,125. The claims are subject to a 2% NSR, of which one-half can be repurchased by the Company for $200,000.

On February 20, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $30,000 on behalf of the vendor for exploration expenditures (paid);
- Issue 12,500 common shares of the Company within five days of approval by the TSX-V, which was received March 5, 2019 (issued and valued at $31,250);
- Pay $50,000 (paid) and issue 10,000 common shares of the Company on or before March 5, 2020 (issued and valued at $8,500); and
- Pay $50,000 (paid) and issue 12,500 common shares of the Company on or before March 5, 2021 (issued and valued at $9,750).

The claims are subject to a 0.25% to 1.75% NSR, of which a portion can be repurchased by the Company at a rate of $250,000 for each 0.25% portion that is repurchased.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

On March 13, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $40,000 on behalf of the vendor for exploration expenditures (paid);
- Issue 10,000 common shares of the Company within five days of approval by the TSX-V, which was received March 21, 2019 (issued and valued at $23,000);
- Pay $50,000 (paid) and issue 10,000 common shares of the Company on or before March 21, 2020 (issued and valued at $6,000); and
- Pay $50,000 (paid) and issue 12,500 common shares of the Company on or before March 21, 2021 (issued and valued at $10,875).

The claims are subject to a 2.5% NSR, of which one-half can be repurchased by the Company for $2,000,000.

On April 23, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Pay $30,000 (paid) and issue 10,000 common shares of the Company (issued and valued at $16,500) within five days of approval by the TSX-V, which was received on May 6, 2019;
- Pay $30,000 (paid) and issue 15,000 common shares of the Company on or before May 6, 2020 (issued and valued at $11,250); and
- Pay $30,000 (paid) on or before May 6, 2021.

On July 23, 2019, the Company entered into two agreements to acquire 100% interests in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of each agreement, the Company must make a cash payment of $100,000 and issue 40,000 common shares of the Company upon approval by the TSX-V. A total of $200,000 was paid and 80,000 common shares were issued on August 12, 2019 and valued at $140,000.

On October 22, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $35,000 (paid) and issue 15,000 common shares of the Company within five days of approval by the TSX-V, which was received November 6, 2019 (issued and valued at $16,500);
- Pay $22,500 (paid) and issue 15,000 common shares of the Company on or before November 6, 2020 (issued and valued at $14,850);
- Pay $22,500 (paid) and issue 15,000 common shares of the Company on or before November 6, 2021 (issued and valued at $7,800);
- Pay $22,500 and issue 15,000 common shares of the Company on or before November 6, 2022; and
- Pay $22,500 and issue 15,000 common shares of the Company on or before November 6, 2023.

The claims are subject to a 0.25% to 2.25% NSR, of which one-half may be repurchased by the Company for $1,000,000.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

On April 23, 2020, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $15,000 (paid) and issue 25,000 common shares of the Company on or before April 30, 2020 (issued and valued at $20,000);
- Pay $15,000 (paid) and issue 15,000 common shares (issued and valued at $13,950) of the Company on or before April 30, 2021; and
- Pay $25,000 (paid) and issue 15,000 common shares (issued and valued at $13,950) of the Company on or before April 30, 2022.

The claims are subject to a 1.5% NSR, of which one-half may be repurchased by the Company for $500,000.

On April 24, 2020, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $6,000 (paid) and issue 10,000 common shares of the Company on or before April 30, 2020 (issued and valued at $8,000);
- Pay $10,000 (paid) and issue 10,000 common shares of the Company on or before April 30, 2021 (issued and valued at $7,900); and
- Pay $20,000 and issue 10,000 common shares of the Company on or before April 30, 2022.

The claims are subject to a 1.5% NSR, of which one-half may be repurchased by the Company for $400,000.

On March 3, 2021, the Company entered into amendment agreement to acquire one additional mineral claim for the Red Lake Project through its April 24, 2020 option agreement. As consideration, the Company paid $500 and issued 30,000 common shares valued at $22,500.

