



SLAM Exploration Ltd.

Condensed Interim Financial Statements

**For the Three Months Ended April 30, 2021
(Expressed in Canadian dollars)
(Unaudited)**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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



Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)
(Unaudited)

As at	April 30, 2021	January 31, 2021 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 415,089	\$ 237,323
Amounts receivable	6,587	22,740
Sales tax receivable	2,650	9,858
Marketable securities (Note 5)	482,400	194,190
Prepaid expenses (Note 6)	6,882	3,245
Total current assets	913,608	467,356
Equipment (Note 7)	259	277
Exploration and evaluation assets (Note 8)	656,649	577,752
Right of use asset (Notes 3 and 9)	38,723	-
Total assets	\$ 1,602,239	\$ 1,045,385
Liabilities		
Current liabilities		
Trade payables and accrued liabilities (Note 12)	\$ 417,954	\$ 421,397
Lease liability (Notes 3 and 9)	8,666	-
Total current liabilities	426,620	421,397
Long-term liabilities		
Long-term loan payable (Note 10)	49,805	24,244
Lease liability (Notes 3 and 9)	29,886	-
Total long-term liabilities	79,691	24,244
Total liabilities	506,311	445,641
Equity (deficiency)		
Share capital (Note 11)	25,165,096	25,160,896
Share options reserve (Note 11)	72,924	99,670
Warrants reserve (Notes 11)	146,337	146,337
Deficit	(24,281,429)	(24,807,159)
Total equity (deficiency)	1,102,928	599,744
Total liabilities and equity (deficiency)	\$ 1,609,239	\$ 1,045,385

Nature of operations and going concern (Note 1)
Contingencies (Note 12)

Approved and authorized for issue by the Board on June 22, 2021.

Signed: "Michael Taylor"

Michael R. Taylor, President and CEO

Signed: "Eugene Beukman"

Eugene Beukman, CFO

The accompanying notes are an integral part of the condensed interim unaudited financial statements

**Condensed Interim Statements of Loss and Comprehensive Loss**

(Expressed in Canadian dollars)

(Unaudited)

Three months ended	April 30, 2021	April 30, 2020
Administrative expenses		
Consulting and communication fees	\$ 5,320	\$ 90
Depreciation	842	24
Office and administrative	16,686	15,557
Accretion (Note 10)	1,170	-
Advertising and promotion	217	232
Accounting, legal and audit fees	15,000	15,000
Travel	250	891
Total administrative expenses	39,485	31,794
Loss before the undernoted	(39,485)	(31,794)
Forgiveness of debt (Note 13)	-	31,500
Government grant (Note 10)	5,609	-
Property option revenue (Note 8)	296,294	-
Gain (loss) on sale of marketable securities (Note 5)	73,766	(31,799)
Unrealized gain (loss) on marketable securities (Note 5)	162,800	(300)
Income (loss) and comprehensive income (loss)	\$ 498,984	\$ (32,393)
Income (loss) per share – basic and diluted	0.01	(0.00)
Weighted average number of common shares – basic and diluted	50,399,605	40,681,411

The accompanying notes are an integral part of the condensed interim unaudited financial statements

SLAM Exploration Ltd.



Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

	Share Capital		Reserves		Deficit	Total Equity
	Number of Shares	Amount	Share Options	Warrants		
Balance as at January 31, 2020	40,681,411	\$ 24,538,360	\$ 101,130	\$ 164,651	\$ (24,925,482)	\$ (121,341)
Expired share options (Note 11)	-	-	(7,116)	-	7,116	-
Net loss and comprehensive loss for the period	-	-	-	-	(32,393)	(32,393)
Balance as at April 30, 2020	40,681,411	\$ 24,538,360	\$ 94,014	\$ 164,651	\$ (24,950,759)	\$ (153,734)
Balance as at January 31, 2021	50,397,245	\$ 25,160,896	\$ 99,670	\$ 146,337	\$ (24,807,159)	\$ 599,744
Shares issued for mineral properties (Note 11)	70,000	4,200	-	-	-	4,200
Expired share options (Notes 11)	-	-	(26,746)	-	26,746	-
Net income and comprehensive income for the period	-	-	-	-	498,984	498,984
Balance as at April 30, 2021	50,467,245	\$ 25,165,096	\$ 72,924	\$ 146,337	\$ (24,281,429)	\$ 1,102,928

The accompanying notes are an integral part of the condensed interim unaudited financial statements



Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars)

