CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED AUGUST 31, 2021 AND 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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Tres-Or trades on the TSX Venture Exchange under the symbol TRS

NOTICE OF NO AUDITOR REVIEW OF 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TRES-OR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Note	August 31, 2021	February 28, 2021
ASSETS			
Current assets			
Cash		$ 333,300	$ 441,050
Receivables		5,506	16,412
Prepaids		15,134	31,839
Total current assets		353,940	489,301
Non-current assets			
Exploration and evaluation assets	4	3,836,263	3,794,826
TOTAL ASSETS		$ 4,190,203	$ 4,284,127
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 187,460	$ 218,850
Due to related parties	6	356,786	421,377
Flow-through share premium liability	8	31,020	-
Total current liabilities		575,266	640,227
Non-current liabilities			
Loans payable	5,6	174,375	174,267
TOTAL LIABILITIES		749,641	814,494
EQUITY			
Share capital	7	17,947,290	17,891,191
Share subscriptions receivable		-	(24,750)
Equity reserves	7	2,272,453	2,272,453
Deficit		(16,779,181)	(16,669,261)
TOTAL EQUITY		3,440,562	3,469,633
TOTAL LIABILITIES AND EQUITY		$ 4,190,203	$ 4,284,127

Nature and continuance of operations (Note 1)

Approved by the Board of Directors on October 27, 2021:

"Gareth E. Mason "	*"Laura Lee Duffett"*
Director	Director

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

TRES-OR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

		Three months ended August 31,		Six months ended August 31,	
	Note	**2021**	**2020**	**2021**	**2020**
GENERAL AND ADMINISTRATIVE EXPENSES					
Consulting fees		$ 6,000	$ -	$ 20,500	$ -
Accretion and interest on loans payable	5,6	-	5,665	108	11,454
Management fees	6	13,500	24,500	27,000	38,000
Office and miscellaneous		475	2,573	4,078	3,857
Professional fees		10,326	24,392	25,946	39,102
Transfer agent and regulatory fees		(310)	3,476	6,459	7,791
Travel and promotion	6	12,144	10,556	25,829	31,243
		(42,135)	(71,162)	(109,920)	(131,447)
Extinguishment of accounts payable		-	-	-	6,038
Settlement of flow through share premium liabilities		-	9,336	-	9,336
Loss for the period		(42,135)	(61,826)	(109,920)	(116,073)
OTHER COMPREHENSIVE INCOME					
Unrealized gain on marketable securities		-	45,403	-	66,859
Total comprehensive loss for the period		$ (42,135)	$ (16,423)	$ (109,920)	$ (49,214)
Basic and diluted loss per common share		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		21,592,263	15,900,928	21,358,828	15,150,285

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

TRES-OR RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

UNAUDITED – PREPARED BY MANAGEMENT

(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Share Subscriptions Receivable	Equity Reserves	Accumulated Other Comprehensive Income	Deficit	Total
Balance – February 29, 2020	**14,000,828**	**$ 16,999,311**	**$ -**	**$ 2,272,453**	**$ 30,449**	**$ (16,527,874)**	**$ 2,774,339**
Private placement	1,500,000	150,000	-	-	-	-	150,000
Share issue costs	-	(3,928)	-	-	-	-	(3,928)
Flow-through share premium liability	-	(30,000)	-	-	-	-	(30,000)
Shares issued for exploration and evaluation asset	400,000	28,000	-	-	-	-	28,000
Unrealized gain on marketable securities	-	-	-	-	66,859	-	66,859
Loss for the period	-	-	-	-	-	(116,073)	(116,073)
Balance – August 31, 2020	**15,900,828**	**$ 17,143,383**	**$ -**	**$ 2,272,453**	**$ 97,308**	**$ (16,643,947)**	**$ 2,869,197**
Balance – February 28, 2021	**20,978,263**	**$ 17,891,191**	**$ (24,750)**	**$ 2,272,453**	**$ -**	**$ (16,669,261)**	**$ 3,469,633**
Private placement	564,000	84,600	-	-	-	-	84,600
Share issue costs	-	(4,981)	-	-	-	-	(4,981)
Share subscriptions receivable	-	-	24,750	-	-	-	24,750
Flow-through share premium liability	-	(31,020)	-	-	-	-	(31,020)
Exercise of warrants	50,000	7,500	-	-	-	-	7,500
Loss for the period	-	-	-	-	-	(109,920)	(109,920)
Balance – August 31, 2021	**21,592,263**	**$ 17,947,290**	**$ -**	**$ 2,272,453**	**$ -**	**$ (16,779,181)**	**$ 3,440,562**

