



For the Three Months Ended May 31, 2021

Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

- Notice of No Auditor Review of Interim Financial Statements
- Interim Statements of Financial Position
- Interim Statements of Comprehensive Loss
- Interim Statements of Changes in Shareholders' Equity
- Interim Statements of Cash Flows
- Notes to the Interim Financial Statements

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

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

The accompanying 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Great Atlantic Resources Corp.

Interim Statements of Financial Position

(Expressed in Canadian Dollar)

(Unaudited)

	Note	May 31, 2021 \$	February 28, 2021 \$
ASSETS			
CURRENT			
Cash		814,968	1,193,572
GST Recoverable		243,417	110,973
Government Exploration Grant Receivable		-	21,000
Other Receivable	4	60,828	40,353
Marketable Securities	5	211,430	179,656
Deposits and Prepayments		203,278	11,939
Due from Related Parties	11	40,200	40,200
		1,574,121	1,597,693
NON-CURRENT			
Property and Equipment	7	587,345	-
Right-of-Use Lease Assets	6	132,162	148,199
		2,293,628	1,745,892
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		2,212	117,158
Lease Liability	6	75,060	74,703
Due to Related Parties	11	-	1,450
		77,272	193,311
NON-CURRENT			
Lease Liabilities	6	44,336	61,740
		121,608	255,051
SHAREHOLDERS' EQUITY			
Share Capital, Net of Issuance Costs	10	21,649,833	20,835,943
Share Subscription Received		385,000	-
Share-Based Payment Reserve		986,539	967,179
Deficit		(20,849,352)	(20,312,281)
		2,172,020	1,490,841
		2,293,628	1,745,892

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Commitments (Note 12)

Subsequent Events (Note 16)

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

Approved on Behalf of the Board:

“Allan Beaton”

Allan Beaton, Director

“Chris Anderson”

Chris Anderson, Director

Great Atlantic Resources Corp.

Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollar)

(Unaudited)

	Note	Number of Common Shares	Share Capital \$	Share Subscription Received \$	Shared-Based Payment Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance, February 29, 2020		8,582,464	17,238,667	25,000	534,013	(18,076,274)	(278,594)
Shares Issued for Cash	10(b)	476,191	200,000	-	-	-	200,000
Shares Issued for Exploration and Evaluation Assets	10(b)	472,000	141,600	-	-	-	141,600
Share Issuance Costs	10(b)	-	(17,500)	-	-	-	(17,500)
Share Subscription Received		-	-	50,000	-	-	50,000
Fair Value of Agents' Warrants Issued	10(c)	-	(10,582)	-	10,582	-	-
Fair Value of Option Expired	10(c)	-	-	-	(9,245)	9,245	-
Net Comprehensive Loss		-	-	-	-	(194,356)	(194,356)
Balance, May 31, 2020		9,530,655	17,552,185	75,000	535,350	(18,261,385)	(98,850)
Balance, February 28, 2021		16,533,563	20,835,943	-	967,179	(20,312,281)	1,490,841
Shares Issued for Cash	10(b)	1,617,225	900,000	-	-	-	900,000
Share Subscription Received		-	-	385,000	-	-	385,000
Share Issuance Costs		-	(66,750)	-	-	-	(66,750)
Fair Value of Agents' Warrants Issued	10(c)	-	(19,360)	-	19,360	-	-
Net Comprehensive Loss		-	-	-	-	(537,071)	(537,071)
Balance, May 31, 2021		18,150,788	21,649,833	385,000	986,539	(20,849,352)	2,172,020

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

Great Atlantic Resources Corp.

Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollar)

(Unaudited)

		Three Months Ended May 31,	
	Note	2021 \$	2020 \$
EXPENSES			
Advertising, Marketing and Investor Relations		85,927	40,309
Audit and Legal		36,346	8,772
Bank and Interest Charges		218	101
Consulting Fees		14,500	2,000
Depreciation	6	33,395	18,082
Exploration	8	354,450	158,301
Insurance		2,359	2,559
Interest Expense	6,9	3,133	6,554
Management Fees	11(a)	60,000	45,000
Office and Administration		63,846	20,503
Regulatory Fees and Transfer Agent		5,007	3,762
Travel		5,664	1,994
Less: Rent and Office Recovery		(19,500)	(19,500)
		(645,345)	(288,437)
LOSS BEFORE OTHER ITEMS			
Government Exploration Grants		76,500	82,800
Gain on Sale of Marketable Securities	5	-	22,487
Write-Up (Down) of Marketable Securities to Market	5	31,774	(11,206)
		108,274	94,081
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD			
		(537,071)	(194,356)
BASIC AND DILUTED LOSS PER SHARE			
		(0.03)	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
		17,743,985	9,018,779

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

Great Atlantic Resources Corp.