Three months ended	April 30, 2021	April 30, 2020
Operating Activities		
Net income (loss) for the period	\$ 498,984	\$ (32,393)
Accretion expense	1,170	-
Depreciation	842	24
Government grant	(5,609)	-
(Gain) loss on sale of marketable securities	(73,766)	31,799
Property option revenue	(296,294)	-
Unrealized (gain) loss on marketable securities	(162,800)	300
Gain on debt settlement	-	(31,500)
Change in non-cash operating working capital		
Receivables	16,153	-
Prepaid expenses and other receivables	(3,637)	-
Sales tax (receivable) payable	7,208	(3,753)
Trade payables and accrued liabilities	(3,443)	(2,689)
Cash flows used in operating activities	<u>(21,192)</u>	<u>(38,212)</u>
Financing Activities		
Long-term loan payable	30,000	10,000
Lease liability payment	(995)	-
Cash provided by financing activities	<u>29,005</u>	<u>10,000</u>
Investing Activities		
Exploration and evaluation expenditures, net of cash received	(78,403)	(15,500)
Proceeds from sale of marketable securities	248,356	56,201
Purchase of marketable securities	-	(3,800)
Cash used in investing activities	<u>169,953</u>	<u>36,901</u>
Increase (decrease) in cash and cash equivalents	177,766	8,689
Cash and cash equivalents		
Beginning of period	<u>237,323</u>	<u>12,349</u>
End of period	<u>\$ 415,089</u>	<u>\$ 21,038</u>

Supplemental disclosure with respect to cash flows (Note 14)



Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

1. Nature of operations and going concern

SLAM Exploration Ltd. (the "Company" or "SLAM"), is engaged in the acquisition, exploration and development of exploration and evaluation properties in New Brunswick, Nova Scotia, and Ontario, Canada. The Company was incorporated under the Canada Business Incorporation Act on November 26, 1996. The Company is publicly traded on the TSX Venture Exchange under the symbol "SXL". The head office of the Company is located at 295 Hutchinson Drive, Miramichi, New Brunswick, Canada, E1V 6C7. The Company's mailing address is 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2.

The Company is in the process of exploring its exploration and evaluation properties for mineral resources and has not determined whether these exploration and evaluation properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, preservation of its interests in the underlying properties, the ability of the Company to obtain the necessary financing to complete development, and the achievement of profitable operations. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts written off, and do not necessarily represent present or future values.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). The Company continues to operate and move its business activity forward at this time. While the impact of Covid-19 is expected to be temporary, the current circumstances are dynamic and the impacts of Covid-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and evaluation programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. At April 30, 2021, the Company had not yet achieved profitable operations, has an accumulated deficit of \$24,281,429 (January 31, 2021 - \$24,807,159) and expects to incur further losses all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

1. Nature of operations and going concern (continued)

The Company plans to raise additional funds to maintain its capital structure and working capital requirements. There is no assurance that the Company will be successful in its plans to raise additional funds.

2. Basis of preparation

2.1 Statement of Compliance

These condensed unaudited interim financial statements of the Company are prepared in accordance with International Financial Standard 34 Interim Financial Reporting of the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and interpretations of the International Financial Reporting Committee ("IFRIC"). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for the year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended January 31, 2021. The policies applied in these condensed interim financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended January 31, 2021.

2.2 Basis of Measurement

These condensed interim unaudited financial statements have been prepared on a historical cost basis, except for certain financial assets which are carried at fair value. In addition, these unaudited financial statements have been prepared using the accrual basis of accounting except for cash flow information. These unaudited financial statements are presented in Canadian dollars which is also the Company's functional currency.

2.3 Critical accounting estimates, judgments and assumptions

When preparing the condensed interim unaudited financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Further information regarding going concern issues are outlined in Note 1.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

2. Basis of preparation (continued)

2.3 Critical accounting estimates, judgments and assumptions (continued)

Share-based payments and warrants

The estimation of share-based payment costs and warrant values requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the expected volatility of its own shares, the expected life of share options and warrants granted, the estimated number of share options and warrants expected to vest and the expected time of exercise of those stock options and warrants. The model used by the Company is the Black-Scholes option pricing valuation model.

Exploration and evaluation assets

Indications of impairment

The assessment of indications of impairment loss and the measuring of the recoverable amount when impairment tests have been done involve judgment. If there is an indication of impairment, an estimate of the recoverable amount of the asset or the cash generating unit is performed and an impairment loss is recognized to the extent that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its value in use.