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

TRES-OR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	For the six months ended August 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (109,920)	$ (116,073)
Items not affecting cash		
Accretion on loans payable	108	11,454
Settlement of flow through share premium liability		(9,336)
Extinguishment of accounts payable	-	(6,038)
Changes in non-cash working capital items		
Receivables	10,906	15,123
Prepaid expenses	16,705	22,247
Accounts payable and accrued liabilities	(33,387)	5,360
Due to related parties	(41,091)	40,537
Net cash used in operating activities	(156,679)	(36,726)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(85,348)	(111,238)
Recovery of exploration and evaluation assets expenditures	20,411	-
Net cash used in investing activities	(64,937)	(111,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	84,600	150,000
Share issuance costs	(2,984)	(3,928)
Proceeds from loan payable	-	100,000
Share subscriptions receivable	24,750	-
Exercise of warrants	7,500	-
Net cash provided by financing activities	113,866	246,072
Change in cash	(107,750)	98,108
Cash, beginning	441,050	83,665
Cash, end	$ 333,300	$ 181,773

Supplemental disclosure with respect to cash flows (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Tres-Or Resources Ltd. (the "Company") was incorporated under the laws of the Province of British Columbia and is in the business of exploration and evaluation of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company's registered office address is Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7, Canada. Further contact information is available on the Company's website at: www.tres-or.com.

The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company and its subsidiary.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. The Company has a working capital deficiency at August 31, 2021 of $221,326 and a deficit of $16,779,181. The Company has not generated revenue from operations; additional financing will be required in the foreseeable future to fund the Company's established business plan. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern. The Company will continue to pursue opportunities to raise additional capital through equity markets and/or related party loans to fund its exploration and operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company's ability to continue as a going concern is dependent upon it securing the necessary working capital and exploration requirements and eventually to generate positive cash flows either from operations or additional financing. These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate, and these adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Temagami-Diamonds Ltd. All significant intercompany balances and transactions have been eliminated upon consolidation.

Name of subsidiary	Incorporation	Interest August 31, 2021	Interest February 28, 2021
Temagami-Diamonds Ltd.	Canada	100%	100%

Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. whether or not an impairment has occurred in its exploration and evaluation assets;
ii. the inputs used in the accounting for share-based payments expense; and
iii. the inputs used in the accounting for finders' warrants and compensation options in share capital and equity reserves.

Critical accounting judgments

Examples of significant judgments, apart from those involving estimation, include:

- the accounting policies for exploration and evaluation assets; and
- classification of financial instruments.

Significant accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended February 28, 2021.

(Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

Marketable securities are recorded at fair value through other comprehensive income and are comprised of the following:

	August 31, 2021			February 28, 2021		
	Common shares	Market value	Cost	Common shares	Market value	Cost
Battery Mineral Resources Pty Ltd.	30,000	$ -	$ -	30,000	$ -	$ -

The fair value of the shares from Battery Mineral Resources Pty Ltd. is determined to be $Nil.

4. EXPLORATION AND EVALUATION ASSETS

	Fontana and Duvay Gold Projects, Quebec	Diamond Projects	Total
Balance, February 29, 2020	$ 1,407,705	$ 1,867,944	$ 3,275,649
Expenditures			
Acquisition costs	253,075	6,741	259,816
Assays, staking, mapping	38	101,252	101,290
Consulting	-	21,500	21,500
Field work	315	1,084	1,399
Geological and geophysical	27,000	105,963	132,963
Office, misc. and travel	-	2,209	2,209
	280,428	238,749	519,177
Balance, February 28, 2021	1,688,133	2,106,693	3,794,826
Expenditures			
Acquisition costs	-	2,981	2,981
Consulting	-	10,365	10,365
Field work	1,126	-	1,126
Geological and geophysical	5,000	42,376	47,376
	6,126	55,722	61,848
Mining tax credits	(4,929)	(15,482)	(20,411)
Balance, August 31, 2021	$ 1,689,330	$ 2,146,933	$ 3,836,263

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its assets are in good standing.