On May 25, 2020, the Company entered into an agreement with Sandstorm, whereby the Company granted Sandstorm a 0.5% to 1% NSR on certain mineral claims owned by the Company in Red Lake, and certain mineral claims in which the Company was currently earning an interest in Red Lake. As of November 30, 2021, the Company has received $190,911 (2020 - $136,365) for the mineral claims it owns. Sandstorm has agreed to pay an additional $27,273 once the Company has earned a 100% interest in the remaining Red Lake mineral claims. The Company also assigned its royalty buybacks on all Red Lake agreements to Sandstorm.

c) Red Lake – Sidace

On April 1, 2020, the Company accepted a purchase agreement with TomaGold Corporation ("TomaGold"), whereby the Company will acquire all of TomaGold's interest in a joint venture with Evolution Mining and Newmont Corporation (formerly GoldCorp Inc. when TomaGold entered into the joint venture) on the Sidace Property, located in the Red Lake Mining District in Ontario.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Red Lake - Sidace (continued)

Under the terms of the agreement, the Company must pay and issue the following to TomaGold:

- Upon final acceptance of the transaction by the TSX-V, pay $250,000 (paid) and issue 1,000,000 common shares (issued and valued at $750,000);
- Within six months of TSX-V acceptance, pay $250,000 (paid) and issue $800,000 worth of common shares at a price per share equal to the greater of $1.60 and the five-day volume weighted average price of the Company's shares immediately preceding the date of issuance (issued 500,000 common shares valued at $800,000); and
- Upon the Company filing a NI 43-101 technical report on the property showing a gold resource estimate of 750,000 ounces or greater of gold, issue 416,666 common shares or pay $500,000.

The initial joint venture interest was 39.5%. During the year ended November 30, 2021, the Company increased its interest to 46.7% as a result of expenditures made on behalf of the joint venture.

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

	Pilbara	Red Lake	Red Lake – Sidace	Total
Balance, November 30, 2019	**$ 7,427,262**	**$ 3,508,486**	**$ -**	**$ 10,935,748**
Property Acquisition Costs				
Acquisition and option payments	110,995	345,525	2,050,000	2,506,520
Claim costs	107,896	1,200	-	109,096
Recoveries	(81,819)	(136,365)	-	(218,184)
Impairment	(2,185,146)	-	-	(2,185,146)
Currency translation difference	333,310	-	-	333,310
Total Additions to Acquisition Costs	(1,714,764)	210,360	2,050,000	545,596
Property Exploration Costs				
Assays	1,220	182,102	10,988	194,310
Camp and other	102,739	56,409	7,200	166,348
Depreciation	-	27,351	-	27,351
Drilling	-	3,162,483	699,682	3,862,165
Environmental	-	-	6,160	6,160
Geological and field staff	174,777	2,124,734	3,918	2,303,429
Geophysics	1,220	389,664	-	390,884
Travel	-	112,438	2,575	115,013
Impairment	(83,776)	-	-	(83,776)
Currency translation difference	58,561	-	-	58,561
Total Additions to Exploration Costs	254,741	6,055,181	730,523	7,040,445
Balance, November 30, 2020	**$ 5,967,239**	**$ 9,774,027**	**$ 2,780,523**	**$ 18,521,789**

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

	Pilbara	Red Lake	Red Lake – Sidace	Total
Balance, November 30, 2020	**$ 5,967,239**	**$ 9,774,027**	**$ 2,780,523**	**$ 18,521,789**
Property Acquisition Costs				
Acquisition and option payments	-	289,725	-	289,725
Recoveries	-	(54,546)	-	(54,546)
Disposals	(3,464,906)	-	-	(3,464,906)
Impairment	(1,160,322)	-	-	(1,160,322)
Currency translation difference	(47,387)	-	-	(47,387)
Total Additions to Acquisition Costs	(4,672,615)	235,179	-	(4,437,436)
Property Exploration Costs				
Assays	-	156,452	88,175	244,627
Camp and other	60,295	125,606	14,400	200,301
Depreciation	-	22,150	-	22,150
Drilling	-	1,273,587	816,656	2,090,243
Environmental	454	-	1,950	2,404
Geochemical	-	4,608	-	4,608
Geological and field staff	55,929	1,497,413	3,132	1,556,474
Geophysics	-	17,690	-	17,690
Travel	-	77,646	6,553	84,199
Disposals	(803,845)	-	-	(803,845)
Impairment	(83,742)	-	-	(83,742)
Currency translation difference	(23,715)	-	-	(23,715)
Total Additions to Exploration Costs	(794,624)	3,175,152	930,866	3,311,394
Balance, November 30, 2021	**$ 500,000**	**$ 13,184,358**	**$ 3,711,389**	**$ 17,395,747**