The impairment criteria considered by the Company in relation to its exploration and evaluation assets include the following criteria:

- (a) the period for which the entity has the right to explore in a specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (b) substantive expenditures on further exploration for an evaluation of mineral resources in a specific area is neither budgeted nor planned;
- (c) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- (d) sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss exists, management has to evaluate the recoverable amount of the asset or the cash-generating unit, and this requires management to make assumptions as to the future events or circumstances.

The actual results are likely to differ and significant adjustments to the Company's assets may be required.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

2. Basis of preparation (continued)

2.3 Critical accounting estimates, judgments and assumptions (continued)

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are a source of estimation uncertainty.

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the project. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Environmental

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration of the Company's projects, the potential for production on the property may be diminished or negated.

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are initially recognized, and recorded as a liability based on estimated future cash flows discounted at a credit-adjusted risk-free rate.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

3. Significant accounting policies

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended January 31, 2021.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

3. Significant accounting policies (continued)

The preparation of condensed interim consolidated financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company adopted the following accounting policy on February 1, 2021:

Right-of-use asset and lease liability

The Company applies judgement in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency, and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations are estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

4. Capital management

The Company considers its capital structure to consist of share capital, share options reserve, and warrants reserve. The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The exploration and evaluation assets in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend working capital once it has obtained financing. The Company will continue to assess new exploration and evaluation assets and seek to acquire an interest in additional exploration and evaluation assets if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, and all are held in major Canadian financial institutions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

4. Capital management (continued)

The Company is dependent on the capital markets as its sole source of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to those markets, and by its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. However, it is subject to any regulations and rules imposed by the Toronto Stock Exchange Venture in issuing and/or maintaining debt or equity financings.

There were no changes in the Company's approach to capital management during the three months ended April 30, 2021. The Company is not subject to externally imposed capital requirements.

5. Marketable securities

At April 30, 2021, the Company held the following investments:

Investee	Shares #	Fair market value \$	Cost \$	Cost per share \$
International Cobalt Corp.	16,666	4,000	32,000	1.92
Major Precious Metals Corp. (formerly Eastern Zinc Corp.)	1,040,000	478,400	320,800	0.31
		<u>482,400</u>	<u>352,800</u>	

At January 31, 2021, the Company held the following investments:

Investee	Shares #	Fair market value \$	Cost \$	Cost per share \$
International Cobalt Corp.	16,666	6,000	32,000	1.92
Major Precious Metals Corp. (formerly Eastern Zinc Corp.)	553,500	188,190	287,820	0.52
		<u>194,190</u>	<u>319,820</u>	

During the year ended January 31, 2019, the Company received 83,333 shares of International Cobalt Corp. ("International Cobalt") valued at \$160,000 related to the sale of the Ramsay Brook Project. In fiscal 2020, the Company sold 8,334 shares of International Cobalt for \$1,490 resulting in a realized loss of \$2,510. During the three months ended April 30, 2020, the Company sold 58,333 shares of International Cobalt for total proceeds of \$6,970 resulting in a realized loss of \$29. As at April 30, 2021, the fair market value of the 16,666 (January 31, 2021 – 16,666) International Cobalt shares was \$4,000 (January 31, 2021 - \$6,000) resulting in an unrealized loss of \$2,000 (2020 - \$Nil) for the period.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

5. Marketable securities (continued)

During the year ended January 31, 2020, the Company received 1,000,000 shares of Major Precious Metals Corp. ("Major Precious") valued at \$92,500. An additional 1,000,000 shares of Major Precious valued at \$520,000 were received during fiscal 2021. On February 22, 2021, the Company received 1,000,000 shares of Major Precious valued at \$300,000. The total of 3,000,000 Major Precious shares were received pursuant to the BMC property option agreement. During the year ended January 31, 2021, the Company sold 1,446,500 (2020 – Nil) shares of Major Precious for total proceeds of \$278,139 (2019 - \$Nil) resulting in a realized loss of \$14,041 (2020 - \$Nil). During the three months ended April 30, 2021, the Company sold 513,500 (2020 – 1,000,000) shares of Major Precious for total proceeds of \$248,356 (2020 - \$27,000) resulting in a realized gain of \$73,766 (2020 - \$33,000 loss). As at April 30, 2021, the fair value of the 1,040,000 (January 31, 2021 – 553,500) Major Precious shares was \$478,400 (January 31, 2021 - \$188,190) resulting in an unrealized gain of \$164,800 (2020 - \$Nil) for the current period.