4. EXPLORATION AND EVALUATION ASSETS (Cont'd)

a) Fontana and Duvay Gold Projects, Quebec, Canada

Fontana Gold Project

On November 9, 2011, the Company entered into an option agreement (the "Option") with Globex Mining Enterprises Inc. ("Globex") to acquire the interests of certain mineral claims in Quebec, being a 75% interest in 16 claims and a 100% interest in a further 7 claims, collectively known as the Fontana Gold Project ("Fontana"). The interests of Globex in Fontana are subject to a 3.0% Gross Metals Royalty ("GMR") and the 16 claims held by Globex as to 75% are also subject to a 15% Net Profits Interest ("NPI").

In order to exercise the option the Company is required to pay Globex $400,000 (paid) and is required to purchase the NPI from Globex for a total of $1,200,000, payable in increments over 84 months ($50,000 paid).

During the year ended February 28, 2015, the Company and Globex made certain amendments to the Fontana Property Option Agreement dated November 9, 2011 which are subject to the satisfaction of certain conditions. The amended payment schedule under the Fontana NPI acquisition agreement terms is as follows:

- November 30, 2014 - $50,000 cash payments (paid)
- November 30, 2015 - $50,000 cash payments (paid)
- November 30, 2016 - $50,000 cash payments (paid)
- November 30, 2017 - $50,000 cash payments (paid)
- November 30, 2018 - $50,000 cash payments (paid)
- November 30, 2019 - $100,000 cash payments*
- November 30, 2020 - $200,000 cash payments*
- November 30, 2021 - $200,000 cash payments*

**These terms have been amended under the New Royalty Agreement*

During the year ended February 29, 2012 and February 28, 2013, the Company purchased additional Duvay Gold Project claims. Certain of the claims have various underlying royalties.

In April 2012, the Company entered into an option agreement with Merrex Gold Inc. ("Merrex"), wherein the Company was granted an option to acquire Merrex's 25% interest in 16 mineral claims in Duverny Township, Quebec, forming part of the Fontana Gold Project. The claims are subject to a 15% NPI in favour of Globex. In order to exercise the option, the Company paid to Merrex a total of $300,000 as at February 28, 2014 and was required to make the final payment of $125,000 during fiscal 2016 to complete the acquisition of Merrex's 25% interest in the claims.

During the year ended February 29, 2020, the Company entered into a definitive option agreement (the "Option Agreement") with Kiboko Exploration Inc. ("Kiboko") to advance the Company's Fontana Gold Project. Under the terms of the Option Agreement, Kiboko can earn an initial 65% interest in the Fontana Gold Project, subject to underlying royalties, within a four-year period from the closing of the Transaction (July 9, 2019) under the following conditions:

i) Making total cash payments or subscribing for securities of the Company totaling $1,000,000 ($5,000 paid and $195,000 shares subscribed during 2020; $300,000 shares subscribed during 2021); and
ii) Complete a technical report prepared in accordance with NI 43-101 that establishes a mineral resource estimate of no less than 1,000,000 ounces of gold of Inferred classification or higher, or incur scheduled expenditures per the Option Agreement on the Fontana Gold Project's claims totaling $4,000,000 of which $250,000 is a firm commitment (satisfied).

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (Cont'd)

a) Fontana and Duvay Gold Projects, Quebec, Canada (Cont'd)

Fontana Gold Project (Cont'd)

Upon earning a 65% interest, Kiboko will have the option to form a joint venture with the Company, or acquire an additional 25% interest, for an aggregate 90% interest. The additional 25% interest may be acquired by incurring additional exploration expenditures of $2,000,000 within a 6 year period from the date of the closing or by completing a preliminary economic assessment and a supporting technical report prepared in accordance with NI 43-101.