Interim Statements of Cash Flows

(Expressed in Canadian Dollar)

(Unaudited)

	Three Months Ended May 31	
	2021	2020
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net Loss for the Period	(537,071)	(194,356)
Non-Cash Items		
Depreciation	33,395	18,082
Gain on Sale of Marketable Securities	-	(22,487)
Shares Issued for Exploration and Acquisition Assets	-	141,600
Marketable Securities Received for Exploration and Acquisition Assets	-	-
Write-off of Accounts Payable	-	-
Write-(Up) Down of Marketable Securities	(31,774)	11,206
	(535,450)	(45,955)
Change in Non-Cash Working Capital Accounts		
Deposits and Prepaids	(191,339)	(122,500)
GST Recoverable	(132,444)	24,702
Grant and Accounts Receivable	525	15,451
Accounts Payables and Accrued Liabilities	(114,947)	25,098
Loan Payable	-	4,054
Due to/from Related Parties	(1,449)	(62,776)
	(975,104)	(161,926)
INVESTING ACTIVITIES		
Purchase of Equipment	(602,405)	-
Proceeds from Sale of Marketable Securities	-	21,426
	(602,405)	21,426
FINANCING ACTIVITIES		
Shares Issued for Cash Net of Issuance Costs	833,250	182,500
Share Subscription Received	385,000	50,000
Repayment of Lease Liabilities	(19,345)	(19,970)
	1,198,905	212,530
CHANGE IN CASH	(378,604)	72,030
Cash, Beginning of the Period	1,193,572	6,308
CASH, END OF THE PERIOD	814,968	78,338

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

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Three Months Ended May 31, 2021
(Expressed in Canadian Dollar)
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Great Atlantic Resources Corp. (“Great Atlantic” or the “Company”) was incorporated in British Columbia on February 24, 1997, as J.P.T. Resources Ltd. and changed its name to Horizon Industries Ltd. on June 7, 1999. The Company changed its name again on February 13, 2009, to Petro Horizon Energy Corp. and on April 30, 2010, changed its name to Greenlight Resources Inc. On June 19, 2012, the Company changed its name to Great Atlantic Resources Corp.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in Atlantic Canada. The Company’s shares are listed on the TSX Venture Exchange under the symbol GR and the head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast uncertainties on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon the financial support from its shareholders and other related parties, its ability to obtain financing for the continuing exploration and development of its resource properties, the existence of economically recoverable reserves, and the attainment of profitable operations or proceeds from disposition of these properties.

The Company has not yet achieved profitable operations and has an accumulated deficit of \$20,849,352 and a working capital of \$1,496,849 as at May 31, 2021; accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations.

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

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Three Months Ended May 31, 2021
(Expressed in Canadian Dollar)
(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The interim financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were approved and authorized for issue by the board of Directors on July 28, 2021.

b) Basis of Preparation

The interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. These interim financial statements do not include all the information required for full annual financial statements. The interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended February 28, 2021. The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year.

NOTE 3 – NEW ACCOUNTING STANDARDS ISSUED

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective as of May 31, 2021. The Company is assessing the impact of these new standards but does not expect them to have a significant effect on the consolidated financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

NOTE 4 – OTHER RECEIVABLE

Included in other receivable, are amounts due from a company for shared use of office space. As at May 31, 2021, \$60,828 (February 28, 2021 - \$40,353) was receivable from this company.

NOTE 5– MARKETABLE SECURITIES

	May 31, 2021 \$	February 28, 2021 \$
Balance, Beginning of the Period	179,656	116,691
Market Securities Received Pursuant to Porcupine Option Agreement (Note 7(g))	-	56,145
Marketable Securities Sold (at Cost)	-	(70,125)
Write-up (down) shares to market	31,774	76,945
Balance, End of the Period	211,430	179,656

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Three Months Ended May 31, 2021
(Expressed in Canadian Dollar)
(Unaudited)

NOTE 6 – RIGHT-OF-USE ASSETS

The Company recognized lease liabilities in relation to leases which had previously been classified as ‘operating lease under the principles of IAS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the leases’s incremental borrowing rate as of March 1, 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on March 1, 2019 was set at 5%.

