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TSX-V: KES

**KESSELRUN RESOURCES LTD.
CONDENSED INTERIM FINANCIAL
STATEMENTS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED
OCTOBER 31, 2021 & 2020**

**NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2021 & 2020**

The accompanying unaudited condensed interim financial statements of Kesselrun Resources Ltd. (the “Company”) for the three months ended October 31, 2021 and 2020, 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 interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim statements by an entity’s auditor. These unaudited condensed interim financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the financial position, results of operations and cash flows.

KESSELRUN RESOURCES LTD.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)



	Note	October 31, 2021	July 31, 2021
ASSETS			
Current			
Cash		\$ 1,927,044	\$ 3,082,969
Sales tax receivable		142,292	128,133
Prepaid expenses		74,072	53,603
Marketable securities	5	574,045	739,167
		2,717,453	4,003,872
Exploration and evaluation assets	4	6,326,820	5,585,113
Total assets		\$ 9,044,273	\$ 9,588,985
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable		\$ 1,780	\$ 2,750
Accrued liabilities		18,530	18,026
Due to related parties	9	91,106	273,932
Note payable	9	109,807	107,622
Flow-through share premium liability	8	216,541	423,247
		437,764	825,577
Shareholders' equity			
Share capital	6	10,472,942	10,472,942
Share-based payment reserve	6	2,322,349	2,322,349
Deficit		(4,188,782)	(4,031,883)
Total shareholders' equity		8,606,509	8,763,408
Total liabilities and shareholders' equity		\$ 9,044,273	\$ 9,588,985

Nature and continuance of operations (Note 1)

Subsequent event (Note 10)

Approved on behalf of the Board of Directors:

Joao (John) da Costa
Director

Michael John Thompson
Director

KESSELRUN RESOURCES LTD.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)



	Note	Three months ended October 31,	
		2021	2020
Expenses:			
Accounting and audit	9	\$ 12,000	\$ 6,000
Administration	9	12,000	6,000
Advertising and promotion		116,079	17,823
Consulting	9	13,500	33,000
Filing fees		3,176	2,964
Legal fees		395	1,358
Management fees	9	37,500	15,000
Meals and entertainment		-	992
Office expenses		1,648	3,528
Share-based compensation	6	-	348,727
Travel		-	494
Total expenses		(196,298)	(435,886)
Other items			
Interest on notes payable	9	(2,185)	(2,017)
Gain on marketable securities	5	-	7,905
Unrealized loss on marketable securities	5	(165,122)	(112,775)
Settlement of flow-through share premium liabilities	8	206,706	-
Loss and comprehensive loss		\$ (156,899)	\$ (542,773)
Loss per share, basic and diluted		\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted:		77,780,356	48,658,843

KESSELRUN RESOURCES LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)



	Number of Shares	Share Capital	Share-based Payment Reserve	Deficit	Total
Balance, July 31, 2020	48,525,148	\$ 6,581,373	\$ 625,560	\$ (3,323,165)	\$ 3,883,768
Shares issued on exercise of warrants	516,666	62,000	-	-	62,000
Share-based compensation	-	-	348,727	-	348,727
Net and comprehensive loss	-	-	-	(542,773)	(542,773)
Balance, October 31, 2020	49,041,814	\$ 6,643,373	\$ 974,287	\$ (3,865,938)	\$ 3,751,722
Balance, July 31, 2021	77,780,356	\$ 10,472,942	\$ 2,322,349	\$ (4,031,883)	\$ 8,763,408
Net and comprehensive loss	-	-	-	(156,899)	(156,899)
Balance, October 31, 2021	77,780,356	\$ 10,472,942	\$ 2,322,349	\$ (4,188,782)	\$ 8,606,509

KESSELRUN RESOURCES LTD.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)