During the comparative three month period ended April 30, 2020, the Company acquired 1,000 shares of Semafo Inc. ("Semafo") for a total of \$3,800. As at April 30, 2020, the fair market value of the 1,000 Semafo shares was \$3,500 resulting in an unrealized loss of \$300.

The Company sold the 30,000 shares of Great Atlantic Resources Corp. for total proceeds of \$22,230 resulting in a realized gain of \$1,230 during the comparative three month period ended April 30, 2020.

6. Prepaid expenses

	April 30, 2021	January 31, 2021
Prepaid accounting and corporate services	\$ 5,250	\$ -
Prepaid insurance	1,632	3,245
	<u>\$ 6,882</u>	<u>\$ 3,245</u>

7. Equipment

		April 30, 2021			January 31, 2021
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers	30%	\$ 55,838	\$ 55,701	\$ 137	\$ 149
Patents	30%	4,000	3,990	10	12
Equipment	20%	4,905	4,793	112	116
		<u>\$ 64,743</u>	<u>\$ 64,484</u>	<u>\$ 259</u>	<u>\$ 277</u>

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

8. Exploration and evaluation assets

	April 30, 2021			January 31, 2021
	Expenditures for the period	Recovery of expenses for the period	Cumulative since inception net of impairment	Cumulative since Inception net of impairment
New Brunswick				
Birch Lake	\$ 2,828	\$ -	\$ 57,731	\$ 54,903
Eighteen Mile Brook	2,100	-	2,100	-
Ferguson Brook	2,100	-	2,100	-
Flume Ridge Gold	1,540	-	14,989	13,449
Gold Brook	-	-	2,269	2,269
Jake Lee	-	-	34,085	34,085
Menneval	46,531	-	304,804	258,273
Mt. Victor	2,660	-	48,068	45,408
Patapedia	3,203	-	47,446	44,243
Portage*	-	(3,706)	-	3,706
Shingle Gulch	1,434	-	1,434	-
Stephenson Lake	1,658	-	11,357	9,699
Wilson Brook	5,878	-	71,815	65,937
York Gold	1,573	-	17,204	15,631
Other New Brunswick properties**	11,000	-	18,109	7,109
Nova Scotia				
Mount Uniacke	-	-	23,040	23,040
Ontario				
Ontario Properties***	98	-	98	-
	\$ 82,603	\$ (3,706)	\$ 656,649	\$ 577,752

*Denotes BMC property.

**Other New Brunswick Properties – Lewis Brook, Nine Mile, North Rim, Pug Hole, Ramsay, REE Project, TSN, Upper 40, and Little River.

***Ontario Properties – Miminiska, Opikengen, and Reserve Creek.



Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

8. Exploration and evaluation assets (continued)

	April 30, 2021	January 31, 2021
Beginning	\$ 577,752	\$ 160,908
Expenditures during the period	82,603	562,604
Write-off of exploration and evaluation assets	-	(10,910)
Recovery of expenses during the period	(3,706)	(134,850)
Ending	<u>\$ 656,649</u>	<u>\$ 577,752</u>

Birch Lake Property

The Birch Lake Property comprises 461 claim units covering an area of 9,964 hectares located 100 km west of the city of Miramichi, New Brunswick and is not subject to any NSR's.

BMC Properties

On February 22, 2019, the Company entered into an option agreement with Major Precious Metals Corp. ("Major Precious") that sets the terms for purchase of the BMC Properties by Major Precious consisting of 35 mineral claims, including Goodwin, O'Hearn-Strachens, California Lake, Lower 44, LBM, North Rim, Portage, Satellite, Nine Mile (see "other New Brunswick Properties"), and Red Pine. Major Precious can earn 100% interest in the remaining BMC Properties by completing a total of \$700,000 in cash and 5,000,000 in share payments over a 4 year period. The Company retains a 2% NSR royalty.

	Common Shares	Cash Payments
Upon signing (cash paid)	\$	10,000*
Upon CSE approval (cash paid)	500,000*	\$ 10,000*
On or before six months after CSE approval	500,000*	\$ 80,000
On or before first anniversary	1,000,000*	\$ 100,000
On or before second anniversary	1,000,000*	\$ 100,000
On or before third anniversary	1,000,000	\$ 200,000
On or before fourth anniversary	1,000,000	\$ 200,000
TOTAL	5,000,000	\$ 700,000

*payments received

During the year ended January 31, 2020, the Company's wrote off \$125,641 of certain BMC property costs which were comprised of \$5,709 for California Lake, \$101,131 for Portage, \$14,234 for Satellite, and \$4,567 for Red Pine due to no immediate future exploration work plan.