(Expressed in Canadian Dollars)

10. OTHER LIABILITIES

	November 30, 2021	November 30, 2020
Balance, beginning of year	$ 217,993	$ 299,594
Liability incurred on flow-through shares issued December 23, 2019	-	317,376
Liability incurred on flow-through shares issued June 24, 2020	-	91,000
Liability incurred on flow-through shares issued July 9, 2020	-	190,980
Liability incurred on flow-through shares issued December 16, 2020	201,000	-
Liability incurred on flow-through shares issued November 25, 2021	37,182	-
Settlement of flow-through share liability by incurring expenditures	(418,705)	(680,957)
Balance, end of year	$ 37,470	$ 217,993

On December 23, 2019, the Company issued 3,173,758 flow-through shares at a price of $1.30 per share. The premium paid by investors was calculated as $0.10 per share. Accordingly, $317,376 was recorded as other liabilities.

On June 24, 2020, the Company issued 1,300,000 flow-through shares at a price of $0.77 per share. The premium paid by investors was calculated as $0.07 per share. Accordingly, $91,000 was recorded as other liabilities.

On July 9, 2020, the Company issued 2,122,000 flow-through shares at a price of $0.79 per share. The premium paid by investors was calculated as $0.09 per share. Accordingly, $190,980 was recorded as other liabilities.

On December 16, 2020, the Company issued 2,010,000 flow-through shares at a price of $1.00 per share. The premium paid by investors was calculated as $0.10 per share. Accordingly, $201,000 was recorded as other liabilities.

On November 25, 2021, the Company issued 3,718,180 flow-through shares at a price of $0.55 per share. The premium paid by investors was calculated as $0.01 per share. Accordingly, $37,182 was recorded as other liabilities.

At November 30, 2021, the Company had a remaining commitment to incur exploration expenditures of $nil (2020 - $297,143) in relation to its June 24, 2020 flow-through share financing, $nil (2020 - $1,676,380) in relation to its July 9, 2020 flow-through share financing, $2,883 (2020 - $nil) in relation to its December 16, 2020 flow-through share financing and $2,044,999 (2020 - $nil) in relation to its November 25, 2021 flow-through share financing.

During the year ended November 30, 2021, the Company did not incur any (2020 - $16,614) Part XII.6 tax in relation to its flow-through share financings.

11. CAPITAL STOCK

a) Authorized

Unlimited number of common voting shares without par value

11. CAPITAL STOCK (Continued)

b) Issued

During the year ended November 30, 2021

On December 16, 2020, the Company closed a private placement for gross proceeds of $3,637,000. The Company issued 1,807,778 units at a price of $0.90 per unit for gross proceeds of $1,627,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $1.25 for a period of two years from the date of issuance. The Company also issued 2,010,000 flow-through common shares at a price of $1.00 per share for gross proceeds of $2,010,000. The premium paid by investors on the flow-through shares was calculated as $0.10 per share. Accordingly, $201,000 was recorded as other liabilities. The Company paid finders' fees of $37,800 and issued 42,000 agent warrants with an exercise price of $1.25 and a term to expiry of two years (note 11(d)). The Company also incurred other share issue costs of $26,799.

On December 21, 2020, the Company issued 30,000 common shares valued at $27,900 for the Red Lake Project (note 9(b) – Red Lake Project).

On March 1, 2021, the Company issued 12,500 common shares valued at $9,750 for the Red Lake Project (note 9(b) - Red Lake Project).

On March 3, 2021, the Company issued 30,000 common shares valued at $22,500 for the Red Lake Project (note 9(b) - Red Lake Project).

On March 19, 2021, the Company issued 12,500 common shares valued at $10,875 for the Red Lake Project (note 9(b) - Red Lake Project).

On March 29, 2021, the Company issued 100,000 common shares valued at $139,000 as a finder's fee for the sale of a 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property (note 9(a) – Pilbara Project).

On April 27, 2021, the Company issued 10,000 common shares valued at $7,900 for the Red Lake Project (note 9(b) - Red Lake Project).

On November 5, 2021, the Company issued 15,000 common shares valued at $7,800 for the Red Lake Project (note 9(b) - Red Lake Project).

