

Interim Consolidated Financial Statements of

JAEGER RESOURCES CORP.

3 Month Period Ended February 28, 2021 and February 28, 2020

(Expressed in Canadian Dollars)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	As at period ended	Note	February 28, 2021	November 30, 2020
			\$ CDN	\$ CDN
Assets				
Current assets:				
	Cash and cash equivalents		10,939	19,729
	Receivable		5,988	8,011
	Prepaid expenses		53,700	53,700
Total current assets			70,627	81,440
Non-current assets				
	Exploration and evaluation assets	3	339,237	329,547
Total non-current assets			339,237	329,547
Total assets			409,865	410,987
Liabilities				
Current Liabilities				
	Payables	4	351,329	370,947
	Advances from directors		666	-
	Flow through share premium	5	-	13,800
Total current liabilities			351,996	384,747
Shareholders' equity				
	Capital stock		22,381,159	22,335,819
	Share subscriptions receivable	5	-	(45,340.00)
	Contributed surplus		3,307,497	3,307,497
	Deficit		(25,630,787)	(25,571,736)
Total shareholders' equity			57,869	26,240
Total liabilities and shareholders' equity			409,865	410,987

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on April 26, 2021:

/s/ Bruce Downing

Bruce Downing, Director

/s/ Don Bossert

Don Bossert, Director

(The accompanying notes are an integral part of these Interim Consolidated financial statements)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

For the 3 month period ended			
	Note	February 28, 2021	February 29, 2020
		\$ CDN	\$ CDN
Revenue			
NB Grant Revenue		-	-
Expenses			
Interest and bank charges		99	31
Insurance		2,384	2,235
Office and general		84	75
Rent	6	2,364	2,364
Salaries, director's fees, and related benefits	6	4,000	4,000
Telephone and utilities		311	305
Transfer agent and regulatory fees		4,471	6,390
Total Operating Expenses		(13,712)	(15,400)
Loss before other expense		(13,712)	(15,400)
Net loss and comprehensive loss for the period		(13,712)	(15,400)
Loss per share, basic and diluted		\$ (0.00)	\$ (0.00)
Weighted average shares outstanding:			
Basic		57,460,004	48,084,187
Diluted		57,460,004	48,084,187

(The accompanying notes are an integral part of these Interim Consolidated financial statements)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Note	Issued Shares	Issued capital \$ CDN	Share subscriptions receivable \$ CDN	Contributed surplus \$ CDN	Retained earnings \$ CDN	Total equity \$ CDN
Balance, November 30, 2018		46,484,187	21,931,187	-	3,307,497	\$(25,404,331)	\$ (165,647)
Shares issued pursuant to property acquisition		1,600,000	32,000	-			32,000
Shares issued pursuant to debt settlements		-	-	-			-
Net loss for the period						(62,183)	(62,183)
Balance, November 30, 2019		48,084,187	21,963,187	-	3,307,497	\$(25,466,514)	\$ (195,830)
Shares issued pursuant to debt settlements		6,549,817	261,993	-			261,993
Shares issued pursuant to private placement		1,446,000	57,840	\$ (45,340)			12,500
Shares issued pursuant to flow through		1,380,000	69,000	-			69,000
Share issuance costs		-	\$ (2,400)	-			(2,400)
Flow-through share premium		-	\$ (13,800)	-			(13,800)
Net loss for the period						(105,222)	(105,222)
Balance, November 30, 2020		57,460,004	22,335,820	\$ (45,340)	3,307,497	\$(25,571,736)	26,241
Cash received for share subscriptions				45,340			45,340
Net loss for the period						(13,712)	(13,712)
Balance, February 28, 2021		57,460,004	22,335,820	-	3,307,497	\$(25,585,448)	57,869

(The accompanying notes are an integral part of these Interim Consolidated financial statements)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the 3 month period ended:	February 28, 2021	February 29, 2020
		\$ CDN	\$ CDN
Cash provided by (used for):			
Operating activities:			
Net loss and comprehensive loss		(13,711)	(15,399)
Adjustments for:			
Flow-through share premium		(13,800)	-
		(27,511)	(15,399)
Changes in non-cash working capital items			
Accounts receivable		2,024	(4,401)
Prepaid expenses		-	-
Accounts payable and accrued liabilities		(19,618)	21,115
Due to related parties		-	-
		(45,106)	1,315
Cash Flows Used in Investing Activities			
Mineral property expenditures		(9,690)	(33,368)
Proceeds from government grant for exploration		-	-
		(9,690)	(33,368)
Cash Flows From (Used by) Financing Activities			
Advances from directors		666	31,775
Private placement funds received		45,340	-
		46,006	31,775
Increase (Decrease) in Cash		(8,790)	(278)
Cash, Beginning of Period		19,729	1,900
Cash, End of Period		10,939	1,622

(The accompanying notes are an integral part of these Interim Consolidated financial statements)