Upon earning a 90% interest, Kiboko will have the option to form a joint venture with the Company. In the event of a formation of a joint venture, each party to the joint venture will be responsible for its pro rata share of project expenditures. Should any party to the joint venture fall below a 10% participating interest, their interest shall convert to a 1% Net Smelter Returns ("NSR") royalty on the first 1,000,000 ounces of gold production. The remaining participating party shall also have a customary 90-day right-of-first-refusal ("ROFR") on the sale of any portion of the NSR and the right to purchase one-half of the NSR for $1,000,000.

As part of the Option Agreement, Globex has agreed that its royalty agreements, as they pertain to certain claims that comprise the Fontana Gold Project, will be extinguished and replaced with a single 2% NSR royalty agreement for the entire Fontana Gold Project (the "New Royalty Agreement"). The New Royalty Agreement provides for a customary 90-day ROFR on the sale of any portion of the NSR in favour of the Company and Kiboko. The New Royalty Agreement will also provide for a customary option to buyout one-half of the 2% NSR for $2,000,000 at any time prior to commercial production.

In addition, the Company and Kiboko have both agreed to recognize and confirm an additional 1.8% NSR on the Chenier claims (the "Chenier Family NSR") under the condition that Globex's right to purchase this royalty at any time for $360,000 be extended to the Company and Kiboko. The Company and Kiboko have been granted a customary 90-day ROFR on any potential sale of the Chenier Family NSR.

With respect to payments due to Globex, the current payments schedule will be extinguished and restated as follows:

On or about the closing of the Transaction	$100,000 (i)
On or before January 1, 2021	200,000 (paid)
On or before January 1, 2022	200,000
	$500,000

(i) On November 28, 2019, the Company entered into an amending agreement whereby the parties agreed the payment would be made in two equal instalments of $50,000; one instalment on or before November 30, 2019 (paid) and a second instalment being due on January 30, 2020. On January 30, 2020, the Company and Globex entered into a second amending agreement where the second instalment will be satisfied by making payments in cash and shares. Under the second amending agreement, the Company will make a cash payment of $25,000 on or before March 30, 2020 (paid), and issue 400,000 common shares of the Company to Globex (issued at a fair value of $28,000).

Duvay Gold Project

On May 23, 2010, the Company signed an option agreement to earn up to a 100% interest in the Duvay property in Quebec which comprises 4 contiguous claims in Duverny Township. The 4 claim property is subject to a GMR of 1.5% (where gold is US$800 per ounce or less) and 2% (where gold is greater than US$800 per ounce). As part of the 2019 Kiboko Option Agreement, Globex replaced its underlying royalty with a 2% NSR royalty agreement for Duvay (the "New Royalty Agreement").

4. EXPLORATION AND EVALUATION ASSETS (Cont'd)

a) Fontana and Duvay Gold Projects, Quebec, Canada (Cont'd)

Duvay Gold Project (Cont'd)

During the year ended February 28, 2013, the Company earned a 65% interest in the Duvay property. The Company can earn a further 15% interest for a total 80% interest by incurring $4,000,000 in exploration expenditures. The Company has the right to acquire the remaining 20% interest by effecting a merger, amalgamation or other form of business combination with the optionor, or the Company can purchase any or all of the 20% interest by paying the sum of $1,000,000 for each 1% interest in the property to be purchased.

The Company has a 100% interest in additional claims known as the Duvay Nord and East Mac Sud properties that form part of the Duvay Gold Project. The optionor retains a 2.0% net smelter return ("NSR") and the Company has the right to purchase 1.0% of the NSR for $1,000,000 and retains the first right of refusal to purchase the remaining 1.0% NSR.

During the year ended February 29, 2016, the Company and Secova Metals Corp. ("Secova") executed an option agreement to option up to a 90% interest in the Duvay Gold Project.

