EARTHWORKS INDUSTRIES INC.
(the "Company")

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", 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 interim condensed consoliidated interim financial statements of the Company have been prepared by management.

The Company's independent auditors have not performed a review of these condensed consoliidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

EARTHWORKS INDUSTRIES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FEBRUARY 28, 2021, FEBRUARY 29, 2020 AND NOVEMBER 30, 2020

(Expressed in Canadian Dollars)

EARTHWORKS INDUSTRIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

as at February 28, 2021, February 29, 2020 and November 30, 2020

	February 28 2021	November 30 2020	February 29 2020
ASSETS			
Current Assets			
Cash	$ 376,903	$ 68,898	$ 44,829
Goods and Services tax recoverable	25,695	28,770	-
Prepaid expenses	11,442	16,024	13,759
	414,040	113,692	58,588
Equipment	1,384	1,553	2,085
Cortina Landfill Project (note 5)	10,635,637	10,821,782	11,113,638
	$ 11,051,061	$ 10,937,027	$ 11,174,311
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities (note 9)	$ 472,036	$ 477,703	$ 434,271
Notes payable (note 6)	710,766	751,476	692,134
Advances from Cortina Landfill Company (note 5)	332,981	356,537	-
Accrued interest on convertible loans (note 7)	359,886	367,623	344,665
	1,875,669	1,953,339	1,471,070
Long Term Liabilities			
Advances from Cortina Landfill Company (note 5)	7,079,799	7,142,071	7,469,265
	8,955,468	9,095,410	8,940,335
SHAREHOLDERS' EQUITY			
Share capital (note 8)	21,452,740	20,774,140	20,414,140
Private placement advances	-	112,500	-
Contributed surplus (note 8)	3,139,411	3,139,411	3,098,203
Accumulated other comprehensive income	636,607	709,009	829,898
Deficit	(23,133,165)	(22,893,443)	(22,108,265)
	2,095,593	1,841,617	2,233,976
	$ 11,051,061	$ 10,937,027	$ 11,174,311

Nature of Business, Continued Operations and Going Concern (note 1)

Approved on Behalf of the Board on April 26, 2021:

David Atkinson
Director

Calvin Woroniak
Director

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

EARTHWORKS INDUSTRIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

For the Three Months Ended February 28, 2021, February 29, 2020 and the Year Ended November 30, 2019

		February 28 2021		November 30 2020		February 29 2020
Administration Costs						
Amortization	$	169	$	701	$	169
Bank charges and interest (note 9)		4,075		29,811		7,930
Consulting fees		23,865		51,860		-
Convertible loan interest and accretion (note 7)		7,655		29,721		7,156
Directors' fees (note 7)		9,000		36,000		9,000
Interest on advances from Cortina Landfill Company		102,151		433,242		105,643
Management salaries (note 9)		32,944		131,771		32,944
Office and administrative costs		6,982		28,370		3,589
Professional fees (note 9)		26,723		123,651		21,231
Promotion		626		4,074		1,354
Rent and parking		5,608		21,460		4,859
Salaries and benefits		13,877		35,101		6,607
Share based compensation		-		66,774		25,566
Stock exchange and filing fees		2,075		13,262		1,850
Telephone and internet		1,429		5,515		1,412
Transfer agent		2,543		4,578		1,403
Travel		0		2,780		2,780
Loss for the period		239,722		1,018,671		233,493
Other Comprehensive (Income) Loss						
Exchange difference on translation of foreign operations		72,402		83,044		(37,845)
Comprehensive loss for the period	$	312,124	$	1,101,715	$	195,648
Basic and diluted loss per share	$	-	$	0.01	$	-
Weighted average number of common shares outstanding - basic and diluted		81,754,018		79,112,099		73,804,701

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

EARTHWORKS INDUSTRIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

For the Three Months Ended February 28, 2021, February 29, 2020 and the Year Ended November 30, 2020

	February 28 2021	November 30 2020	February 29 2020
Operating Activities			
Net loss for the period	$ (239,722)	$ (1,018,671)	$ (233,493)
Adjust for non-cash items:			
Amortization	169	701	169
Interest on advances from Cortina Landfill Company	101,669	433,242	105,613
Interest	7,020	29,218	7,606
Convertible loan interest and accretion	7,263	29,721	7,155
Share based compensation	-	66,774	-
Exchange gain on settlement of debt	(3,213)	-	-
	(126,814)	(459,015)	(112,950)
Change in non-cash working capital accoints (note 13)	15,115	6,974	(22,177)
	(111,699)	(452,041)	(135,127)
Financing Activities			
Share capital issued for cash	612,500	462,500	220,000
Cash for private placement advances	(112,500)	112,500	(3,500)
Share issue costs	(18,900)	(3,500)	(10,253)
Repayment of accrued interest	(15,938)	(10,253)	(15,000)
Demand loans received (repaid)	(45,458)	47,730	(44,381)
	419,704	608,977	146,866
Investing Activities			
Landfill project deferred costs	-	(95,562)	-
	-	(95,562)	-
Increase in cash	308,005	61,374	11,739
Cash, beginning of year	68,898	7,524	7,524
Cash, end of year	$ 376,903	$ 68,898	$ 19,263
Interest paid (received)	$ -	$ 10,253	$ 10,253

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

EARTHWORKS INDUSTRIES INC.

