PACTON GOLD INC.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended February 28, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

PACTON GOLD INC.

February 28, 2022 and 2021

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

April 26, 2022

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	February 28, 2022	November 30, 2021
	(Unaudited)	
Assets		
Current		
Cash and cash equivalents	$ 1,450,830	$ 2,088,868
Marketable securities (note 7)	2,415,384	3,567,740
Receivables	556,656	557,546
Prepaid expenses (note 12)	8,245	23,183
	4,431,115	6,237,337
Equipment (note 8)	21,714	22,857
Exploration and Evaluation Assets (notes 8, 9 and 12)	17,810,322	17,395,747
	$ 22,263,151	$ 23,655,941
Liabilities		
Current		
Accounts payable and accrued liabilities (note 12)	$ 198,562	$ 171,904
Other liabilities (note 10)	29,957	37,470
	228,519	209,374
Shareholders' Equity		
Capital Stock (note 11)	52,811,277	52,811,277
Share-based Payments Reserve (note 11)	3,015,270	3,028,323
Deficit	(33,643,627)	(32,239,593)
Accumulated Other Comprehensive Loss – Cumulative Translation Adjustments	(148,288)	(153,440)
	22,034,632	23,446,567
	$ 22,263,151	$ 23,655,941

Going Concern (note 2)
Subsequent Event (note 15)

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 condensed consolidated interim financial statements.

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three Months Ended February 28,
(Unaudited – Expressed in Canadian Dollars)

		2022		2021
Expenses				
Consulting fees (note 12)	$	146,706	$	311,474
Foreign exchange loss (gain)		13		(78)
Management fees (note 12)		22,500		22,500
Office and miscellaneous (note 12)		22,246		55,875
Professional fees (note 12)		39,337		67,405
Rent (note 12)		24,000		30,000
Shareholder communications and investor relations		37,535		102,203
Transfer agent and filing fees		10,784		20,203
		(303,121)		(609,582)
Other Items				
Part XII.6 tax (note 10)		-		(35,858)
Interest income		-		4,400
Other income (note 10)		7,513		178,764
Loss on marketable securities (note 7)		(1,121,479)		-
Net Loss for the Period		(1,417,087)		(462,276)
Other Comprehensive Income				
Exchange difference on translating foreign operations		5,152		174,109
Comprehensive Loss for the Period	$	(1,411,935)	$	(288,167)
Basic and Diluted Loss Per Share	$	(0.03)	$	(0.01)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted		41,318,977		36,735,081

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

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – 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, 2020	**33,573,019**	**$**	**47,234,016**	**$**	**5,890,785**	**$**	**(32,367,786)**	**$**	**(215,986)**	**$**	**20,541,029**
Private placements	3,817,778		3,637,000		-		-		-		3,637,000
Share issue costs	-		(81,306)		16,707		-		-		(64,599)
Flow-through liability	-		(201,000)		-		-		-		(201,000)
Shares issued for exploration and evaluation assets	30,000		27,900		-		-		-		27,900
Net loss for the period	-		-		-		(462,276)		-		(462,276)
Exchange difference on translating foreign operations	-		-		-		-		174,109		174,109
Balance, February 28, 2021	**37,420,797**		**50,616,610**		**5,907,492**		**(32,830,062)**		**(41,877)**		**23,652,163**
Private placements	3,718,180		2,044,999		-		-		-		2,044,999
Share issue costs	-		(10,975)		-		-		-		(10,975)
Flow-through liability	-		(37,182)		-		-		-		(37,182)
Shares issued for exploration and evaluation assets	80,000		58,825		-		-		-		58,825
Shares issued for transaction costs	100,000		139,000		-		-		-		139,000
Expiry of stock options	-		-		(1,838,451)		1,838,451		-		-
Expiry of warrants	-		-		(1,040,718)		1,040,718		-		-
Net loss for the period	-		-		-		(2,288,700)		-		(2,288,700)
Exchange difference on translating foreign operations	-		-		-		-		(111,563)		(111,563)
Balance, November 30, 2021	**41,318,977**		**52,811,277**		**3,028,323**		**(32,239,593)**		**(153,440)**		**23,446,567**
Expiry of warrants	-		-		(13,053)		13,053		-		-
Net loss for the period	-		-		-		(1,417,087)		-		(1,417,087)
Exchange difference on translating foreign operations	-		-		-		-		5,152		5,152
Balance, February 28, 2022	**41,318,977**	**$**	**52,811,277**	**$**	**3,015,270**	**$**	**(33,643,627)**	**$**	**(148,288)**	**$**	**22,034,632**