The recognized Right-of-Use Assets:

	Office \$	Total \$
Balance, February 28, 2021	148,199	148,199
Add: Right-of-Use Assets	-	-
Less: Depreciation of Right-of-Use Assets	(16,037)	(16,037)
Balance, May 31, 2021	132,162	132,162
Lease Liabilities:		
		\$
Balance, February 28, 2021		136,443
Lease Payment		(17,047)
Balance, May 31, 2021		119,396
Current		75,060
Non-current		44,336
		119,396

Interest expense was recognized as part of the new standard. For the period ended May 31, 2021 \$3,133 (2020 - \$2,130) was recorded as interest expense on lease liabilities.

NOTE 7 - PROPERTY AND EQUIPMENT

	Mining Equipment	Vehicles	Total
COST	\$	\$	\$
Balance, February 28, 2021	-	-	-
Purchases	428,750	173,655	602,405
Balance, May 31, 2021	428,750	173,655	602,405
ACCUMULATED DEPRECIATION			
Balance, February 28, 2021	-	-	-
Depreciation	10,719	4,341	15,060
Balance, May 31, 2021	10,719	4,341-	15,060
NET BOOK VALUE			
Balance, February 28, 2021	-	-	-
Balance, May 31, 2021	418,031	169,314	587,345

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Three Months Ended May 31, 2021

(Expressed in Canadian Dollar)

(Unaudited)

NOTE 7 - PROPERTY AND EQUIPMENT (Continued)

For the period ended May 31, 2021, the Company purchased equipment and vehicles for \$602,405 and started depreciation of the assets. The accounting estimate was determined for the period ended May 31, 2021 to recognize the economic useful life of the mining equipment and vehicles as 10 years.

For the period ended May 31, 2021, amortization expense of \$15,060 (2020 - \$Nil) was recorded in the statement of loss and comprehensive loss

NOTE 8 – EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred by the Company to date on its mineral properties are summarized below.

	Keygout/ Glenelg \$	Kagoot Brook \$	Keymet \$	MacDougal Road \$	Mascarene \$	Mount Raymond \$	Porcupine \$
Balance, February 29, 2020	282,608	(23,823)	1,075,994	150,717	78,553	17,892	129,269
Acquisition Costs	-	-	-	-	30,000	-	-
Sale Proceeds	-	(30,000)	-	-	-	-	-
Exploration Costs (Recovery)	3,222	-	-	1,671	717	-	-
Balance, May 31, 2020	285,830	(53,823)	1,075,994	152,388	109,270	17,892	129,269
Balance, February 28, 2021	307,721	(61,284)	1,090,539	155,752	211,901	17,892	129,269
Acquisition Costs	30,000	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-
Exploration Costs (Recovery)	1,080	1,930	51,835	-	144,841	(1,900)	-
Balance, May 31, 2021	338,801	(59,354)	1,142,374	155,752	356,742	15,992	129,269

	Golden Promise/ Trust \$	Pilley's Island \$	South Quarry \$	Mitchell Brook \$	General Exploration \$	Properties Terminated Prior to February 28, 2017 \$	Total \$
Balance, February 29, 2020	1,419,904	333,081	606,842	20,615	399,418	2,297,125	6,788,195
Acquisition Costs	108,000	33,600	-	-	-	-	171,600
Sale Proceeds	-	-	-	-	-	-	(30,000)
Exploration Costs	574	392	-	-	10,125	-	16,701
Balance, May 31, 2020	1,528,478	367,073	606,842	20,615	409,543	2,297,125	6,946,496
Balance, February 28, 2021	2,309,469	385,516	608,624	20,615	413,639	2,297,125	7,886,778
Acquisition Costs	-	-	-	-	-	-	30,000
Sale Proceeds	-	-	-	-	-	-	-
Exploration Costs	122,921	-	2,881	-	862	-	324,450
Balance, May 31, 2021	2,432,390	385,516	611,505	20,615	414,501	2,297,125	8,241,228

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Three Months Ended May 31, 2021
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(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

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

a) Glenelg Vanadium Property, New Brunswick, Canada

During the fiscal year 2019, the Company acquired, through an option agreement and by staking, the Glenelg Vanadium Property, located in southwest New Brunswick. Under the terms of the agreement, the Company may earn a 100% interest in the property by making certain staged cash payments to the vendor over a five-year period as follows: (i) \$10,000 in cash (paid); (ii) \$15,000 in cash on or before the first anniversary of the approval date (paid); (iii) \$30,000 in cash on or before the second anniversary of the approval date (paid); (iv) \$30,000 in cash on or before the third anniversary of the approval date; and (v) \$40,000 on or before the fourth anniversary of the approval date; and (vi) \$50,000 on or before the fifth anniversary of the approval date.