On November 25, 2021, the Company closed a flow-through private placement for gross proceeds of $2,044,999. The Company issued 3,718,180 flow-through common shares at a price of $0.55 per share. The premium paid by investors on the flow-through shares was calculated as $0.01 per share. Accordingly, $37,182 was recorded as other liabilities. The Company incurred share issue costs of $10,975.

During the year ended November 30, 2020

On December 23, 2019 and January 17, 2020, the Company closed a private placement in two tranches. The Company issued 1,322,732 units at a price of $1.20 per unit for gross proceeds of $1,587,280. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $1.80 for a period of two years from the date of issuance. The Company also issued 3,173,758 flow-through common shares at a price of $1.30 per share for gross proceeds of $4,125,886. The premium paid by investors on the flow-through shares was calculated as $0.10 per share. Accordingly, $317,376 was recorded as other liabilities. The Company paid finders' fees of $19,505 and issued 16,254 agent warrants with an exercise price of $1.80 and a term to expiry of two years (note 11(d)). The Company also incurred other share issue costs of $37,916.

11. CAPITAL STOCK (Continued)

b) Issued (continued)

During the year ended November 30, 2020 (continued)

On February 18, 2020, the Company issued 40,000 common shares valued at $40,000 for the Pilbara Project (note 9(a) – Golden Palms Project).

On March 4, 2020, the Company issued 10,000 common shares valued at $8,500 for the Red Lake Project (note 9(b) – Red Lake Project).

On March 11, 2020, the Company issued 10,000 common shares valued at $6,000 for the Red Lake Project (note 9(b) – Red Lake Project).

On April 20, 2020, the Company issued 950,000 common shares valued at $712,500 for the Red Lake – Sidace property (note 9(b) – Red Lake Sidace). The Company also issued 50,000 common shares valued at $37,500 as a finder's fee on the transaction.

On April 30, 2020, the Company issued 25,000 common shares valued at $20,000 for the Red Lake Project (note 9(b) – Red Lake Project).

On April 30, 2020, the Company issued 10,000 common shares valued at $8,000 for the Red Lake Project (note 9(b) – Red Lake Project).

On May 5, 2020, the Company issued 15,000 common shares valued at $11,250 for the Red Lake Project (note 9(b) – Red Lake Project).

On June 24, 2020 and July 9, 2020, the Company closed a private placement in two tranches. The Company issued 2,773,000 common shares at a price of $0.70 per share and 2,856,226 common shares at a price of $0.70 per share for gross proceeds of $3,940,458. The Company also issued 1,300,000 flow-through common shares at a price of $0.77 per share and 2,122,000 flow-through common shares at a price of $0.79 for gross proceeds of $2,677,380. The premium paid by investors on the $0.77 flow-through common shares was calculated as $0.07 per share and the premium paid by investors on the $0.79 flow-through shares was calculated as $0.09 per share. Accordingly, $91,000 and $190,980, respectively, were recorded as other liabilities. The Company paid finders' fees of $68,550 and issued 97,928 agent warrants, which have an exercise price of $1.00 and a term to expiry of one year (note 11(d)). The Company also incurred other share issue costs of $35,339.

On October 5, 2020, the Company issued 500,000 common shares valued at $800,000 for the Red Lake – Sidace property (note 9(b) – Red Lake Sidace).

On November 11, 2020, the Company issued 15,000 common shares valued at $14,850 for the Red Lake Project (note 9(b) – Red Lake Project).

On November 11, 2020, the Company issued 7,500 common shares valued at $7,425 for the Red Lake Project (note 9(b) – Red Lake Project).

The Company received $33,915 on the exercise of 25,500 stock options. The Company transferred $24,601, the value of the stock options, from the share-based payments reserve to capital stock upon exercise of the options. The weighted average share price was $1.58 when the stock options were exercised.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Year Ended November 30, 2021		**Year Ended November 30, 2020**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	3,816,487	$ 2.91	2,514,588	$ 3.60
Issued	1,807,778*	1.25	1,322,732	1.80
Expired	(2,493,755)	3.50	(20,833)	9.70
Outstanding, end of year	3,130,510	$ 1.48	3,816,487	$ 2.91

*If the closing price of the Company's common shares on the TSX Venture Exchange is equal to or greater than $1.75 for 10 consecutive trading days, then the Company may, at is sole option, elect to provide notice to the holders of the warrants that the warrants will expire in 30 days.