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

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended February 28,
(Unaudited – Expressed in Canadian Dollars)

	2022	2021
Operating Activities		
Net loss	$ (1,417,087)	$ (462,276)
Items not involving cash		
Other income	(7,513)	(178,764)
Foreign exchange loss (gain)	13	(78)
Loss on marketable securities	1,121,479	-
Changes in non-cash working capital		
Receivables	890	(220,779)
Prepaid expenses	14,938	(57,120)
Accounts payable and accrued liabilities	(50,675)	(16,987)
Cash Used in Operating Activities	(337,955)	(936,004)
Investing Activities		
Proceeds on sale of marketable securities	30,877	-
Exploration and evaluation assets, net of recoveries	(330,967)	(2,098,468)
Sale of exploration and evaluation assets	-	500,000
Cash Used in Investing Activities	(300,090)	(1,598,468)
Financing Activity		
Net proceeds from share issuances	-	3,572,401
Cash Provided by Financing Activity	-	3,572,401
Inflow (Outflow) of Cash and Cash Equivalents	(638,045)	1,037,929
Effect of Foreign Exchange on Cash and Cash Equivalents	7	980
Cash and Cash Equivalents, Beginning of Period	2,088,868	2,721,339
Cash and Cash Equivalents, End of Period	$ 1,450,830	$ 3,760,248

Supplemental Disclosure with Respect to Cash Flows (note 13)

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

2. GOING CONCERN

These condensed consolidated interim 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 three months ended February 28, 2022 of $1,417,087 (2021 - $462,276) and as at February 28, 2022 has a deficit of $33,643,627 (November 30, 2021 - $32,239,593), 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 markets 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.

(Unaudited – 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

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's 2021 annual consolidated financial statements that 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 April 26, 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 February 28, 2022	Ownership November 30, 2021	Incorporated	Nature
Pacton Pilbara Pty. Ltd.	100%	100%	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

3. BASIS OF PRESENTATION (Continued)

c) Subsidiaries (continued)

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 condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited consolidated financial statements for the year ended November 30, 2021.

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*.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

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.

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) – Pilbara Project) has increased significantly since its initial recognition and 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 fair value through profit or loss (“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:

February 28, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 1,450,830	$ -	$ -	$ 1,450,830
Marketable securities	2,415,384	-	-	2,415,384
	$ 3,866,214	$ -	$ -	$ 3,866,214

6. FINANCIAL INSTRUMENTS (Continued)

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

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

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

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 $56,656 (November 30, 2021 - $57,546) owing from the Canada Revenue Agency and the Australian Taxation Office. The remaining $500,000 (November 30, 2021 - $500,000) 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 February 28, 2022 equal $198,562 (November 30, 2021 - $171,904). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of February 28, 2022.

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 Australian dollar ("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 exchange rates between the Canadian and Australian dollars of 10% would result in a $800 change in the Company's cash, $600 change in accounts payable and accrued liabilities, $241,500 change in marketable securities and $5,600 change in other comprehensive income (loss). The Company does not use any techniques to mitigate currency risk.

6. FINANCIAL INSTRUMENTS (Continued)

c) Market risk (continued)

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.

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 three months ended February 28, 2022. 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) – Pilbara Project) 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) – Pilbara Project) 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 three months ended February 28, 2022, the Company sold 1,582,088 shares (2021 - nil) of Raiden for a realized loss of $6,785 (2021 - $nil) and the put option expired resulting in a realized gain of $223,979.

(Unaudited – Expressed in Canadian Dollars)

7. MARKETABLE SECURITIES (Continued)

The Company recorded unrealized loss on investments of $1,338,673 (2021 - $nil) during the three months ended February 28, 2022, which is included in the condensed consolidated interim 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 February 28, 2022, less their put option value for the remaining hold period.