In the event the Company exercises the Option and acquires a 100% right, title and interest in and to the property, the vendor will be entitled to receive a 2.0% NSR, payable upon the commencement of commercial production. The Company has the right to purchase one-half of the NSR from the vendor at any time by paying to the vendor \$1,000,000, leaving the vendor with a 1.0% remaining NSR.

b) Kagoot Brook Cobalt Property, New Brunswick, Canada

During the year ended February 28, 2018, the Company entered into an option agreement whereby the Company was granted an option to acquire 100% interest in the Kagoot Brook Cobalt Property located in North-Central New Brunswick. In consideration, the Company agreed to pay the vendor \$15,000 in cash (paid) and issue 15,000 shares fair valued at \$15,000 (issued) within ten days upon regulatory approval. The Company will also make payments to the vendors totaling \$125,000 cash and issue 15,000 in shares over the next four years. During the year ended February 28, 2019, the Company made cash payments of \$15,000 and issued 15,000 shares with a fair market value of \$7,500. During the year ended February 29, 2020, the Company made cash payments of \$30,000.

There is a 2% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for \$500,000 upon the commencement of commercial production.

On May 10, 2018, the Company entered into a letter of intent with Explorex Resources Inc. whereby Explorex will acquire a 75-per-cent interest in the Kagoot Brook cobalt project.

The Kagoot Brook property is 100 per cent owned by Great Atlantic and is subject to an underlying agreement with a prospecting syndicate. The agreement to acquire a 75-per-cent interest in the project is subject to the following terms:

- Cash payment of \$25,000 (received) and issuance of \$75,000 shares upon signing a definitive agreement. In September 2018, the Company received 75,000 shares with a fair market value of \$21,750. A cash payment of \$15,000 was also received in January 2019.
- Issuing \$50,000 in shares on the 12-month anniversary of the definitive agreement; the number of shares to be issued will be based on the 10-day VWAP (volume-weighted average price) immediately prior to the anniversary date. On July 8, 2019, the Company received 197,904 shares of Explorex Resources Inc. with a market value of \$49,476.
- Explorex will incur a total expenditure of \$750,000 (including all underlying payments) over a period of four years; of which \$100,000 will be a firm commitment on or before the first anniversary of the definitive agreement.

Upon earning 75 per cent of the project, the parties will enter into a joint venture. The terms will provide for a pro rata dilution such that should Great Atlantic's interest drop below 5 per cent, it will revert to a 3-per-cent net smelter return. Explorex will retain the right to buy back two percentage points at \$1 million for each 1 per cent, or portion thereof. Should Great Atlantic seek to sell any portion of the remaining NSR, Explorex will retain a first right of refusal.

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Three Months Ended May 31, 2021
(Expressed in Canadian Dollar)
(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

c) Keymet Property, New Brunswick, Canada

During the year ended February 28, 2012, the Company completed an option agreement whereby the Company was granted an option to acquire a 100% interest in the Keymet Property, located northwest of Bathurst, New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendor \$50,000 cash (\$30,000 paid) and to issue 25,000 shares (issued) over four years. The property is subject to a 2% net smelter return (“NSR”) with the Company retaining the right to purchase one half of it for \$500,000. In March 2018, the final payment of \$20,000 was paid, and the 100% acquisition was completed.

d) MacDougal Road Property, New Brunswick, Canada

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Antimony Property located in Western New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendor \$30,000 cash (see below) and to issue 15,000 shares (issued) over two years.

In May 2019, the Company issued 60,000 common shares for the settlement of the \$30,000 payable. This completed the 100% acquisition.

e) Mascarene Property, New Brunswick, Canada

During the year ended February 28, 2018, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Mascarene property located in New Brunswick. In consideration, the Company agreed to pay the vendor \$15,000 (paid) in cash within ten business days upon signing of the agreement. The Company will also make payments to the vendors totaling \$185,000 cash over the next five years. In February 2019, the Company made cash payments totaling \$25,000. For the fiscal year ended February 29, 2020, the Company made cash payments totaling \$30,000. In May 2020, the Company made payments totaling \$30,000. In February 2021, the Company made a further payment of another \$30,000.