CONDENSED CONSOLIDATED INTERIM SCHEDULE OF CORTINA LANDFILL PROJECT COSTS

(Expressed in Canadian Dollars)

For the Three Months Ended February 28, 2020, February 29, 2020 and the Year Ended November 30, 2020

	February 28 2021	November 30 2020	February 29 2020
Cortina Landfill Project			
Project Engineering	$ -	$ 95,562	$ -
Exchange Adjustment	(186,139)	(271,556)	115,862
Project Costs, beginning of the year	10,821,776	10,997,776	10,997,776
Project Costs, end of the year	$ 10,635,637	$ 10,821,782	$ 11,113,638

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

EARTHWORKS INDUSTRIES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Three Months Ended February 28, 2021, February 29, 2020 and the Year Ended November 30, 2019

	Number of Shares	Amount	Share subscription advance	Share Based Payment Reserves	Equity Portion of Convertible Loans	Accumulated Other Comprehensive Income - cumulative translation adjustment	Deficit	Total
Balance, November 30, 2019	75,303,332	20,197,640	15,000	2,783,038	289,599	792,053	(21,874,772)	2,202,558
Shares issued for cash	2,200,000	220,000	(15,000)					205,000
Share issue costs		(3,500)						(3,500)
Other comprehensive income						37,845		37,845
Stock based compensation				25,566				25,566
Net loss for the period							(233,493)	(233,493)
Balance, February 29, 2020	77,503,332	20,414,140	-	2,808,604	289,599	829,898	(22,108,265)	2,233,976
Shares issued for private placement				-	-	-	-	-
Shares issued for warrants	3,600,000	360,000	-	-	-	-	-	360,000
Advances on private placements			112,500					112,500
Share based compensation		-		41,208				41,208
Other comprehensive income	-	-	-	-	-	(120,889)		(120,889)
Net loss for the year	-	-	-	-	-	-	(785,178)	(785,178)
Balance, November 30, 2020	81,103,332	$ 20,774,140	$ 112,500	$ 2,849,812	$ 289,599	$ 709,009	$ (22,893,443)	$ 1,841,617
Shares issued for cash	3,812,500	$ 697,500	$ (112,500)					585,000
Share issue costs		$ (18,900)						(18,900)
Other comprehensive income						(72,402)		(72,402)
Net loss for the period							(239,722)	(239,722)
Balance, February 28, 2021	84,915,832	21,452,740	-	2,849,812	289,599	636,607	(23,133,165)	2,095,593

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

1 Nature of Business, Continued Operations and Going Concern

Earthworks Industries Inc. (the "Company") is incorporated under the laws of British Columbia, Canada and management has determined that the Company is in the development stage based on the fact it has no operations, no significant revenues and has not completed the landfill project. Its office is located at Suite 615, 800 West Pender Street, Vancouver, BC V6C 2V6.

The Company has completed an environmental impact study of a landfill project through its wholly-owned subsidiary, Cortina Integrated Waste Management Inc. ("CIWM") and received a Record of Decision to approve its lease to construct and operate the site from the United States Department of the Interior - Bureau of Indian Affairs ("BIA") in 2000. Final approval of the lease was issued in January 2007. Notice of termination of this lease was given by the BIA on August 19, 2013. The Company filed and, on October 29, 2015, succeeded in its Appeal to the Interior Board of Indian Affairs (IBIA). Another notice of termination of this lease was issued again by the BIA on March 1, 2019. The Company has filed an appeal to the IBIA.

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The establishment of operations by the Company and the recoverability of the amount shown for the landfill project is dependent upon the ability of the Company to obtain necessary financing, and maintaining the lease to construct and operate its site in good standing to complete the development of the landfill operation and commence future profitable operations. Management will pursue future equity financings and continued loans from related and other parties. In March 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the Company’s ability to raise new capital. 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. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. Accordingly, the Condensed Consolidated Interim Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the Condensed Consolidated Interim Financial Statements.