Marketable securities at February 28, 2022 consisted of the following:

	Shares	Cost	Market Value
Raiden Resources Limited	164,035,075	$ 3,987,572	$ 2,415,384

Marketable securities at November 30, 2021 consisted 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

8. EQUIPMENT

		Furniture and Equipment
Cost		
Balance, November 30, 2020	**$**	**153,145**
Disposals		(101,453)
Balance, November 30, 2021 and February 28, 2022	**$**	**51,692**
Accumulated Depreciation		
Balance, November 30, 2020	**$**	**42,397**
Depreciation*		22,150
Disposals		(35,712)
Balance, November 30, 2021		**28,835**
Depreciation**		1,143
Balance, February 28, 2022	**$**	**29,978**
Net Book Value, November 30, 2021	**$**	**22,857**
Net Book Value, February 28, 2022	**$**	**21,714**

* $22,150 capitalized to exploration and evaluation assets
** $1,143 capitalized to exploration and evaluation assets

(Unaudited – Expressed in Canadian Dollars)

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.

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 *Business Combinations*. 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).

(Unaudited – Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Arrow Pilbara (continued)

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.

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 February 28, 2022);
- $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.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

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).

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.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

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".

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.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

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.

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.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

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.

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).

9. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

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.

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.

(Unaudited – 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**

(Unaudited – Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

	Pilbara	Red Lake	Red Lake – Sidace	Total
Balance, November 30, 2021	**$ 500,000**	**$ 13,184,358**	**$ 3,711,389**	**$ 17,395,747**
Property Acquisition Costs				
Claim costs	8,067	-	-	8,067
Currency translation difference	1,530	-	-	1,530
Total Additions to Acquisition Costs	9,597	-	-	9,597
Property Exploration Costs				
Camp and other	-	28,958	-	28,958
Depreciation	-	1,143	-	1,143
Drilling	-	159,437	-	159,437
Geological and field staff	-	211,838	-	211,838
Currency translation difference	3,602	-	-	3,602
Total Additions to Exploration Costs	3,602	401,376	-	404,978
Balance, February 28, 2022	**$ 513,199**	**$ 13,585,734**	**$ 3,711,389**	**$ 17,810,322**

(Unaudited – Expressed in Canadian Dollars)

10. OTHER LIABILITIES

		February 28, 2022		November 30, 2021
Balance, beginning of period	$	37,470	$	217,993
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		(7,513)		(418,705)
Balance, end of period	$	29,957	$	37,470

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 February 28, 2022, the Company had a remaining commitment to incur exploration expenditures of $nil (November 30, 2021 - $2,883) in relation to its December 16, 2020 flow-through share financing and $1,647,649 (November 30, 2021 - $2,044,999) in relation to its November 25, 2021 flow-through share financing.

During the three months ended February 28, 2022, the Company did not incur any (2021 - $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

b) Issued

During the year three months ended February 28, 2022

There were no capital stock transactions during the three months ended February 28, 2022.

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).

(Unaudited – Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

b) Issued (continued)

During the year ended November 30, 2021 (continued)

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.

c) Warrants

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

	Three Months Ended February 28, 2022		**Year Ended November 30, 2021**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	3,130,510	$ 1.48	3,816,487	$ 2.91
Issued	-	-	1,807,778*	$ 1.25
Expired	(1,322,732)	$ 1.80	(2,493,755)	$ 3.50
Outstanding, end of period	1,807,778	$ 1.25	3,130,510	$ 1.48

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

(Unaudited – Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

c) Warrants (continued)

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**February 28, 2022**
December 16, 2022	0.80	$ 1.25	1,807,778

During the three months ended February 28, 2022, the Company did not transfer any amounts (year ended November 30, 2021 - $583,761) from the share-based payments reserve to deficit from the expiry of warrants (year ended November 30, 2021 - 2,493,755).

d) Agent warrants

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

	Three Months Ended February 28, 2022		**Year Ended November 30, 2021**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	58,254	$ 1.40	279,526	$ 2.38
Issued	-	-	42,000*	$ 1.25
Expired	(16,254)	$ 1.80	(263,272)	$ 2.41
Outstanding, end of period	42,000	$ 1.25	58,254	$ 1.40

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

The following agent warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**February 28, 2022**
December 16, 2022	0.80	$ 1.25	42,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. There were no agent warrants (year ended November 30, 2021 - 42,000 with a fair value of $16,707) issued during the three months ended February 28, 2022.