In November 2018, the Company gave Secova notice of termination of the option agreements on the basis that Secova failed to incur expenditures required to exercise the option within the time prescribed under the option agreement. Further, there remains $183,795 of outstanding indebtedness of Secova to the Company for expenditures incurred on behalf of Secova and interest income. During the year ended February 29, 2020, the Company recorded an allowance for doubtful account relating to this indebtedness due to uncertainty in collectability.

b) Diamond Projects

The Company owns a 100% interest in certain mineral claims including the Guigues Kimberlite claims, located in the Témiscamingue region of southwestern Quebec. In 2003, Tres-Or paid $133,920, completed $171,200 of exploration expenditures and issued 280,000 common shares with a value of $70,000 to earn its interest in certain of these claims including the Guigues Kimberlite. The vendors retain a 2.0% NSR. The Company may purchase 1% of the NSR for $1,000,000 at any time prior to commercial production of any mineral discovered on the claims and also retains the First Right of Refusal to buy-back the remaining 1.0% NSR. In addition, the Company agreed to deliver 100,000 common shares one day prior to the commencement of commercial production subject to regulatory approval.

The Company holds 2 mining licences in Sharpe and Savard townships, Ontario covering the Lapointe Kimberlite.

5. LOANS PAYABLE

WMJ Metals Ltd.

On December 30, 2014, the Company received a non-interest bearing loan from WMJ Metals Ltd. ("WMJ"), a company controlled by a Director of the Company, in the amount of $50,000 to complete the Globex acquisition (Note 5). It is a demand loan and shall be repaid within 90 days of demand for repayment being made by WMJ. During the year ended February 28, 2017, the Company made a repayment of $20,000. As at August 31, 2021, $30,000 remained outstanding.

5. LOANS PAYABLE (Cont'd)

During the year ended February 29, 2016, the Company and WMJ entered into an agreement whereby WMJ advanced additional non-interest bearing funds totaling $125,000 to finance the purchase of the Merrex Gold interest (Note 5). The loan and the associated service charge of 5% ($6,250) will be repaid by June 30, 2015 (not paid). Any balance of the loan outstanding after June 30, 2015 shall be subject to a further service charge of 10% ($13,125). The Company shall pay any outstanding balance inclusive of service charges by November 30, 2015 (not paid).

On November 23, 2015, the Company and WMJ entered into an amended agreement whereby the maturity date of the loan and related service charges was extended to March 31, 2017 (not paid). No additional interest or service charges were incurred as a result of the extension. In February 2019, the loan was transferred to a term loan with an expiry date of March 1, 2021, and since it is below the Company's estimated market borrowing rate of 15%, a contribution benefit of $43,027 was recorded in reserves. During the period ended August 31, 2021, the Company incurred $108 (2020 - $11,454) in accretion expense.

Other

During the year ended February 28, 2021, the Company received a $100,000 loan with 2% annual interest from a third party. A share subscription of $100,000 towards the Company's private placement was applied as a loan repayment (Note 8), and $1,090 interest was paid.

6. RELATED PARTY TRANSACTIONS

Total amounts due to related parties consists of amounts due to private companies controlled by a director and to a law firm in which a director of the Company is a retired partner.

During the period ended August 31, 2021, the Company entered into the following transactions with related parties:

(a) Incurred $29,600 (2020 - $22,500) to a company controlled by a director for geological services which have been capitalized to exploration and evaluation costs and incurred $27,000 (2020 - $38,000) for management services. At August 31, 2021, there was $283,464 (February 28, 2021 - $348,055) owing to this company.

(b) At August 31, 2021, there was $73,322 (February 28, 2021 - $73,322) owing to a law firm in which a director is a retired partner.

(c) Incurred $5,100 (2020 - $5,100) as automobile allowance (included in travel and promotion) to a private company controlled by a director.

(d) As at August 31, 2021, the Company owed $174,375 in loans payable (February 28, 2021 - $174,267) to a company controlled by a director. The Company incurred $108 (2020 - $11,454) of accretion expense relating to the loan.

7. SHARE CAPITAL AND EQUITY RESERVES

The authorized share capital of the Company consists of an unlimited number of common shares without par value and unlimited number of Class A preferred shares without par value.