	Three Months Ended October 31,	
	2021	2020
Cash flows used in operating activities		
Loss for the period	\$ (156,899)	\$ (542,773)
Items not affecting cash used in operations		
Accrued interest	2,185	2,017
Share-based compensation	-	348,727
Unrealized loss on marketable securities	165,122	112,775
Gain on marketable securities	-	(7,905)
Other income on settlement of flow-through share premium	(206,706)	-
Changes in non-cash working capital items		
Sales tax receivable	(14,159)	(69,269)
Prepaid expenses	(20,469)	(14,179)
Accounts payable	(970)	875
Accrued liabilities	504	622
Net cash used in operating activities	(231,392)	(169,110)
Cash flows used in investing activities		
Exploration and evaluation assets	(741,707)	(564,138)
Disposition of marketable securities	-	106,905
Net cash used in investing activities	(741,707)	(457,233)
Cash flows provided by/(used in) financing activities		
Issuance of common shares on warrant exercises	-	62,000
Advances payable	-	45,000
Due to related parties	(182,826)	85,327
Net cash provided by/(used in) financing activities	(182,826)	192,327
Changes in cash	(1,155,925)	(434,016)
Cash, beginning	3,082,969	770,570
Cash, ending	\$ 1,927,044	\$ 336,554

KESSELRUN RESOURCES LTD.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED OCTOBER 31, 2021 AND 2020

(Expressed in Canadian Dollars)

(Unaudited)



1. NATURE AND CONTINUANCE OF OPERATIONS

Kesselrun Resources Ltd. (the “Company”), was incorporated under the *Business Corporations Act* (British Columbia) on May 18, 2011. The Company is engaged in the acquisition, exploration, and development of mineral properties. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) and on OTC Pink.

These interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at October 31, 2021, the Company has not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. As at October 31, 2021, the Company had \$1,927,044 cash and held 1,735,000 common shares of First Mining Finance Corp. (“First Mining”) valued at \$520,500, and 57,886 shares and 28,943 warrants of Treasury Metals Inc. (“Treasury Metals”) valued at \$53,545 (Note 5). The shares and warrants are free-trading and do not hold any significant restrictions; as such the Company has enough liquid assets to continue its exploration activities and day-to-day operations for the next 12-month period.

The Company’s head office and principal address is 278 Bay Street, Suite 102, Thunder Bay, ON P7B 1R8.

Uncertainty Associated with Global Outbreak of Covid-19

In March 2020, the World Health Organization declared an outbreak of COVID-19 a global pandemic. This contagious disease outbreak, which continues 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 ability to raise funds.

2. BASIS OF PREPARATION

These interim condensed financial statements were authorized for issue on December 23, 2021, by the directors of the Company.

a) Statement of Compliance and Basis of Presentation

The unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting. The unaudited interim condensed financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited interim condensed financial statements do not include all disclosures required by the International Financial Reporting Standards (“IFRS”) for annual financial statements, they should be read in conjunction with the Company’s audited annual financial statements for the year ended July 31, 2021.

b) Accounting standards issued but not yet effective

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company’s unaudited condensed interim financial statements. The Company intends to adopt the standards when they become effective. The Company has not yet determined the impact of these standards on its financial statements, but does not anticipate that the impact will be significant.

KESSELRUN RESOURCES LTD.**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED OCTOBER 31, 2021 AND 2020**

(Expressed in Canadian Dollars)

(Unaudited)

**3. FINANCIAL INSTRUMENTS AND RISKS**

Financial instrument 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 at the fair value hierarchy are:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Company has classified its cash and marketable securities as measured at fair value in the statement of financial position, using level 1 inputs.

Categories of financial instruments

As at	October 31, 2021	July 31, 2021
Financial assets:		
FVTPL		
Cash	\$ 1,927,044	\$ 3,082,969
Marketable securities	\$ 574,045	\$ 739,167
Financial liabilities:		
Amortized costs		
Accounts payable	\$ 1,780	\$ 2,750
Accrued liabilities	\$ 18,530	\$ 18,026
Due to related parties	\$ 91,106	\$ 273,932
Note payable	\$ 109,807	\$ 107,622

Assets and liabilities measured at fair value on a recurring basis:

As at October 31, 2021	Level 1	Level 2	Level 3	Total
Cash	\$ 1,927,044	\$ -	\$ -	\$ 1,927,044
Marketable securities	574,045	-	-	574,045
	\$ 2,501,089	\$ -	\$ -	\$ 2,501,089

Accounts payable, accrued liabilities, due to related parties, and note payable approximate their fair value due to the short-term nature of these instruments.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution. As such, the Company's credit risk exposure is minimal.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

3. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Risk management (Continued)

- i. Interest rate risk:*
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.
- ii. Currency risk:*
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency denominated financial assets or liabilities.
- iii. Equity price risk:*
Equity price risk is the risk that the fair value of equity/securities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investments in marketable securities.