There is a 2% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for \$1,000,000 upon the commencement of commercial production.

f) Mount Raymond Property, New Brunswick, Canada

During the year ended February 28, 2018, the Company staked a Mineral Exploration License in New Brunswick, referred to as the Mount Raymond Property.

g) Porcupine Property, New Brunswick, Canada

During the year ended February 28, 2011, the Company executed an option agreement to earn up to a 100% undivided interest in the Porcupine-Upper Miramichi Rare Earth Property located in New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendors \$6,000 upon signing of the agreement (paid), and an additional cash payment of \$6,000 within 8 working days of the date of the agreement (paid). The Company also agreed to undertake to spend total minimum work commitments on the property of \$120,000 over the next five years and to make payments to the vendors of \$110,000 over the next five years (paid). Upon completion of the minimum work commitments and payments above, the Company earned a 100% undivided ownership interest in the property.

During the year ended February 29, 2012, the Company entered into an option agreement with Explorex Resources Inc. (ExploreX) whereby ExploreX was granted an option to acquire up to an 85% interest in the property. To earn an initial 70% interest, ExploreX was required to make total cash payments of \$180,000 (\$25,000 received), issue a total of 850,000 common shares (150,000 common shares received) to the Company, and incur exploration expenditures of \$1,000,000 over three years. A further 15% can be earned after completion of a bankable feasibility report. This agreement was terminated during the year ended February 28, 2015.

During the year ended February 28, 2017, the Company signed an amended option agreement with the vendors, whereby both parties agreed to extend the fourth anniversary option payment originally due on October 12, 2015 to June 12, 2017. As part of this agreement, the Company agreed to issue an additional 10,000 common shares fair valued at \$10,000 to the vendors.

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Three Months Ended May 31, 2021
(Expressed in Canadian Dollar)
(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended February 28, 2018, the Company entered into an option agreement with Fort St James Nickel Corp. (“FTJ”) to sell the Porcupine Property. Under the terms of the option agreement, FTJ is required to make the following payments to earn a 100% interest in the property: (i) a payment of \$15,000 cash (received) and 500,000 common shares valued at \$107,500 at the time of grant within five days of the approval date (received); (ii) a cash payment of \$20,000 (received) and \$75,000 (received shares with a fair market value of \$43,359) in common shares on or before the first anniversary of the approval date; (iii) a cash payment of \$20,000 and \$75,000 in common shares on or before the second anniversary of the approval date; (iv) a cash payment of \$20,000 and \$75,000 in common shares on or before the third anniversary of the approval date; and (v) a cash payment of \$75,000 and \$200,000 in common shares on or before the fourth anniversary of the approval date. FTJ is also required to spend \$1,000,000 in exploration expenditures on the property over a four-year period with a minimum of \$150,000 each year.

h) Golden Promise Property, Newfoundland, Canada

During the year ended February 28, 2017, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Golden Promise Property in Newfoundland and Labrador. The property encompasses 60 stake lode claims located near the Town of Badger.

In consideration, the Company agreed to pay the vendor \$35,000 in cash within three business days upon signing of the agreement (paid) and to issue 83,333 common shares valued at \$50,000 upon regulatory approval (issued). The Company will also make payments to the vendors totalling \$485,000 cash (\$65,000 paid in 2018) and issue \$450,000 in shares (\$50,000 issued in 2018) over the next four years. In July 2018, the Company paid \$125,000 and in August 2018 issued \$50,000 equivalent shares. On July 9, 2019, the Company issued 25,000 shares with a market value of \$85,000 and paid \$145,000 in cash on July 31, 2019. The Company also issued 8,000 shares in July 2019 with a market value of \$4,800 as a finder fee. On March 12, 2020, the Company issued 360,000 shares with a market value of \$108,000 and on July 31, 2020 paid \$150,000 in cash. In addition, the Company is required to spend a minimum of \$500,000 in expenditures on the property by July 05, 2020. Upon completion of the minimum work commitments and payments above, the Company will earn a 100% undivided ownership interest in the property.

There is a 2% to 2.5% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for \$1,000,000. The Company will pay the property owner annual royalty advance of \$20,000 commencing on the 7th anniversary and each subsequent year. All royalty payments contributed will be credited towards the royalty due to the property owner.