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
3-month Period Ended February 28, 2021 and 2020
(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Jaeger Resources Corp. (the "Company") was incorporated under the Business Corporations Act of Alberta on November 23, 1993. The Company is an exploration stage company currently focused on the exploration of mineral property interests. It has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts spent for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from disposition of the properties. The operations of the Company will require various licenses and permits from various governmental authorities which may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licenses liable to forfeiture. The Company's registered office is 9320 49th Street, Edmonton, Alberta, Canada, T6B 2L7.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These Interim Consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended February 28, 2021, the Company has not generated any revenues and incurred negative cash flow from operations of \$45,106. As at February 28, 2021, the Company has a working capital deficit of \$281,368 and an accumulated deficit of \$25,630,787. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern. These Interim Consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

The accompanying Interim Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These Interim Consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Agave Resources S.A de C.V. located in Mexico. All significant inter-company balances and transactions have been eliminated on consolidation.

These Interim Consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
3-month Period Ended February 28, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments

The preparation of these Interim Consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used include, among others, impairment of exploration and evaluation assets, measurement of share-based compensation, and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. 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 the Interim Consolidated statement of operations in the period when the new information becomes available.

(c) Application of New IFRS

IFRS 16, Leases

On December 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted the amendments to IFRS 16 effective December 1, 2019 with no significant impact on the Company's Interim Consolidated financial statements.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
3-month Period Ended February 28, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(e) Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project has been established as commercially viable and technically feasible, related development costs are capitalized into development costs on the Interim Consolidated statement of financial position. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development costs.

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

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

(f) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators of impairment for its non-financial assets, including mineral properties and property and equipment. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the Interim Consolidated statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the Interim Consolidated statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(g) Rehabilitation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located. When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant, and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
3-month Period Ended February 28, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(g) Rehabilitation Provisions (continued)

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the Interim Consolidated statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(h) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
3-month Period Ended February 28, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Financial Assets (continued)

Financial assets at amortized cost (continued)

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the Interim Consolidated statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the Interim Consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
3-month Period Ended February 28, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(i) Foreign Currency Translation

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are recognized in the Interim Consolidated statement of operations.

Foreign operations

The assets and liabilities of foreign operations are translated to Canadian dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations are translated to Canadian dollars at exchange rates at the dates of the transactions.

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the Interim Consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
3-month Period Ended February 28, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(k) Share-based Payments (continued)

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(l) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at February 28, 2021, the Company has 2,826,000 (2019 – nil) potentially dilutive shares outstanding.

(m) Comprehensive Income

Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders. As at February 28, 2021, the Company does not have any items impacting comprehensive income.

(n) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended November 30, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Exploration and Evaluation Assets

	Taylor Brook
	\$
Acquisition costs:	
Balance, December 1, 2016	-
Additions	80,000
Balance, November 30, 2017	80,000
Additions	35,000
Balance, November 30, 2018	115,000
Additions	32,000
Balance, November 30, 2019	147,000
Additions	-
Balance, November 30, 2020 & February 28, 2021	147,000
Mineral Property costs	
Balance, December 1, 2016	-
Geology	1,700
Drilling	34,954
Sub-total of costs for the period	36,654
Balance, November 30, 2017	\$ 36,654
Balance, December 1, 2017	36,654
Geology	17,547
Sub-total of costs for the period	17,547

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(Expressed in Canadian dollars)

Balance, November 30, 2018	\$	54,201
Balance, December 1, 2018		54,201
Geology		74,118
Government grant received		-20,045
Sub-total of costs for the period		54,073
Balance November 30, 2019	\$	108,274
Balance, December 1, 2019		108,274
Geology		100,435
Government grant received		-26,162
Sub-total of costs for the period		74,273
Balance, November 30, 2020	\$	182,547
Balance, December 1, 2020		182,547
Geology		9,690
Government grant received		-
Sub-total of costs for the period		9,690
Balance, February 28, 2021	\$	192,237
Carrying Amounts		
Balance, November 30, 2017	\$	116,654
Balance, November 30, 2018	\$	169,201
Balance, November 30, 2019	\$	255,274
Balance, November 30, 2020	\$	329,547
Balance February 28, 2021	\$	339,237

Title to mineral properties 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 mineral properties.

Taylor Brook Property, New Brunswick, Canada

On February 22, 2017 (as amended on July 31, 2020), the Company entered into an option agreement with Stratabound Minerals Corp. ("Stratabound") to acquire an 80% interest in the Taylor Brook Property located in the Bathurst Mining Camp in the province of New Brunswick. To earn this interest, the Company has to:

- (i) issue to Stratabound 1,000,000 of the Company's common shares (issued) on the exercise of the agreement;
- (ii) issue to Stratabound 1,000,000 common shares of the Company on or before February 22, 2018 (issued);
- (iii) issue to Stratabound 1,600,000 common shares of the Company as of the later of the effective date of amendment agreement made May 15, 2019 (issued);
- (iv) incur not less than \$55,000 in exploration expenditures on the property, including such work required to maintain the property in good standing by June 27, 2018 and make the 2017 required renewal payment on or before February 22, 2018 (paid);
- (v) incur \$85,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by October 27, 2018 and make the 2018 required renewal payment on or before February 22, 2019 (paid);
- (vi) incur \$125,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2020 (incurred) and make the 2019 required renewal payment as when required (paid);