In March 2019 the Company renegotiated repayment terms for the payment of the Advances from Cortina Landfill Company ("CLC"). The amended terms provides for the principal amount of US$4,644,916 to be paid over 9 years by 8 annual payments of US$500,000 commencing March 31, 2021 with a final payment for the remaining balance (see Note 6) . The agreement provided for a payout option of US$2,250,000 if paid on or before March 31, 2022.

In February, 2021 the Company renegotiated repayment terms for the payment of the Advances from CLC. The amended terms replaced the March 31, 2021 payment of US$500,000 with a payment of 1,575,000 shares of the Company valued at US$250,000 as well as two payments of US$12,500 each in March 2021 and August 2021 with the remaining payable as per Note 6. The payment of US$12,500 due by March 31, 2021 was paid in February 2021.

2 Significant Accounting Policies

a) Basis of Presentation

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretation Committee ("IFRIC"). These Condensed Consolidated Interim Financial Statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended November 30, 2020. The Company is compliant with IAS34.

These Condensed Consolidated Interim Financial Statements have been prepared on a historical basis except for certain financial instruments which are measured at fair value. In addition, these Condensed Consolidated Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Consolidation of Financial Statements

These condensed consolidated interim financial statements include the accounts of the Company and CIWM., a subsidiary incorporated in the State of California on July 19, 1994. A wholly- owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. References to "the Company" include Cortina Integrated Waste Management, Inc. Intercompany balances and transactions have been eliminated upon consolidation.

c) Financial Instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit and loss (FVTPL).

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company measures its cash and accounts receivables at amortized cost.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

The Company does not have any financial assets measured at FVOCI or FVTPL.

2 Significant Accounting Policies (continued)

c) Financial Instruments (continued)

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities at amortized cost including accounts payable and accrued liabilities, Notes payable, advances from Cortina Landfill Company and accrued interest on convertible debt are subsequently measured at amortized cost, using the effective interest method.

International Financial Reporting Standard 7, Financial Instruments Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include: cash, amounts receivable, accounts payable and accrued liabilities, due to related parties, notes payable, interest on convertible loans, and advances from Cortina Landfill Company. The carrying value of the financial instruments approximates their fair values. There were no assets or liabilities recorded at fair value as at November 30, 2020 and November 30, 2019.

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. When the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

When the Company extinguishes convertible debentures before maturity through early redemption or repurchase where the conversion option is unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of settlement. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with the method used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued. The amount of gain or loss relating to the early redemption or repurchase of the liability component is recognized in profit or loss. The amount of consideration relating to the equity component is recognized in equity.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the final asset and substantially all the risks and rewards of ownership to another entity.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, an only when, the Company's obligations are discharged, cancelled, or they expire.

d) Cortina Landfill Project Costs

The Company is proceeding with final federal approvals with respect to the development of the Cortina Landfill Project and accordingly follows the practice of capitalizing all costs related to the project until such time as the project is put into commercial use, sold or abandoned. If commercial use commences, the capitalized costs will be amortized on a units of production basis. If the project is abandoned, the related capitalized costs will be written-off to profit or loss.

The amounts shown for the Cortina Landfill Project represent costs to date and are not intended to reflect present or future values. The actual amounts to be recovered from the project are uncertain and not determinable until the project is completed. Changes in future conditions could require a material change in the recognized amount.

e) Equipment

Equipment is carried at cost less accumulated amortization. Amortization is provided using the declining balance method at the following annual rates:

Computer equipment	30%
Office equipment	20%

In the year of acquisition, amortization is recorded at one-half the normal rate.

2 Significant Accounting Policies (continued)

f) Loss Per Share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Existing stock options, share purchase warrants and convertible loans have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same.

g) Foreign Currency Translation

The functional currency of each of the parent company and its subsidiary is measured using the functional currency of the primary economic environment in which that entity operates. The Condensed Consolidated Interim Financial Statements are presented in Canadian dollars, which is the parent company's functional and presentation currency. The functional currency of the subsidiary is the United States dollar.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items valued at their fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income.

Where a non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies (Group):

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at the reporting date

- income and expenses are translated at monthly average exchange rates

Exchange differences arising on translation of foreign operations are transferred directly to exchange difference on translation of foreign operations in other comprehensive loss. These differences are recognized in profit or loss in the period in which the operation is disposed of.

h) Share-Based Compensation

The Company has a stock option plan that allows certain officers, directors, consultants, and related company employees to acquire shares of the Company. The fair value of the options is recognized as an expense with a corresponding increase in equity.

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche awarded with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Share-based payments to non employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date or the date the goods or services are received.