7. SHARE CAPITAL AND EQUITY RESERVES (Cont'd)

Share transactions for the period ended August 31, 2021:

a) Closed a private placement of 564,000 flow-through units (the "FT Units") at a price of $0.15 per FT Unit for total proceeds of $84,600. Each FT Unit consists of one flow-through common share (a "FT Share") and one-half of one common share purchase warrant (a "FT Warrant"). Each whole FT Warrant entitles the holder to purchase one non-flow-through common share of the Company at an exercise price of $0.20 for a period of two years from the date of issue. The Company recorded a share premium liability of $31,020 in relation to the FT Units. The Company also recorded cash share issuance costs of $4,981 in relation to the private placement.

b) Issued 50,000 common shares from the exercise of warrants for proceeds of $7,500.

Share transactions for the year ended February 28, 2021:

a) Issued 400,000 common shares valued at $28,000 in connection with the Globex royalty agreement on the Fontana property.

b) Closed a private placement of 1,500,000 flow-through units (the "FT Units") at a price of $0.10 per FT Unit for total proceeds of $150,000. Each FT Unit consists of one flow-through common share (a "FT Share") and one-half of one common share purchase warrant (a "FT Warrant"). Each whole FT Warrant entitles the holder to purchase one non-flow-through common share of the Company at an exercise price of $0.15 for a period of two years from the date of issue. The Company recorded a share premium liability of $30,000 in relation to the FT Units. The Company also recorded cash share issuance costs of $3,928 in relation to the private placement.

c) Closed a private placement of 1,246,433 flow-through units (the "FT Units") at a price of $0.15 per FT Unit for total proceeds of $186,965. Each FT Unit consists of one flow-through common share (a "FT Share") and one-half of one common share purchase warrant (a "FT Warrant"). Each whole FT Warrant entitles the holder to purchase one non-flow-through common share of the Company at an exercise price of $0.20 for a period of two years from the date of issue.

d) Closed a private placement of 1,470,001 non flow-through units (the "NFT Units") at a price of $0.15 per NFT Unit for total proceeds of $220,500. Each NFT Unit consists of one non flow-through common share (a "NFT Share") and one-half of one common share purchase warrant (a "NFT Warrant"). Each whole NFT Warrant entitles the holder to purchase one non-flow-through common share of the Company at an exercise price of $0.20 for a period of two years from the date of issue.

e) Closed a private placement of 2,361,002 non flow-through units (the "NFT Units") at a price of $0.15 per NFT Unit for total proceeds of $354,150. Each NFT Unit consists of one non flow-through common share (a "NFT Share") and one-half of one common share purchase warrant (a "NFT Warrant"). Each whole NFT Warrant entitles the holder to purchase one non-flow-through common share of the Company at an exercise price of $0.20 for a period of two years from the date of issue. The Company recorded cash share issuance costs of $13,807 in relation to the private placement.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND EQUITY RESERVES (Cont'd)

Warrants

Warrant transactions are summarized as follows:

	Outstanding Warrants	Weighted average exercise price
Balance, February 29, 2020	2,919,792	$ 0.30
Expired	(386,739)	0.40
Granted	3,288,717	0.19
Balance, February 28, 2021	5,821,770	0.23
Exercised	(50,000)	0.15
Granted	282,000	0.20
Balance, August 31, 2021	6,053,770	$ 0.23

Additional information regarding the warrants outstanding as at August 31, 2021 is as follows:

Number of Warrants	Exercise Price ($)	Expiry Date
700,000	0.15	May 26, 2022
2,533,053	0.28	July 19, 2022
1,358,216	0.20	December 31, 2022
1,180,501	0.20	January 29, 2023
282,000	0.20	May 7, 2023
6,053,770		

Stock options

The Company has adopted a formal stock option plan which follows the TSX Venture Exchange ("TSX-V") policy under which it is authorized to grant options to officers, directors and employees to acquire up to 10% of issued and outstanding common stock. Under the plan, the exercise price of each option shall be fixed by the board of directors but shall be not less than the minimum price permitted by the TSX-V. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