An additional \$30,500 of impairment expense was recognized during the year ended January 31, 2020 on the Lower 44 property which is part of the BMC properties. The Company's management estimated that future potential production on the Lower 44 was unlikely to recover the full carrying value of the property and accordingly an impairment was recorded.

During the year ended January 31, 2021, the Company recovered \$4,050 (2019 - \$Nil) of LBM, and \$3,500 (2019 - \$Nil) of Goodwin staking claim fees.



Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

8. Exploration and evaluation assets (continued)

BMC Properties (continued)

On June 26, 2020, the Company received 1,000,000 common shares of Major Precious valued at a fair value of \$520,000 pursuant to the BMC property option agreement. As a result of receiving the Major Precious shares, the Company recovered \$97,300 of BMC exploration and evaluation costs and recognized \$422,700 in property option revenue.

During the year ended January 31, 2021, the Company incurred exploration and evaluation costs of \$7,616 for the Portage Lake Property. The Company recovered \$3,910 for Portage Lake on June 26, 2020 when it received 1,000,000 Major Precious shares for BMC properties.

On February 22, 2021, the Company received 1,000,000 shares of Major Precious valued at \$300,000 pursuant to the BMC property option agreement. As a result of receiving the 1,000,000 Major Precious shares, the Company recovered \$3,706 of BMC exploration and evaluation costs incurred on the Portage Property and recognized \$296,294 in property option revenue.

As at April 30, 2021, the Company was in process of renegotiating the terms in the 2019 option agreement with Major Precious. The Company has agreed to defer the cash payments until the renegotiation is completed.

Eighteen Mile and Ferguson Brook Properties

On April 27, 2021, the Company issued 70,000 common shares of the Company valued at \$4,200 to acquire the Eighteen Mile and Ferguson Brook properties. The acquisition costs were divided equally, with \$2,100 being allocated to property payments for each of the properties. The properties are located approximately 100 kilometres west of Bathurst, New Brunswick.

The Eighteen Mile Property is comprised of one wholly owned mineral claim and a signed prospector agreement to acquire an additional claim comprising 4 units. The 2 claims combine to form the Eighteen Mile Property covering 1,086 hectares.

The Ferguson Brook Property is comprised of one wholly owned mineral claim and a signed prospector agreement to acquire an additional claim comprising 7 units. The 2 claims combine to form the Ferguson Brook Property covering 912 hectares.

The Optionor retained a 2% NSR royalty, of which the Company can buy back 1% of the NSR for \$1,000,000 at any time. The Company has the right of first refusal on the remaining 1% NSR.

Flume Ridge Gold Property

The Flume Ridge Gold Property comprises 183 claim units covering an area of 4,136 hectares located in southern New Brunswick and is not subject to any NSR's.

During the three months ended April 30, 2021, the Company paid \$1,540 to renew Flume Ridge claims units.



Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

8. Exploration and evaluation assets (continued)

Jake Lee Gold Property

The Jake Lee Gold Property comprises 294 claim units covering an area of 6,668 hectares located in southern New Brunswick and is not subject to any NSR's.

Menneval Gold Project

The Company holds a 100% interest in eight (8) mineral claims comprised of 576 claim units covering 12,454 hectares in northwestern New Brunswick. The original claim comprises four (4) claim units that are subject to a 1.5% NSR. The Company can buy down 0.5% NSR for \$500,000 and has right of first refusal on the remaining 1% NSR.

Mount Uniacke Property (Nova Scotia)

On August 7, 2019, the Company entered into an Option Agreement to acquire a 100% interest in the Mount Uniacke option property (the "Mount Uniacke Option Property"). In order to acquire its 100% interest in the Mount Uniacke Option Property, the Company must pay \$450,000 in cash payments in stages over a 4 year period. The Optionors retain 3% NSR royalty. The Company can buy back 1% of the royalty for \$500,000 and another 1% of the royalty for \$1,000,000 at any time.

On January 31, 2020, the Company recognized \$2,025 of impairment expense on the Mount Uniacke Property. The Company's management decided to impair the Mount Uniacke Property as it was uncertain if the Company would be able to settle or extend the payment obligations.