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 ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

As of October 31, 2021, the Company had current assets of \$2,717,453 to settle current liabilities of \$437,764, which had contractual maturities of less than 30 days and were subject to normal trade terms.

4. EXPLORATION AND EVALUATION ASSETS

As of October 31, 2021, and July 31, 2021, the Company's interest in exploration and evaluation assets consist of the Bluffpoint Property and the Huronian Property. The costs incurred on the Company's exploration and evaluation properties are summarized as follows:

Exploration and Evaluation Assets as at October 31, 2021	Bluffpoint	Huronian	Total
Acquisition costs, October 31, 2021 and July 31, 2021	\$ 249,820	\$ 1,084,966	\$ 1,334,786
Deferred exploration costs, July 31, 2021	409,733	3,840,594	4,250,327
Additions:			
Assaying	-	62,424	62,424
Camp and travel	-	61,824	61,824
Drilling	-	404,618	404,618
Equipment use/rental	-	57,037	57,037
Geology	-	155,804	155,804
Deferred exploration costs, October 31, 2021	409,733	4,582,301	4,992,034
Total exploration and evaluation assets, October 31, 2021	\$ 659,553	\$ 5,667,267	\$ 6,326,820

KESSELRUN RESOURCES LTD.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED OCTOBER 31, 2021 AND 2020
 (Expressed in Canadian Dollars)
 (Unaudited)

**4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

Exploration and Evaluation Assets as at July 31, 2021	Bluffpoint	Huronian	Total
Acquisition costs, July 31, 2020 and 2021	\$ 249,820	\$ 1,084,966	\$ 1,334,786
Deferred exploration costs, July 31, 2020	409,733	977,705	1,387,438
Additions:			
Assaying	-	248,924	248,924
Camp and travel	-	210,814	210,814
Claim maintenance	-	80	80
Drilling	-	1,673,324	1,673,324
Equipment use/rental	-	138,833	138,833
Geology	-	590,914	590,914
Deferred exploration costs, July 31, 2021	409,733	3,840,594	4,250,327
Total exploration and evaluation assets, July 31, 2021	\$ 659,553	\$ 4,925,560	\$ 5,585,113

Bluffpoint Project

The Company holds a 100% interest in mining claims, located in Bluffpoint Lake Township, with portions extending into the townships of Lawrence Lake, Napanee Lake and Barker Bay in the Kenora Mining Division of Northwestern Ontario (the “Bluffpoint Project”).

The Bluffpoint Project is subject to a 2% Net Smelter Royalty (“NSR”), of which 1% may be purchased by the Company at any time for \$1,000,000. If the optionors decide to dispose of their remaining 1% NSR, the Company has the first right of refusal to acquire the remaining 1% NSR on the same terms and conditions that the optionors propose to dispose of their NSR.

Huronian Gold Project

The Company holds a 100% interest in the Huronian Gold Project (“Huronian Project”), located in Moss Township, Thunder Bay Mining Division, Ontario.

The Huronian Project is subject to NSR ranging from 2% to 2.5% of which the Company retains a right to purchase up to 50% by paying up to \$2,000,000. In addition, the Company retains a right of first refusal to acquire the NSR at the same terms and prices that would be set out in any arm’s length third party offer.

During the year ended July 31, 2017, the Company acquired a 100% interest in a mining claim adjacent to the Huronian Project. In consideration for the purchase, the Company paid \$20,000 cash and issued 200,000 shares of its common stock for a total fair value of \$24,000. The claim is subject to a 2% NSR, of which 1% may be purchased by the Company at any time for the payment of \$1,000,000.