Share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised, the consideration received is recorded as share capital. In addition, the related share based payments originally recorded as contributed surplus are transferred to share capital.

i) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for operating losses or tax credits. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

2 **Significant Accounting Policies (continued)**

j) Share Issue Costs

Share issue costs incurred on the issue of the Company's shares are charged directly to share capital.

k) Valuation of Equity Units Issued In Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets requiring a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of that asset.

m) Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make 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 impacts of such estimates are pervasive throughout the condensed consolidated interim 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 end of the reporting period 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:

- the assessment of the Cortina Landfill Project assets included in the statements of financial position for indicators of impairment;
- the inputs used in accounting for share-based compensation; and
- the recognition of deferred income tax assets.

Critical Judgments:

Critical judgments include the analysis of the functional currency for each entity of the Company and the going concern assessment (see Note 1). In concluding that the Canadian dollar and the US dollar are the functional currencies of the parent and its subsidiary respectively, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates.

n) Long-lived assets

At the end of each reporting period the carrying value of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell or value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

o) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation or environmental costs arises when environmental disturbance is caused. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the landfill operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate net present value. These costs are charged against profit or loss over the economic life of the related asset through amortization using either the unit of production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capital cost of the related assets, in which case the capitalized cost is reduced to $nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation or environmental obligations as the disturbance to date is insignificant.

2 Significant Accounting Policies (continued)

p) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretive Committee that are mandatory for accounting periods beginning after January 1, 2020 or later periods. These standards are not expected to have a material impact on the Company.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for the reporting dates beginning on or after January 1, 2023.

q) Adoption of New Accounting Standards

IFRS 16 Leases

On November 1, 2019, the Company adopted IFRS 16, which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, International Accounting Standard ("IAS") 17 Leases. The Company has elected to apply IFRS 16 using a modified retrospective approach, which does not require restatement of prior period financial information. Modified retrospective application recognizes the cumulative effect of IFRS 16 as an adjustment to opening deficit at November 1, 2019 and applies the standard prospectively. The Company has determined that at December 1, 2019, adoption of IFRS 16 did not result in a material impact to the financial statements.

3 Financial Instruments and Financial Risk Management

a) Financial Instruments

The Company had no fair-value-through-profit-or-loss financial assets as at February 28, 2021 or November 30, 2020.

b) Financial Risk Management

(i) Overview:

The Company has exposure to credit risk, liquidity risk and market risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(ii) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At November 30, 2020, substantially all of the Company's cash was held at a recognized Canadian National financial institution. As a result, the Company was exposed to all of the risks associated with that institution. The Company has no accounts receivable at the current year end and as the Goods and Services tax recoverable is recoverable from the federal Government of Canada, the Company does not currently face significant credit risk.

(iii) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company regularly reviews its current obligations, and to the extent that the Company may not have sufficient liquidity to meet these obligations, management considers securing additional funds through equity or debt transactions.

(iv) Market Risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its financial instruments.

The Company is developing its Landfill Project in California, and as a result is subject to currency risk. Project costs are denominated in U.S. dollars and the loan advanced by Cortina Landfill Company ("CLC") to finance much of the ongoing cost is also in U.S. dollars. To this point in time the Company does not hedge the risk related to the fluctuations in the exchange rate between the U.S. and Canadian dollar as it relates to the Company's obligations. Management may decide to consider hedging the risk in the future.

		February 28, 2021		February 29, 2020
Accounts payable and accrued liabilities - U.S dollars	$	(16,602)	$	(8,237)
Advances from Cortina Landfill Company and accrued interest - U.S. dollars	$	(5,876,219)	$	(5,562,041)

U.S. Dollars are translated at Cdn $1.2685 at February 28, 2021 (2020 - Cdn $1.3429).

At February 28, 2021, if the U.S. dollar had strengthened 10 percent against the Canadian dollar with all other variables held constant, the comprehensive loss for the year would have been $319,550 higher (2020 - $376,000). Conversely, if the U.S. dollar had weakened 10 percent against the Canadian dollar with all other variables held constant, the comprehensive loss would have been $319,550 lower (2020 - $376,000).

The Company is subject to interest rate risk on its notes payable as the interest is tied to Royal Bank of Canada's prime rate ("Prime"). However, lending rates are currently low and management considers the loans to be short term and the interest rate risk is not considered material.

3 Financial Instruments and Financial Risk Management (continued)

(v) Fair Value of Financial Instruments:

The carrying values of cash, accounts payable and accrued liabilities, advances from Cortina Landfill Company, notes payable and the liability component and accrued interest on convertible loans approximate their fair values due to the relatively short periods to maturity and terms of these financial instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

4 Capital Structure and Management

The Company manages its capital to maintain its ability to continue as a going concern, to meet its financial obligations and to provide benefits to its shareholders and other stakeholders. The capital structure of the Company consists of shareholders' equity comprised of issued capital, share subscription advance, equity portion of convertible loans, contributed surplus, accumulated other comprehensive income and deficit.