On August 17, 2020, the Company entered into an Amendment Agreement for the Mount Uniacke Option Property with the following commitments:

	Cash Payments
Upon approval (paid)	\$ 15,000
On or before first anniversary (paid)	\$ 20,000
On or before second anniversary	\$ 100,000
On or before third anniversary	\$ 140,000
On or before fourth anniversary	\$ 175,000
TOTAL	\$ 450,000

During the year ended January 31, 2021, the Company incurred a total of \$23,040 in exploration and evaluation costs related to the Mount Uniacke Property. The costs were comprised of \$3,040 (2020 - \$2,025) of geological consulting fees, and \$20,000 (2020 - \$Nil) for property payments pursuant to the Mount Uniacke Property agreement.

Mt. Victor Property

The Mt. Victor Property comprises 203 claim units covering an area of 4,579 hectares located in southern New Brunswick and is not subject to any NSR's.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

8. Exploration and evaluation assets (continued)**Patapedia Property**

On September 8, 2020, the Company entered into a property option agreement to acquire a 100% undivided interest in the Patapedia Property ("Patapedia") located near Kedgwick, New Brunswick.

In order to earn its 100% interest in the Patapedia Property, the Company will issue 300,000 common shares of the Company and pay \$20,000 cash in accordance with the following schedule:

	Common Shares	Cash Payments
Upon signing (paid)	-	\$ 5,000
Upon TSX Venture Exchange approval (issued with a fair value of \$5,000)	50,000	\$ -
On or before September 8, 2021	50,000	\$ 5,000
On or before September 8, 2022	100,000	\$ 5,000
On or before September 8, 2023	100,000	\$ 5,000
TOTAL	300,000	\$ 20,000

The optionor retained a royalty of 1.5% Net Smelter Return on 39 claim units. The Company can buy back two-thirds of the royalty equal to 1% NSR for \$1,000,000 at any time.

Fisher Ridge Gold Project

The Fisher Ridge Gold Property comprises 107 claim units covering an area of 2,339 hectares located in northern New Brunswick and is not subject to any NSR's.

Stephenson Lake Gold Project

The Stephenson Lake Gold Property comprises 129 claim units covering an area of 2,910 hectares located in southern New Brunswick and is not subject to any NSR's.

Wilson Brook Gold Project

The Wilson Brook Gold Property comprises 865 claim units covering an area of 18,953 hectares located in northern New Brunswick and is not subject to any NSR's.

York Gold Project

The York Gold Property comprises 229 claim units covering an area of 5,149 hectares located in southern New Brunswick and is not subject to any NSR's.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

8. Exploration and evaluation assets (continued)

Other New Brunswick Properties

Gold Brook Property

The Gold Brook Property comprises 40 claim units covering an area of 874 hectares located in northern New Brunswick and is not subject to any NSR's.

Pug Hole Property

The Pug Hole Property comprises 72 claim units covering an area of 1,633 hectares located in southern New Brunswick and is not subject to any NSR's.

Ramsay Property

During the three months ended April 30, 2021, the Company paid \$7,800 in claim staking fees to acquire additional claims on the Ramsay Property. The expanded Ramsay Property comprises 8 wholly owned claims covering 4,390 hectares.

REE Project

The REE Property comprises 59 claim units covering an area of 1,320 hectares located in central New Brunswick and is not subject to any NSR's.

Ontario Properties

During the three month period ended April 30, 2021, the Company incurred \$98 on the Miminiska property located in Ontario. The Company's management has no immediate future exploration work planned for the Ontario properties.

9. Right of use asset

On April 23, 2021, the Company entered into a four year lease agreement for a Ford truck. The discount rate used was 8%.

Set out below are the carrying amounts of the right of use asset and lease liability recognized and the movements during the period:

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

9. Right of use asset (continued)

	Right of use asset \$	Lease Liability \$
As at January 31, 2021	-	-
Additions	39,547	39,547
Depreciation	(824)	-
Payments	-	(995)
As at April 30, 2021	38,723	38,552
Current	-	8,666
Non-current	-	29,886

The following table shows the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at April 30, 2020:

	\$
2022	9,950
2023	11,940
2024	11,940
2025	11,940
2026	1,990
	47,760

10. Long-term loan payable

During the year ended January 31, 2021, the Company obtained a Canada Emergency Business Account (the "CEBA") loan in the amount of \$30,000. The Company received additional CEBA loan of \$30,000 during the three month period ended April 30, 2021. The total \$60,000 CEBA loan was received from the Royal Bank of Canada and is guaranteed by the Canadian government. The loan is non-interest bearing until December 31, 2022 and repayment of the loan prior to December 31, 2022 will result on loan forgiveness of 25% of the loan. After January 1, 2023, the loan may be converted into a loan with a fixed annual interest rate of 5% until December 31, 2025.