(Unaudited – Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

d) Agent warrants (continued)

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

	Three Months Ended February 28, 2022	**Year Ended November 30, 2021**
Expected life (years)	N/A	2.00
Risk-free interest rate	N/A	0.25%
Annualized volatility	N/A	101%
Dividend yield	N/A	N/A
Stock price at issue date	N/A	$ 0.90
Exercise price	N/A	$ 1.25
Weighted average issue date fair value	N/A	$ 0.40

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 three months ended February 28, 2022, the Company transferred $13,053 (year ended November 30, 2021 - $456,957) from the share-based payments reserve to deficit from the expiry of 16,254 (year ended November 30, 2021 - 263,272) 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.

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

	Three Months Ended February 28, 2022		**Year Ended November 30, 2021**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,769,500	$ 1.44	3,259,500	$ 1.86
Expired	-	-	(490,000)	$ 4.23
Outstanding, end of period	2,769,500	$ 1.44	2,769,500	$ 1.44

(Unaudited – Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

e) Stock options (continued)

The following stock options were outstanding and exercisable at February 28, 2022:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
July 5, 2022	0.35	$ 1.60	685,000	685,000
August 12, 2022	0.45	$ 1.70	175,000	175,000
August 16, 2022	0.46	$ 1.70	155,000	155,000
October 1, 2022	0.59	$ 1.60	30,000	30,000
July 24, 2023	1.40	$ 1.33	1,724,500	1,724,500
	1.02		2,769,500	2,769,500

During the three months ended February 28, 2022, the Company did not transfer any amounts (year ended November 30, 2021 - $1,838,451) from the share-based payments reserve to deficit from the expiry of stock options (year ended November 30, 2021 - 490,000).

12. RELATED PARTY TRANSACTIONS

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

	Three Months Ended February 28, 2022	Three Months Ended February 28, 20221
Short-term compensation	$ 148,500	$ 244,500

During the three months ended February 28, 2022, short-term compensation to related parties consisted of $30,000 (2021 - $60,000) in consulting fees, $22,500 (2021 - $22,500) in management fees, $21,000 (2021 - $27,000) in professional fees and $75,000 (2021 - $135,000) in geological fees included in exploration and evaluation assets.

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

	Three Months Ended February 28, 2022	Three Months Ended February 28, 2021
Related company with a common officer (rent)	$ 24,000	$ 24,000
Related company controlled by officer and director (consulting fees and office and miscellaneous)	$ 25,000	$ 34,500

As at February 28, 2022, the Company has outstanding amounts payable to officers and directors of the Company of $nil (November 30, 2021 - $92,372) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

As at February 28, 2022, the Company has prepaid expenses with a related company with a common officer of $nil (November 30, 2021 - $8,400) for prepaid rent.

(Unaudited – Expressed in Canadian Dollars)

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Three Months Ended February 28, 2022	Three Months Ended February 28, 2021
Cash and Cash Equivalents		
Cash	$ 1,200,830	$ 499,887
Term deposits	250,000	3,260,361
	$ 1,450,830	$ 3,760,248
Supplemental Disclosure with Respect to Cash Flows		
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Exploration and evaluation expenditures in accounts payable (opening)	$ 55,471	$ 830,984
Exploration and evaluation expenditures in accounts payable (closing)	$ 132,804	$ 435,382
Fair value of shares issued for exploration and evaluation assets	$ -	$ 27,900
Fair value of warrants expired	$ 13,053	$ -

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
February 28, 2022	$ 17,318,837	$ 513,199	$ 17,832,036
November 30, 2021	$ 16,918,604	$ 500,000	$ 17,418,604

15. SUBSEQUENT EVENT

On March 30, 2022 and April 6, 2022, the Company closed a private placement for gross proceeds of $4,464,000. The Company issued 4,580,000 common shares at a price of $0.30 per share for gross proceeds of $1,374,000. The Company also issued 8,583,333 flow-through common shares at a price of $0.36 per share for gross proceeds of $3,090,000. The Company paid finders' fees of $5,400 and issued 33,000 agent warrants with an exercise price of $0.40 and a term to expiry of two years.