The Company manages its capital structure and makes changes to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company, with the approval of the Board of Directors, will continue to balance its overall capital structure through new share or debt issuances or by other activities as deemed appropriate.

There were no changes to the Company's approach to capital management during the years ended November 30, 2020 and 2019. The Company is not subject to externally imposed capital requirements.

5 Cortina Landfill Project

The Company has negotiated a Business Lease and completed an Environmental Impact Statement for an integrated waste management project located on the Cortina Indian Rancheria in Colusa County, California. The BIA issued final approval of the Lease in January 2007, and the Wintun Environmental Protection Agency, Board of Commissioners, issued the Authority to Construct in October 2008.

The Company leased a portion of the land located within the Cortina Indian Rancheria in Colusa County, California, for the purpose of developing and operating a sanitary landfill and materials recovery facility for an initial term of twenty-five years (with a renewal term of an additional twenty-five years), which commenced on the date the lease was approved for consideration of:

(i) $10,000 U.S. payable within 21 days of the lease being approved by the BIA;

(ii) $15,000 U.S. per month commencing the first month following the month in which commercial production commences, with monthly payments being indexed on an annual basis according to increases in the Cost of Living Index as published by the United States Government; and

(iii) Fees equal to 3% of gross revenue on the first 150,000 tonnes of waste received in a fiscal year, to be calculated and paid monthly, and 5% of gross revenue for waste in excess of 150,000 tonnes received in a fiscal year.

The Company also agreed to pay all of the Cortina Tribe's reasonable attorney fees and costs incurred by Tribal officials and attorneys in carrying out their obligations under this Agreement.

In April 2007, an agreement was signed to sell 50% of the issued shares of Cortina Integrated Waste Management (CIWM), the Company's wholly-owned subsidiary and the owner and developer of the project, to the Cortina Landfill Company (CLC), a 100% owned subsidiary of North Bay Corporation ("North Bay") of Santa Rosa, California. On December 23, 2009, North Bay and CLC notified Earthworks that they would not be exercising their option to acquire 50% of the issued shares of CIWM nor continue funding the development of its waste management facility in Colusa County, California. Subsequently, a number of agreement amendments and extensions were agreed to (in U.S. dollars).

On October 26, 2008, the Wintun Environmental Protection Agency issued the Authority to Construct for the Class III Municipal Solid Waste Landfill portion of the project.

On August 19, 2013, the Company received a Notice of Termination of its lease on the Cortina Rancheria. On September 16, 2013, an appeal was filed with the Interior Board of Indian Appeals (IBIA) challenging the validity and sufficiency of the reasons for the termination by the Bureau of Indian Affairs. The Company filed its required opening brief of the appeal on February 3, 2014. On October 29, 2015, the IBIA, U.S. Department of the Interior, issued its Order reversing the decision of the Regional Director thereby reinstating the Lease.

The Company received a second notice dated March 1, 2019 from the US Bureau of Indian Affairs advising that the Lease held by the Company with the Kletsel Dehe Band of Wintun Indians has been terminated. The Company believes that the allegations are unfounded and will not be upheld. The Company has filed an appeal.

Cancellation and Replacement of the Agreement

In March 2021 the Company entered into an amended agreement for the loan payable to North Bay/CLC. Sections of the March 2019 amended agreement and subsequent amendments, has been cancelled and replaced as follows:

The amended agreement provides for the principal amount of US$4,644,916, with instalments payable annually commencing March 31, 2021. The payout option of the amended agreement has increased to US$2,375,000 and the deadline for the exercise of the payout option is extended to March 31, 2022. In addition, the Company will issue US$250,000 of shares and two payments of US$12,500 in March and August of 2021. During the year ended November 30, 2020 the interest rate and other key terms remained unchanged. Simple interest accrued at a rate of 7% per annum; and in the event the Company signs and closes an arms length agreement to sell 100% of the shares of the Company exceeding the balance amount, the following will result:

i) The Company will pay to CLC the whole amount of the balance amount and accrued interest owing; and

ii) The Company will pay to CLC 10% of the amount received less the amount paid in part (i) and less the Company's direct investment and costs into the project being US$6,720,633.

(Expressed in Canadian Dollars)

5 Cortina Landfill Project (continued)

Advances from CLC		February 28, 2021		November 30. 2020
Beginning of year	$	7,498,608	$	7,298,145
Repayments		(12,500)		(37,500)
Accrued interest		102,151		433,242
Foreign exchange adjustment		(175,479)		(195,279)
Balance, end of year		7,412,780		7,498,608
Less: Current portion		332,981		356,537
Non-current portion	$	7,079,799	$	7,142,071

The following repayment terms are based on the March 2021 amendment.