5. MARKETABLE SECURITIES

The Company’s marketable securities consist of 1,735,000 shares in First Mining Gold Corp. listed on Toronto Stock Exchange under the symbol “FF” (the “FF Shares”), 57,886 shares of Treasury Metals Inc. listed on Toronto Stock Exchange under the symbol “TML.TO” (the “Treasury Metals shares”), and 28,943 warrants to acquire shares of Treasury Metals Inc. listed on Toronto Stock Exchange under the symbol “TML.WT” (the “Treasury Metals warrants”).

During the three-month period ended October 31, 2021, the Company did not sell any of its marketable securities. During the three-month period ended October 31, 2020, the Company sold 200,000 FM Shares for total cash proceeds of \$106,905. The Company realized a gain of \$7,905 on sales of FM Shares.

KESSELRUN RESOURCES LTD.**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED OCTOBER 31, 2021 AND 2020**

(Expressed in Canadian Dollars)

(Unaudited)

**5. MARKETABLE SECURITIES (CONTINUED)**

At October 31, 2021, the investment in FM Shares was valued at \$520,500 (July 31, 2021 - \$676,650), and investment in Treasury Metals shares and Treasury Metals warrants was valued at \$53,545 (July 31, 2021 - \$62,517). The Company records its marketable securities as FVTPL. During the three-month period ended October 31, 2021, the Company recorded a loss of \$165,122 on revaluation of its marketable securities to their fair market value (October 31, 2020 - \$112,775).

As of the date of the filing of these financial statements, the market price of the FM Shares has increased to \$0.31 per FF Share, representing a 3.3% increase from the share price quoted as at October 31, 2021; the market price of the Treasury Metals Shares has decreased to \$0.83 per TML Share, representing a 8.8% decline from the share price quoted as at October 31, 2021; and the market price of the Treasury Metals warrants has decreased to \$0.18 per TML Warrant, representing a 28% decline from the share price quoted as at October 31, 2021.

6. SHARE CAPITAL**Authorized share capital**

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

Share issuances

During the three-month period ended October 31, 2021, the Company did not issue any shares of its common stock.

Stock options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may, from time to time, at their discretion and in accordance with TSX-V requirements, grant stock options to directors, officers and technical consultants for up to 10% of the issued and outstanding common shares of the Company. Such options are exercisable for a period of up to five years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors.

A summary of the changes in stock options outstanding is as follows:

	Three months ended October 31, 2021		Year ended July 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning	4,000,000	\$ 0.25	2,450,000	\$ 0.08
Granted	-	\$ n/a	3,050,000	\$ 0.38
Cancelled or expired	-	\$ n/a	(1,500,000)	\$ 0.24
Outstanding and exercisable, ending	4,000,000	\$ 0.25	4,000,000	\$ 0.25

Stock options at October 31, 2021, are as follows:

Exercise price	Expiry date	Remaining life (years)	Number of options outstanding
\$0.10	December 21, 2022	1.14	1,350,000
\$0.05	January 16, 2025	3.21	400,000
\$0.30	August 10, 2025	3.78	450,000
\$0.40	January 6, 2026	4.19	1,000,000
\$0.40	July 14, 2026	4.70	800,000
\$0.25		3.12	4,000,000

KESSELRUN RESOURCES LTD.**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED OCTOBER 31, 2021 AND 2020**

(Expressed in Canadian Dollars)

(Unaudited)

**6. SHARE CAPITAL (CONTINUED)****Share-purchase warrants**

A summary of the changes in share-purchase warrants outstanding is as follows:

	Three months ended October 31, 2021	Year ended July 31, 2021
	Number of warrants	Number of warrants
Outstanding, beginning	11,012,701	5,842,480
Issued	-	11,012,701
Exercised	-	(5,692,480)
Expired	-	(150,000)
Outstanding, ending	11,012,701	11,012,701

At October 31, 2021, the outstanding share-purchase warrants had an exercise price of \$0.31 and their remaining contractual life was 1.10 years.

Included in 11,012,701 warrants outstanding as at October 31, 2021, are 1,568,891 non-transferable Agent Warrants and the Consultant Warrants the Company issued in connection with the December 2020 Financing. The Agent Warrants and the Consultant Warrants entitle a holder to acquire 1,568,891 Units of the Company at a price of \$0.22 per Unit until December 7, 2022. Each Unit is comprised of one common share and one half of one common share purchase Warrant. Each whole Warrant can be exercised into one common share of the Company at a price of \$0.33 at any time on or before December 7, 2022.