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Notes to the Interim Consolidated Financial Statements

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- (vii) incur \$200,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2022 and make the 2021 required renewal payment as when required;
- (viii) incur \$300,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2023 and make the 2022 required renewal payment as when required;
- (ix) incur \$300,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2024 and make the 2023 required renewal payment as when required;

The agreement may be terminated by Stratabound by providing 30 days of written notice upon the Company failing to meet the obligations noted above. The Company may also terminate the agreement upon providing the optionor written notice.

4. Related Party Transactions

- (a) As at the period end, included in accounts payable and accrued liabilities is \$55,200 (2020 - \$105,480) owed to officers and directors of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand.
- (b) As at the period end, \$666 (2020 - \$141,556) is owed to directors of the Company for cash advances to the Company. The amounts owing are non-interest bearing, unsecured, and due on demand.
- (c) During the period ended February 28, 2021, rent of \$2,364 (2020 – \$2,364) was incurred to a company controlled by a director of the Company.
- (d) During the period ended February 28, 2021, directors' fees of \$4,000 (2020 – \$4,000) was incurred to directors of the Company.

5. Share Capital

Authorized: Unlimited number of common shares without par value
Unlimited number of preferred shares, issuable in series

Share transactions during the year ended November 30, 2020:

- (a) On August 18, 2020, the Company issued 6,549,817 common shares with a fair value of \$261,992 to settle accounts payable and accrued liabilities of \$104,002 and amounts due to related parties of \$157,990. Included in this issuance is 6,455,817 shares with a fair value of \$258,232 issued to officers and directors of the Company and companies controlled by them. The fair value of the common shares was determined based on the end-of-day market price of the Company's common shares on the date of issuance.
- (b) On November 27, 2020, the Company issued 1,446,000 non flow-through units for proceeds of \$57,840. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.08 per share expiring on November 27, 2022. In connection with this private placement, the Company incurred share issuance costs of \$2,400. As at November 30, 2020, the amount of \$45,340 is recorded as share subscriptions receivable.
- (c) On November 27, 2020, the Company issued 1,380,000 flow-through units to directors of the Company for proceeds of \$69,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.10 per share expiring on November 27, 2022. A flow-through share premium liability of \$13,800 was recognized upon issuance.

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6. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2018	890,000	0.08
Expired	(890,000)	0.08
Balance, November 30, 2019	—	—
Issued	2,826,000	0.09
Balance, November 30, 2020 and February 28, 2021	2,826,000	0.09

As at February 28, 2021, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
1,446,000	0.08	November 27, 2022
1,380,000	0.10	November 27, 2022
<u>2,826,000</u>		

7. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. The exercise price of each option is set by the Board of Directors at the time of grant but cannot be less than the market price (less permissible discounts) on the TSX Venture Exchange. Options can have a maximum term of five years and typically terminate ninety days following the termination of the optionee's employment or engagement. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

8. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

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8. Financial Instruments and Risk Management (continued)

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in U.S dollars. As at February 28, 2021, total assets and liabilities include accounts payable of the Canadian equivalent of US\$201,394 (2020 – US\$201,394). The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the U.S dollar by 5% would increase or decrease net loss by approximately \$13,000. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

(d) 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 is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) 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 currently settles its financial obligations out of cash. The ability to do this is dependent on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended November 30, 2019.

10. Segmented Information

The Company has one operating segment, being the exploration of mineral properties. All mineral properties are located in Canada.

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11. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2020 \$	2019 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(28,410)	(16,789)
Tax effect of:		
Permanent differences and other	(675)	(1,919)
True up of prior year difference	—	57,893
Change in unrecognized deferred income tax assets	29,085	(39,185)
Income tax provision	—	—

The significant components of deferred income tax assets and liabilities are as follows:

	2020 \$	2019 \$
Deferred income tax assets		
Capital losses carried forward	48,466	48,466
Non-capital losses carried forward	1,092,458	1,063,913
Resource properties	101,636	101,636
Share issuance costs	540	—
Total gross deferred income tax assets	1,243,100	1,214,015
Unrecognized deferred income tax assets	(1,243,100)	(1,214,015)
Net deferred income tax asset	—	—

As at November 30, 2020, the Company has non-capital losses carried forward of \$4,046,142 which are available to offset future years' taxable income. These losses expire as follows:

	\$
2024	28,474
2025	15,700
2026	76,852
2027	3,439
2028	38,861
2029	120,828
2030	470,703
2031	622,185
2032	473,017
2033	604,194
2034	450,449
2035	495,265
2036	285,390
2037	185,771
2039	69,292
2040	105,722
	4,046,142

The Company also has available mineral resource related expenditure pools totalling \$705,976, which may be deducted against future taxable income on a discretionary basis.