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-

	Principal (USD)	Due Date
$	250,000	March 31, 2021
	12,500	August 31, 2021
	500,000	March 31, 2022
	500,000	March 31, 2023
	500,000	March 31, 2024
	500,000	March 31, 2025
	500,000	March 31, 2026
	500,000	March 31, 2027
	500,000	March 31, 2028
	869,916	March 31, 2029
$	4,632,416	

Payout Option

Earthworks has been granted an option ("Payout Option") to wholly settle the Balance Amount and all accrued interest by paying North Bay/CLC, on or before March 31, 2022, US$2,375,000.

6 Notes Payable

		February 28, 2021		November 30, 2020
Notes payable, unsecured bearing interest at Prime + 2% per annum and matures 90 days from the agreement date (February 27, 2013 - November 1, 2013). Additionally, a 10% financing fee is satisfied on Maturity Date or closing on any private placement prior to Maturity Date. The lender may, if the Company announces a private placement of its common shares prior to Maturity Date, elect to have all or a portion of the principal and fee applied to the purchase of shares in the private placement at the same net (after commissions being paid) price being charged by the Company to other investors.		147,493		146,237
Notes payable, unsecured bearing interest at Prime + 3% per annum and matures 90 days from the agreement date (March 4, 2013 - November 13, 2014). Additionally, a 10% financing fee is satisfied on Maturity Date or closing on any private placement prior to Maturity Date. The lender may, if the Company announces a private placement of its common shares prior to Maturity Date, elect to have all or a portion of the principal and fee applied to the purchase of shares in the private placement at the same net (after commissions being paid) price being charged by the Company to other investors.		563,273		557,509
Note payable, unsecured, at cost. Interest accrues at 7%. The loan and accrued interest is due March 31, 2021 but was repaid in December 2020.		-		47,730
	$	710,766	$	751,476

7 Convertible Loans (see note 9f)

In June 2011, the Company issued two convertible loans in the amounts of $700,000 and $25,000. The principal of these loans has was repaid in October 2015., Interest, which accrues at 8.5% compounded monthly, remains unpaid. At February 28, 2021 the principal obligation has been paid and unpaid accrued interest of $359,886 (2020 - $344,655) remains outstanding.

(Expressed in Canadian Dollars)

8 Share Capital

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

Transactions for the Issue of Share Capital During the three months ended February 28, 2021:

Transaction		Date of Issue	Shares issued		Amount		Warrants issued
Units issued		03-Dec-20	2,612,500	$	522,500	(1)	2,707,000
Warrants exercised		15-Jan-21	1,100,000	$	165,000		-
Options exercised		21-Jan-20	100,000	$	10,000		-
			3,812,500	$	697,500		2,707,000

Transactions for the Issue of Share Capital During the Year ended November 30, 2020:

Transaction		Date of Issue	Shares issued		Amount	Warrants issued
Warrants exercised	(2)	13-May-20	3,600,000	$	360,000	-
Units issued	(3)	20-Jan-20	2,200,000	$	220,000	1,100,000
			5,800,000	$	580,000	1,100,000

(1) Includes 94,500 broker warrants. Share issue costs of $18,900 were incurred.

(2) On May 13, 2020, 3,600,000 shares were issued on exercise of warrants: 3,075,000 were issued for cash, 275,000 were issued for services and 250,000 shares were issued on settlement of debt.

(3) On January 20, 2020, 2,200,000 units were issued as part of a private placement: 1,700,000 units were issued for cash, 275,000 units were issued for services and 225,000 shares were issued for settlement of debt. Each unit was issued at $0.10 consisting of one share and one half of a share purchase warrant exercisable for $0.15 per share until January 17, 2021.

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the number of issued shares of the Company at the time of the granting of the options. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares (last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted under TSX Venture Exchange policies), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Options granted under the Plan vest immediately, except for options granted to consultants conducting investor relations activities, which become vested with the right to exercise one-fourth of the options upon the conclusion of each three month period subsequent to the grant date.

A summary of the status of the Company's stock option plan as at February 28, 2021 and November 30, 2020, and changes during the period then ended is as follows:

	Three months ended February 28, 2021			Year ended November 30, 2020		
	Options		Weighted Average Exercise Price	Options		Weighted Average Exercise Price
Options Outstanding, beginning of year	7,200,000	$	0.10	5,950,000	$	0.20
Expired / Cancelled	100,000		0.10	-		-
Exercised	-		0.10	-		-
Granted	-		0.10	1,250,000		0.10
Options Outstanding, end of period	7,100,000	$	0.10	7,200,000	$	0.10

The Company has outstanding stock options to acquire 7,100,000 shares of the Company's capital stock as follows:

Number of Options	Exercise Price ($)	Note	Expiry Date
5,950,000	0.10		June 30, 2022
400,000	0.10	1	June 30, 2022
750,000	0.10	2	July 15, 2021
7,100,000	0.10		

During the year ended November 30, 2020, the Company granted the following stock options:

1 500,000 options expiring June 30, 2022 with an exercise price of $0,10. 100,000 of these options were exercised in January 2021.