The Company also agreed to issue 25,000 common shares fair valued at \$15,000 as finders’ fee; 17,000 common shares with a fair value of \$10,200 was issued in the year ended February 28, 2017.

h) Pilley's Island Property, Newfoundland, Canada

During the year ended February 28, 2018, the Company entered into an option agreement with Unity Resources Inc. (“Unity”) under which the Company may acquire 100% interest of mining claims comprising the Pilley’s Mine Project, the Southern Golden Promise Project, and the Point Leamington Project located in central Newfoundland. In consideration, the Company agreed to issue 100,000 shares fair valued at \$100,000 (issued) to the vendor within ten days upon regulatory approval. The Company will also make payments to the vendors totalling \$80,000 cash payments over five years or issue shares in equivalent value. On March 12, 2020, the Company issued 112,000 common shares with a market value of \$33,600.

i) South Quarry Property, Newfoundland, Canada

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the South Quarry tungsten Property. In consideration of the acquisition, the Company agreed to pay the vendor \$135,000 in cash (paid) and issue 85,000 shares (issued) over four years. The Company earned a 100% interest in the property.

Great Atlantic Resources Corp.

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For the Three Months Ended May 31, 2021
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NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

j) Mitchell Brook Property, Nova Scotia, Canada

During the year ended February 28, 2017, the Company staked a Mineral Exploration License in eastern Nova Scotia approximately 120 kilometers northeast of Halifax. The License consists of 33 claims, covering an area of approximately 534 hectares, and is referred to as the Mitchell Brook Property.

NOTE 9 - LOANS PAYABLE

During the year ended February 29, 2020, the Company entered into an agreement with an arm's length individual for a loan of \$150,000. The loan is interest bearing at 10% per annum, unsecured, and had no specified terms of repayment. Interest expense of \$4,054 was recorded for the period ended May 31, 2020.

During the year ended February 28, 2021, the loan amount of \$150,000 plus accrued interest of \$23,211 was paid.

NOTE 10 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited number of common shares without par value.

b) Issued and Outstanding Common Shares

As at May 31, 2021, there were 18,150,788 common shares issued and outstanding.

The following share issuances occurred during the period ended May 31, 2020:

- i) March 12, 2020, the Company issued 472,000 shares with a fair value of \$141,600 pursuant to option agreements on the Golden Promise and Pilley's Island Property (Note 7(h)(i)).
- ii) On May 26, 2020, the Company issued 476,191 shares on a non-brokered private placement of flow through shares at a price of \$0.42 cents per share for gross proceeds of \$200,000. Each Flow-Through share consists of one common share that qualifies as a "flow-through share" as defined in subsection 66(15) of the Income Tax Act. There was no flow-through share premium associated with this private placement. The Company paid a cash commission of \$16,000 and issued 38,095 finders warrants with a fair value of \$10,582.

The following share issuances occurred during the period ended May 31, 2021:

- iii) On March 11, 2021, the Company issued 526,316 flow-through shares at a price of \$0.57 for gross proceeds of \$300,000. Each flow-through share consists of one common share that qualifies as a 'flow-through share' as defined in subsection 66(15) of the Income Tax Act and one 1/2 share purchase warrant at an exercise price of \$0.75 for a period of 24 months from issuance. The Company paid a cash commission of \$18,000 and issued 15,789 finders warrants with a fair value of \$2,878. The finders' warrants are exercisable at \$0.75 for a 24 month period.
- iv) On March 29, 2021, the Company issued 1,090,909 flow-through shares at a price of \$0.55 for gross proceeds of \$600,000. Each flow-through share consists of one common share that qualifies as a 'flow-through share' as defined in subsection 66(15) of the Income Tax Act and one 1/2 share purchase warrant at an exercise price of \$0.75 for a period of 24 months from issuance. The Company paid a cash commission of \$40,000 and issued 72,727 finders warrants exercisable at \$0.55 for two years. The finders' warrants have a fair value of \$16,482 based on the Black-Scholes option-pricing model.

Great Atlantic Resources Corp.

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NOTE 10 – SHARE CAPITAL (Continued)

c) Stock Options

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

As at May 31, 2021, 1,409,000 options, with a weighted average exercise price of \$0.68 per share and a weighted average remaining life of 3.46 years were outstanding.