A summary of the Company's outstanding share purchase options as at August 31, 2021 and the changes during the period are presented below:

	Number of Options	Weighted average exercise price
Balance – February 29, 2020, February 28, 2021 and August 31, 2021 - outstanding and exercisable	1,055,000	$ 0.52

Additional information regarding the stock options outstanding as at August 31, 2021 is as follows:

Number of Options	Exercise Price ($)	Expiry Date
650,000	0.50	October 5, 2021*
355,000	0.55	December 1, 2021
50,000	0.50	January 18, 2022
1,055,000		

*expired subsequent to August 31, 2021, unexercised.

(Expressed in Canadian Dollars)

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

	Issued in May 2020	Issued in May 2021	Total
Balance at February 29, 2020	$ -	$ -	$ -
Liability incurred on flow-through shares issued	30,000	-	30,000
Settlement of flow-through share premium liability on expenditures incurred	(30,000)	-	(30,000)
Balance at February 28, 2021	-	-	-
Liability incurred on flow-through shares issued	-	31,020	31,020
Balance at August 31, 2021	$ -	$ 31,020	$ 31,020

On May 26, 2020, the Company raised $150,000 through the issuance of 1,500,000 flow-through common share at a price of $0.10 per share. A flow-through liability of $30,000 was recognized on the issuance date. As at August 31, 2021, the Company has satisfied its flow-through obligation.

On December 31, 2020, the Company raised $186,965 through the issuance of 1,246,433 flow-through common share at a price of $0.15 per share. $Nil flow-through liability was recognized for this issuance. As at August 31, 2021, $65,423 remains to be spent on qualifying expenditures.

On May 7, 2021, the Company raised $84,600 through the issuance of 564,000 flow-through common share at a price of $0.15 per share. A flow-through liability of $31,020 was recognized on the issuance date. As at August 31, 2021, $84,600 remains to be spent on qualifying expenditures.

9. MANAGEMENT OF CAPITAL

The Company's capital structure consists of items in equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing through private placement or debt financing.

10. FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, currency, interest rate, and price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

10. FINANCIAL INSTRUMENTS (Cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada has experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, marketable securities and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

The Company's cash is held with major Canadian based financial institutions.

Receivables mainly consist of sales tax refunds due from the governments of Canada.

Currency risk

The Company operates mainly in Canada. The Company mitigates its exposure to foreign currency risk by minimizing the amount of funds in currencies other than the Canadian dollar. The Company does not undertake currency hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash is generally not exposed to interest rate risk because of its short-term maturity. The loan payable does not bear interest and is therefore not subject to interest rate risk.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's investment in marketable securities is classified as FVTOCI. The Company closely monitors its marketable securities, stock market movements and commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

10. FINANCIAL INSTRUMENTS (Cont'd)

Fair Value

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, loan payable and due to related parties. The fair value of these financial instruments approximates their carrying values due to their short term to maturity. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

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

Level 3 – Inputs that are not based on observable market data.

The fair value of cash and marketable securities are based on level 1 inputs of the fair value hierarchy.

11. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and development of exploration and evaluation assets in Canada.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions of the Company for the period ended August 31, 2021 were as follows:

(a) Included in exploration and evaluation assets is $66,500 which relates to due to related parties.

(b) Included in exploration and evaluation assets is $18,944 which relates to accounts payable and accrued liabilities.

(c) Recorded $31,020 flow-through share premium liability in relation to a private placement.

(d) Included in accounts payable are share issuance costs of $4,350.

(e) Included in due to related parties are share issuance costs of $4,741.

Significant non-cash transactions of the Company for the period ended August 31, 2020 were as follows:

(a) Included in exploration and evaluation assets is $72,500 which relates to due to related parties.

(b) Included in exploration and evaluation assets is $18,944 which relates to accounts payable and accrued liabilities.

(c) Included in due to related parties are share issuance costs of $7,072.

(d) Recorded $30,000 flow-through share premium liability in relation to a private placement.

(e) Issued 400,000 shares with a fair value of $28,000 in relation to an exploration and evaluation asset.