2 The Company has entered into a 1-year agreement for investor relations services. Under this agreement, dated April 15, 2020, the provider will be paid $5,000 per month in the first 3 months and $7,000 per month for the balance of the 12 months – subject to the Company's right to terminate the Agreement after 3 months. In addition, the Company has granted the service provider options to purchase 750,000 shares of the Company at a price of ten cents ($0.10) per share. The options will vest in 5 tranches of 150,000 each on April 15, 2020, July 15, 2020, October 15, 2020, January 15, 2021 and April 15, 2021. In the event that the Agreement is terminated prior to April 15, 2021, the outstanding options will also terminate 90 days after the termination.

The fair value of the option granted and re-priced were estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

		2021		2020
Share price	$	0.100	$	0.100
Exercise price	$	0.10	$	0.10
Estimated annual volatility		114.00%		114.00%
Risk-free interest rate		0.69%		0.69%
Expected life (years)		1.71		1.71
Expected dividend yield	$	-	$	-

Annualized volatility is estimated using the historical stock price of the Company.

(Expressed in Canadian Dollars)

8 Share Capital (continued)

The following table summarizes information about the stock options outstanding and exercisable at November 30, 2020:

Range of Prices ($)	Number of Options	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price ($)
$0.10	5,950,000	1.33	0.10
$0.10	400,000	1.33	0.10
$0.10	750,000	0.37	0.10
	7,100,000	1.50	0.10

Escrow Shares

The Company has no outstanding escrow shares.

Warrants

	2021	2020
Balance, beginning of year	1,100,000	4,250,000
Issued	2,707,000	1,100,000
Exercised	(1,100,000)	(3,600,000)
Expired	-	(650,000)
Balance, end of year	2,707,000	1,100,000
Weighted Avg. Exercise Price	$ 0.30	$ 0.15

At February 28, 2021, the Company had warrants outstanding as follows:

Number of Warrants	Exercise Price $	Expiry Date	
2,707,000	0.30	December 3, 2022	(100,000 exercised in January 2021)
2,707,000			

(see Note 14 - Subsequent Events)

9 Related Party Transactions

a) Management salaries totaling $32,944 (2020 - $32944) were incurred with David Atkinson, CEO/President of the Company.

b) Directors' fees totaling $9,000 (2020- $9,000) were incurred with a corporation controlled by a Director of the Company.

c) Directors' fees totaling $27,000 (2021 - $27,000) were incurred with Directors of the Company.

d) Legal fees totaling $21,455 (2020 - $5,225) were incurred with a law firm within which a personal law corporation controlled by the Secretary of the Company is a principal.

e) Accounting fees totaling $8,100 (2029- $8,100) were incurred with a Director and Officer of the Company.

f) During the current year interest totaling $4,368 (2020- $4,696) was accrued on unpaid accrued interest to a director of the Company. See Note 8.

g) Notes payable issued for advances by a Director of the Company amount to $359,886 (2020 - $344,665). During the current year, interest totaling $7,655 (2020 - $7,156) was accrued on this debt. $10,000 of interest was repaid in 2020.

h) Share based compensation totaling $nil (2020 - nil) was incurred with related parties.

These transactions have been in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Key Management Personnel Compensation

	February 28, 2021	February 29, 2020
Directors' fees	$ 9,000	$ 9,000
Accounting fees	8,100	8,100
Management fees and salaries	32,944	32,944
	$ 50,044	$ 50,044

The amounts due to related parties included in accounts payable and accrued liabilities were payable to directors and officers. These balances are due on demand, have no specific terms of repayment, are non-interest bearing and unsecured unless otherwise stated; accordingly, fair value cannot be reliably determined.

	February 28, 2021	November 30, 2020
Due to the CEO, President and Director	$ 152,373	$ 157,136
Due to Directors	97,500	70,000
Due to a law firm within which a personal law corporation controlled by the Secretary of the Company is a principal	88,021	101,896
	$ 337,894	$ 329,032

(Expressed in Canadian Dollars)

10 Income Taxes

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial tax rate to loss before taxes as follows:

Year ended		November 30, 2020		November 30, 2019
Net loss for the year before tax	$	(1,018,671)	$	(936,425)
Statutory Canadian corporate tax rate		27.00%		27.00%
Anticipated tax expenses (recovery)		(275,041)		(252,835)
Change in tax rates		-		-
Tax benefits not recognized		(945)		(2,363)
Non-capital loss expired		325		322
Non-deductible items for tax purposes		18,579		45,726
Difference in tax rates in other jurisdictions		(10,122)		9,376
Unrecognized tax benefits		267,204		199,774
Current and deferred income tax	$	-	$	-