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**November 30, 2021**
December 23, 2021*	0.06	$ 1.80	654,066
January 17, 2022*	0.13	$ 1.80	668,666
December 16, 2022	1.04	$ 1.25	1,807,778
	0.64		3,130,510

* Expired unexercised subsequent to November 30, 2021

During the year ended November 30, 2021, the Company transferred $583,761 (2020 - $72,034) from the share-based payments reserve to deficit from the expiry of 2,493,755 (2020 - 20,833) warrants.

d) Agent warrants

Agent warrant transactions and the number of agent warrants outstanding are summarized as follows:

	Year Ended November 30, 2021		**Year Ended November 30, 2020**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	279,526	$ 2.38	212,594	$ 3.00
Issued	42,000*	1.25	114,182	1.11
Expired	(263,272)	2.41	(47,250)	2.00
Outstanding, end of year	58,254	$ 1.40	279,526	$ 2.38

*If the closing price of the Company's common shares on the TSX Venture Exchange is equal to or greater than $1.75 for 10 consecutive trading days, then the Company may, at is sole option, elect to provide notice to the holders of the warrants that the warrants will expire in 30 days.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

d) Agent warrants (continued)

The following agent warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**November 30, 2021**
December 23, 2021*	0.06	$ 1.80	15,654
January 17, 2022*	0.13	$ 1.80	600
December 16, 2022	1.04	$ 1.25	42,000
	0.77		58,254

* Expired unexercised subsequent to November 30, 2021

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. During the year ended November 30, 2021, 42,000 (2020 - 114,182) agent warrants were issued with a fair value of $16,707 (2020 - $82,386).

The fair value of each agent warrant issued was calculated using the following weighted average assumptions:

	Year Ended November 30, 2021	**Year Ended November 30, 2020**
Expected life (years)	2.00	1.14
Risk-free interest rate	0.25%	0.48%
Annualized volatility	101%	123%
Dividend yield	N/A	N/A
Stock price at issue date	$ 0.90	$ 0.77
Exercise price	$ 1.25	$ 1.11
Weighted average issue date fair value	$ 0.40	$ 0.72

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

During the year ended November 30, 2021, the Company transferred $456,957 (2020 - $25,567) from the share-based payments reserve to deficit from the expiry of 263,272 (2020 - 47,250) agent warrants.

e) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless otherwise specified by the Board of Directors.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

e) Stock options (continued)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Year Ended November 30, 2021		**Year Ended November 30, 2020**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	3,259,500	$ 1.86	1,545,000	$ 2.46
Granted	-	-	1,750,000	1.33
Exercised	-	-	(25,500)	1.33
Expired	(490,000)	4.23	(10,000)	2.20
Outstanding, end of year	2,769,500	$ 1.44	3,259,500	$ 1.86

The following stock options were outstanding and exercisable at November 30, 2021:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
July 5, 2022	0.59	$ 1.60	685,000	685,000
August 12, 2022	0.70	$ 1.70	175,000	175,000
August 16, 2022	0.71	$ 1.70	155,000	155,000
October 1, 2022	0.84	$ 1.60	30,000	30,000
July 24, 2023	1.65	$ 1.33	1,724,500	1,724,500
	1.27		2,769,500	2,769,500

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, there were no share-based payments recognized during the year ended November 30, 2021 (2020 - $1,688,352).

The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Year Ended November 30, 2021	**Year Ended November 30, 2020**
Expected life (years)	N/A	3.00
Risk-free interest rate	N/A	0.28%
Annualized volatility	N/A	126%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	$ 1.33
Exercise price	N/A	$ 1.33
Weighted average grant date fair value	N/A	$ 0.96

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

e) Stock options (continued)

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

During the year ended November 30, 2021, the Company transferred $1,838,451 (2020 - $18,807) from the share-based payments reserve to deficit from the expiry of 490,000 (2020 - 10,000) stock options.

12. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

	Year Ended November 30, 2021	Year Ended November 30, 2020
Short-term compensation	$ 956,000	$ 707,000
Share-based compensation	-	482,388
	$ 956,000	$ 1,189,388

During the year ended November 30, 2021, short-term compensation to related parties consisted of $240,000 (2020 - $nil) in consulting fees, $90,000 (2020 - $90,000) in management fees, $106,000 (2020 - $127,000) in professional fees and $520,000 (2020 - $490,000) in geological fees included in exploration and evaluation assets.

Transactions with related parties are included in the amounts shown on the consolidated statements of comprehensive loss as follows:

	Year Ended November 30, 2021	Year Ended November 30, 2020
Related company with a common officer (rent)	$ 96,000	$ 78,000
Related company controlled by officer and director (consulting fees and office and miscellaneous)	$ 174,000	$ -
Related company controlled by officer and director (geological fees included in exploration and evaluation assets)	$ -	$ 60,000

As at November 30, 2021, the Company has outstanding amounts payable to officers and directors of the Company of $92,372 (2020 - $75,382) for outstanding fees and expenses, and $nil (2020 - $1,102) receivable from a company with a common officer for shared expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

As at November 30, 2021, the Company has prepaid expenses with a related company with a common officer of $8,400 (2020 - $nil) for prepaid rent.

(Expressed in Canadian Dollars)

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Year Ended November 30, 2021	Year Ended November 30, 2020
Cash and Cash Equivalents		
Cash	$ 2,088,868	$ 330,378
Term deposits	-	2,390,961
	$ 2,088,868	$ 2,721,339
Supplemental Disclosure with Respect to Cash Flows		
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Proceeds receivable from sale of exploration and evaluation assets	$ 500,000	$ -
Exploration and evaluation expenditures in accounts payable (opening)	$ 830,984	$ 98,423
Exploration and evaluation expenditures in accounts payable (closing)	$ 55,471	$ 830,984
Exploration and evaluation expenditures in prepaid expenses (opening)	$ -	$ 300,110
Exploration and evaluation expenditures in prepaid expenses (closing)	$ -	$ -
Fair value of shares issued for exploration and evaluation assets	$ 86,725	$ 1,666,025
Fair value of stock options exercised	$ -	$ 24,601
Fair value of stock options expired	$ 1,838,451	$ 18,807
Fair value of warrants expired	$ 1,040,718	$ 97,601

14. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical segment

Non-current assets	Canada	Australia	Total
November 30, 2021	$ 16,918,604	$ 500,000	$ 17,418,604
November 30, 2020	$ 12,665,298	$ 5,967,239	$ 18,632,537

(Expressed in Canadian Dollars)

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year Ended November 30, 2021	Year Ended November 30, 2020
Loss for the year before income taxes	$ (2,750,976)	$ (6,533,485)
Statutory income tax rate	27%	27%
Income tax benefit computed at statutory tax rate	(743,000)	(1,764,000)
Change in income tax rate	-	44,000
Difference in tax rate in other jurisdictions	34,000	(12,000)
Items not deductible for income tax purposes	608,000	445,000
Unrecognized benefit of deferred income tax assets	101,000	1,287,000
Income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred income tax assets and deferred income tax liabilities at November 30, 2021 and 2020 are presented below:

	November 30, 2021	November 30, 2020
Non-capital losses carried forward	$ 4,574,000	$ 3,974,000
Capital losses carried forward	127,000	127,000
Equipment	19,000	14,000
Exploration and evaluation assets	(1,259,000)	527,000
Investments in foreign subsidiaries	17,000	(19,000)
Marketable securities	62,000	-
Share issue costs	78,000	99,000
	3,618,000	4,722,000
Unrecognized deferred income tax assets	(3,618,000)	(4,722,000)
Net deferred income tax assets	$ -	$ -

(Expressed in Canadian Dollars)

15. INCOME TAXES (Continued)

The Company has Canadian non-capital losses of $16,672,000 available for carry-forward to reduce future years' income for income tax purposes. These losses expire as follows:

2031	$	15,000
2032		375,000
2033		785,000
2034		848,000
2035		1,024,000
2036		724,000
2037		1,092,000
2038		3,434,000
2039		3,006,000
2040		3,181,000
2041		2,188,000
	$	16,672,000

As of November 30, 2021, the Company has unrecognized deferred tax liabilities of approximately $nil (2020 - $747,000) due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding common shares of Arrow Pilbara and Drummond East.