The first \$30,000 of the CEBA loan received in fiscal 2021 was initially fair valued using a discount rate of 12% and was measured at \$22,324 with difference of \$7,676 being recognized as government grant on the statements of loss during the year ended January 31, 2021. The accretion expense of \$1,920 was recorded on the first \$30,000 of the CEBA loan during the year ended January 31, 2021.

During the three month period ended April 30, 2021, the Company received the remaining \$30,000 of the authorized CEBA loan limit. The second portion of the CEBA loan was initially fair valued using a discount rate of 12% and was measured at \$24,391 with difference of \$5,609 being recognized as government grant on the statements of loss during the three months ended April 30, 2021. The accretion expense of \$1,170 was recorded on the \$60,000 total of the outstanding CEBA loan during the three months ended April 30, 2021.



Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

11. Shares, warrants and options

Authorized:

Unlimited number of common shares without nominal or par value.

Issued and outstanding:

Shares issued for Properties

On April 27, 2021, the Company issued 70,000 common shares of the Company valued at \$4,200 to acquire the Eighteen Mile and Ferguson Brook properties.

There were no share issuances during the three month period ended April 30, 2020.

Warrants:

As at April 30, 2021, outstanding warrants and finders' warrants to purchase common shares were as follows:

Value of Warrants	Number of Warrants	Date of Grant	Expiration Date	Exercise Price
\$ 140,690	2,130,168	August 11, 2020	August 11, 2022	\$0.08
5,647	85,500*	August 11, 2020	August 11, 2022	\$0.08
<u>\$ 146,337</u>	<u>2,215,668</u>			

*Denotes finder's warrants

	Three Months Ended April 30, 2021		Year Ended January 31, 2020	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Warrants				
Outstanding, opening balance	2,215,668	\$ 0.08	4,260,000	\$ 0.055
Issued	-	-	2,215,668	\$ 0.08
Exercised	-	-	(3,760,000)	\$ 0.055
Expired	-	-	(500,000)	\$ 0.055
Outstanding, ending balance	<u>2,215,668</u>	\$ 0.08	<u>2,215,668</u>	\$ 0.08

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

11. Shares, warrants and options (continued)

Options:

Options issued under this plan to directors, consultants and employees vest upon issuance whereas options issued to investor relation consultants vest as to 25% at issuance, and 25% every three months thereafter. The grant date fair values of the options are charged to share-based compensation expense and exploration and evaluation assets over the vesting period.

The table below lists the outstanding options to purchase common shares as at April 30, 2021:

Value	Options Outstanding	Date of Grant	Expiration Date	Exercise Price
\$ 7,415	150,000	November 29, 2017	November 29, 2022	\$0.05
8,868	300,000	March 23, 2018	March 23, 2023	\$0.05
56,640	770,000	August 11, 2020	August 11, 2025	\$0.075
<u>\$ 72,923</u>	<u>1,220,000</u>			

	Three Months Ended April 30, 2021		Year Ended January 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options				
Outstanding, opening balance	1,670,000	\$ 0.05	2,340,000	\$ 0.05
Granted	-	0.075	1,180,000	0.075
Exercised	-	0.06	(1,560,000)	0.06
Expired/forfeited	(450,000)	0.057	(290,000)	0.057
Outstanding, ending balance	1,220,000	\$ 0.06	1,670,000	\$ 0.06
Exercisable	1,220,000	\$ 0.06	1,670,000	\$ 0.06

Expired stock options

On April 19, 2021, 450,000 (2020 – 170,000) stock options exercisable at \$0.06 (2020 - \$0.05~\$0.06) per share expired unexercised.

During the three month period ended April 30, 2021, the Company transferred the \$26,746 (2020 - \$7,116) fair value of the 450,000 (2020 – 170,000) expired stock options from share option reserves to the deficit.



Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

12. Contingencies

Environmental contingencies

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures necessary to comply with such laws and regulations. The properties the Company holds interest in are currently in the initial exploration stages and it has not determined whether significant restoration, rehabilitation and environmental costs will be required. The Company would only record liabilities for restoration, rehabilitation and environmental costs when reasonably determinable and when such costs can be reliably quantified. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

13. Related party transactions

The remuneration of directors and key management personnel during the three months ended April 30, 2021, and 2020 were as follows:

	2021	2020
Short-term benefits	\$ 38,530	\$ 17,250
	<u>\$ 38,530</u>	<u>\$ 17,250</u>

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

Included in trade payables and accrued liabilities as at April 30, 2020, was \$380,417 (January 31, 2021 - \$356,887) due to a director of the Company and his spouse. During the three month period ended April 30, 2020, the Company recorded forgiveness of debt of \$31,500 owed to a private company in which a director of the Company controls.

During the three month period ended April 30, 2021, the Company prepaid \$5,250 for accounting and corporate services to a firm jointly controlled by two of the Company's directors.

14. Supplemental information with respect to cash flows

	April 30, 2021	January 31, 2021
	\$	\$
Interest paid	-	-
Income tax paid	-	-

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

14. Supplemental information with respect to cash flows (continued)

During the three month period ended April 30, 2021, the Company received 1,000,000 (2020 – 500,000) shares of Major Precious Metals Corp. valued at \$300,000 (2020 - \$42,500) related to the sale of the BMC Properties. (Note 8)

On April 27, 2021, the Company issued 70,000 common shares valued at \$4,200 to acquire the Eighteen Mile and Ferguson Brook properties. (Note 8)

During the three month period ended April 30, 2020, the Company prepaid \$5,250 for accounting and corporate services to a firm jointly controlled by two of the Company's directors.

15. Financial instruments

15.1 Fair value of financial instruments:

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

The carrying amounts for cash and cash equivalents, amounts receivable, sales tax receivable, and trade payables and accrued liabilities approximate fair market value because of the limited term of these instruments. Cash and cash equivalents are carried at fair value. Long-term loan payable is carried at its amortized costs.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) 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) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At April 30, 2021 and 2020, the Company's financial instruments that are carried at fair value, consisting of cash and cash equivalents, and marketable securities, have been classified as Level 1 within the fair value hierarchy.

15.2 Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures during the three month period ended April 30, 2021.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

15.2 Financial risk factors (continued)

(i) Credit Risk

The Company's credit risk is primarily attributable to cash and equivalents, and marketable securities. Cash and cash equivalents are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Receivables are assessed to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. The Company considers that there is evidence of impairment if any of the following indicators are present: 1. Significant financial difficulties of the debtor, 2. Probability that the debtor will enter bankruptcy or financial reorganization, and 3. Default in payments. The debtor was never in default in payments in past and in a case of default, the Company has a right to re-acquire a 100% interest in the sold properties provided that the Company delivers a written notice of default to the debtor and the debtor does not remedy the default within 30 days of delivery of the notice of default. Management believes that the credit risk concentration with respect to financial instruments above is remote.

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2021, the Company had a cash and cash equivalents balance of \$415,089 (January 31, 2021 - \$237,323) to settle current liabilities of \$426,620 (January 31, 2021- \$421,397). The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives in order to provide sufficient cash flow to finance operations as well as to fund its exploration expenditures.

(iii) Interest rate risk

The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company closely monitors interest rates to determine the appropriate course of action to be taken by the Company.

(iv) Commodity price risk

The Company is exposed to commodity price risk. Commodity price risk is defined as the potential impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company's future profitability and viability of exploration depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of commodities are produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also result in the Company reducing its mineral resources, which could have a material and adverse effect on the Company's value.

The Company is not a commodity producer as of April 30, 2021. Therefore, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of share options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.



Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended April 30, 2021

15.2 Financial risk factors (continued)

(v) Market risk

Market risk is the risk that a change in market prices, interest rate levels, indices, liquidity and other market factors will result in losses. The Company is exposed to market risk as a result of its available for sale investments.

(vi) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

15.3 Sensitivity analysis

The Company has designated its cash and cash equivalents, and marketable securities as FVTPL, which are measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Payables and accruals, and long-term loan payable are classified as other financial liabilities, which are measured at amortized cost. As at April 30, 2021, the carrying and fair value amounts of the Company's current financial assets are approximately the same.

During the year ended April 30, 2021, the Company did not have any significant interest income or expenses nor any foreign exchange gain or loss. A 10% change in either the interest rate or the exchange rate would not significantly affect the Company.