The significant components of the Company's deferred tax assets are as follows:

		November 30, 2020		November 30, 2019
Research and development	$	1,582,968	$	1,493,168
Equipment		17,144		16,954
Non-capital loss carry forwards		2,020,415		1,892,276
Share issue costs		2,174		1,890
Note payable		41,416		76,345
Convertible debenture		83,571		33,533
Unrecognized tax assets		(3,747,688)		(3,514,166)
Net deferred tax assets	$	-	$	-

The Company has approximately the following available non-capital losses for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses of approximately $7,261,000 expire as follows:

2026	$	380,000
2027		522,000
2028		562,000
2029		479,000
2030		592,000
2031		774,000
2032		728,000
2033		293,000
2034		608,000
2035		457,000
2036		415,000
2037		524,000
2038		480,000
2039		31,000
2040		416,000
	$	7,261,000

At November 30, 2020 the Company has unclaimed landfill costs for Canadian income tax purposes in the amount of $235,621 (2019 - $235,621) which may be deducted against future taxable income on a discretionary basis.

The Company has available tax loss carry forwards of approximately US$155,000 (2019 - US$111,000) which may be carried forward to reduce taxable income in the United States in future years. If not utilized, the available loss carry forwards expire between 2018 and 2038.

At November 30, 2020, the Company has unclaimed landfill costs for US income tax purposes in the amount of approximately US$12,274,200 (2019 - US$9,679,800) which may be deducted against future taxable income on a discretionary basis.

11 Segmented Information

The Company's activities are all in one industry segment of waste disposal.

Property and equipment by geographical segments is as follows:

		Canada		United States		Total
February 28, 2021						
Equipment	$	1,384	$	-	$	1,384
Cortina Landfill Project		-		10,635,637		10,635,637
	$	1,384	$	10,635,637	$	10,637,021

		Canada		United States		Total
November 30, 2020						
Equipment	$	1,533	$	-	$	1,533
Cortina Landfill Project				10,821,782		10,821,782
	$	1,533	$	10,821,782	$	10,823,315

(Expressed in Canadian Dollars)

12 Bonus Commitment

In the case of:

(i) the sale of 50.1% or more of CIWM; or

(ii) the sale of 50.1% or more of CIWM's Cortina Landfill Project; or

(iii) the sale of 50.1% or more of the Company's assets; or

(iv) the acquisition by new principals, or a group more than 50% of the principals of which are not directly principals of the Company, of 33.34% or more of the issued shares of the Company; or

(v) a de facto change of control of the Company and its management to a group the majority of which are not principals of the Company and which does not include the current President of the Company.

A cash bonus of $1 million shall become payable on or before the 60th day following any of the change of control events described above, as follows:

(i) 60% to a corporation controlled by the President of the Company;

(ii) 20% to be divided evenly between and paid to the other than sitting Directors of the Company; and

(iii) the remaining 20% will be divided and allocated between the then sitting Directors and others who have contributed to the success of the Company, excluding the current President, as determined by the Board of Directors.

In addition, the bonus shall become payable within 180 days of commercial production if the project is completed and put into commercial production by and under the control of the Company.

13 Supplemental Cash Flow Information

Changes in non-cash working capital for the three months ended February 28, 2021 and November 30, 2020 were comprised of the following:

	28-Feb-21	30-Nov-20
Accounts receivable	$ 3,075	$ (28,280)
Prepaid expenses and deposits	4,582	(635)
Accounts payable and accrued liabilities	7,458	35,889
Net Change	$ 15,115	$ 6,974

The Company incurred non-cash financing and investing activities during the three months ended February 28, 2021 and November 30, 2020:

	28-Feb-21	30-Nov-20
Non-cash financing and investing activities:		
Issue of share capital for:		
Shares issued for interest	$ 49,375	$ 47,500
Shares issued for services	$ 13,125	$ 55,000

14 Subsequent events

a) Pursuant to the Amendment Agreement concluded in February 2021 and disclosed in Note 5, the Company issued 1,575,000 units consisting of one share and one half share purchase warrant entitling North Bay to purchase up to 787,500 shares at an exercise price of $0.30 per share until February 28, 2023. The deemed price per share is $0.20 resulting in a reduction of the outstanding principal of the loan to CLC/NB of $250,000 (CAD$315,000). In addition, the Company paid US$12,500 in cash.

b) In March 2021, 300,000 incentive stock options were exercised with proceeds of $30,000 to the Company.