7. COMMITMENT

On December 7, 2020, the Company completed the December 2020 Financing which included flow-through shares and flow-through units for total proceeds of \$3,817,459. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2022. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2020. As at October 31, 2021, the Company had used a total of \$3,040,459 (July 31, 2021 - \$2,298,751) on qualified exploration expenses.

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance, July 31, 2020	\$ -
December 2020 Financing, share premium liability on flow-through shares	530,740
December 2020 Financing, share premium liability on flow-through units	628,849
Reversal recognized upon expenditures being incurred	(736,342)
Balance, July 31, 2021	423,247
Reversal recognized upon expenditures being incurred	(206,706)
Balance, October 31, 2021	\$ 216,541

On December 7, 2020, the Company closed its December 2020 Financing issuing 6,244,000 flow-through Common Shares at a price of \$0.25 per Flow-through Share for gross proceeds of \$1,561,000, and 7,398,227 Flow-through Units at a price of \$0.305 per Flow-through Unit for gross proceeds of \$2,256,459. The premium received on the Flow-through shares and Flow-through Units issued was determined to be \$1,159,589 and was recorded as a share capital reduction. An equivalent premium liability was recorded and is being reduced as and when the qualified exploration expenditures occur. During the three-month period ended October 31, 2021, the Company recorded \$206,706 in income that resulted from the flow-through share premium as a result of qualified exploration expenditures being met (October 31, 2020 – Nil).

KESSELRUN RESOURCES LTD.**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED OCTOBER 31, 2021 AND 2020**

(Expressed in Canadian Dollars)

(Unaudited)

**9. RELATED PARTY TRANSACTIONS**

Related parties include the directors, officers, key management personnel, close family members and entities controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

The remuneration of related parties including directors and key management was as follows:

	Three months ended October 31,	
	2021	2020
Exploration and evaluation expenditures incurred to a private company controlled by certain directors and officers of the Company (Note 4)	\$ 741,707	\$ 564,058
Accounting, consulting, and administrative fees incurred to a private company controlled by an officer of the Company	\$ 37,500	\$ 18,000
Management fees incurred to a private company controlled by an officer of the Company	\$ 37,500	\$ 15,000
Share-based compensation on options granted to certain directors and an officer of the Company	\$ -	\$ 69,084

The balances due to related parties consist of amounts owed directly to the officers and directors of the Company and to private companies controlled by the officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand. At October 31, 2021, the balance payable to related parties was \$91,106 (July 31, 2021 - \$273,932).

At October 31, 2021, the Company was indebted to Fladgate Exploration Consulting Corporation (“Fladgate”), a private company controlled by certain directors and officers of the Company, in the amount of \$109,807 (July 31, 2021 - \$107,622) under the loan payable. The loan bears interest at 8% per annum compounded monthly, is unsecured and due on demand. During the three-month period ended October 31, 2021, the Company recorded interest expense of \$2,185 (October 31, 2020 - \$2,017).

10. SUBSEQUENT EVENT

On December 8, 2021, the Company closed its non-brokered private placement (the “Offering”) for gross proceeds of \$3,000,000 from the sale of 9,634,597 flow-through units of the Company (the “FT Units”) at a price of \$0.175 per FT Unit and 6,256,884 FT Units sold to charitable purchasers (the “Charity FT Units”) at a price of \$0.21 per Charity FT Unit. The FT Units and Charity FT Units shall be collectively referred to as the “Offered Securities”.

Each FT Unit and Charity FT Unit was comprised of one common share of the Company issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) (each, a “FT Share”) and one half of one non-flow-through common share purchase warrant (each full warrant, a “Warrant”). Each Warrant is exercisable into one non-flow-through common share of the Company (each, a “Warrant Share”) at a price of C\$0.23 at any time on or before December 8, 2023. The FT Shares and Warrant Shares are subject to a hold period ending on April 9, 2022.

In connection with the Offering, the Company paid cash finder’s fees of \$198,240 and issued 1,056,404 warrants exercisable into one common share of the Company at a price of \$0.175 at any time on or before December 8, 2023.