Expiry Date	Exercise Price	February 28, 2021	Granted	Exercised	Expired/Cancelled	May 31, 2021
June 5, 2021	\$0.50	50,000	-	-	-	50,000
May 26, 2022	\$1.50	64,000	-	-	-	64,000
March 22, 2023	\$1.00	150,000	-	-	-	150,000
October 23, 2023	\$0.70	100,000	-	-	-	100,000
September 23, 2024	\$0.41	175,000	-	-	-	175,000
January 13, 2025	\$0.50	30,000	-	-	-	30,000
August 18, 2025	\$0.65	390,000	-	-	-	390,000
October 7, 2025	\$0.60	450,000	-	-	-	450,000
		1,409,000	-	-	-	1,409,000

As at May 31, 2020, 579,000 options, with a weighted average exercise price of \$0.74 per share and a weighted average remaining life of 3.22 years were outstanding.

Expiry Date	Exercise Price	February 29, 2020	Granted	Exercised	Expired/Cancelled	May 31, 2020
May 04, 2020	\$1.00	14,000	-	-	(14,000)	-
June 5, 2021	\$0.50	50,000	-	-	-	50,000
May 26, 2022	\$1.50	64,000	-	-	-	64,000
May 22, 2023	\$1.00	150,000	-	-	-	150,000
October 23, 2023	\$0.70	100,000	-	-	-	100,000
September 23, 2024	\$0.41	215,000	-	-	-	215,000
		593,000	-	-	(14,000)	579,000

c) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options and agents' warrants at the grant date using the Black-Scholes option-pricing model.

During the period ended May 31, 2021, the Company issued 88,516 (2020 – 38,095) agents' warrants. Stock-based compensation expense using the Black-Scholes option pricing model was \$19,360 (2020 – \$10,582) for agents' warrants granted in the period.

The following assumptions were used for the Black-Scholes valuation of stock options granted:

	2021	2020
Risk-free interest rate	0.2400 - 0.2562%	0.2789%
Expected life of stock options	2 years	2 years
Annualized volatility	95.99 - 96.45%	119.68%
Dividend rate	0.00%	0.00%

Great Atlantic Resources Corp.

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(Unaudited)

NOTE 10 – SHARE CAPITAL (Continued)

d) Share Purchase Warrants

As at May 31, 2021, 10,323,535 share purchase warrants, with a weighted average exercise price of \$0.85 per share were outstanding.

Expiry Date	Exercise Price	February 28, 2021	Granted	Exercised	Expired/ Cancelled	May 31, 2021
July 27, 2021	\$0.75	420,000	-	-	-	420,000
August 6, 2021	\$0.75	894,000	-	-	-	894,000
August 7, 2021	\$0.75	340,000	-	-	-	340,000
August 12, 2021	\$0.75	346,000	-	-	-	346,000
August 18, 2021	\$0.65	90,000	-	-	-	90,000
December 22, 2021	\$1.50	50,000	-	-	-	50,000
May 23, 2022	\$1.00	200,000	-	-	-	200,000
June 09, 2022	\$1.25	435,000	-	-	-	435,000
June 14, 2022	\$1.25	232,500	-	-	-	232,500
June 26, 2022	\$1.25	332,500	-	-	-	332,500
October 16, 2022	\$2.20	344,922	-	-	-	344,922
March 11, 2023	\$0.75	-	263,158	-	-	263,158
March 29, 2023	\$0.75	-	545,455	-	-	545,455
September 16, 2023	\$0.75	2,396,000	-	-	-	2,396,000
September 21, 2023	\$0.75	2,084,000	-	-	-	2,084,000
February 22, 2024	\$0.75	1,350,000	-	-	-	1,1350,000
		9,514,922	808,613	-	-	10,323,535

As at May 31, 2020, 5,607,942 share purchase warrants, with a weighted average exercise price of \$0.98 per share were outstanding.

Expiry Date	Exercise Price	February 29, 2020	Granted	Exercised	Expired/ Cancelled	May 31, 2020
June 5, 2020	\$1.00	49,500	-	-	-	49,500
June 29, 2020	\$1.00	68,520	-	-	-	68,520
July 6, 2020	\$1.00	113,000	-	-	-	113,000
July 31, 2020	\$0.75	400,000	-	-	-	400,000
August 14, 2020	\$0.75	740,000	-	-	-	740,000
October 19, 2020	\$1.00	552,000	-	-	-	552,000
July 27, 2021	\$0.75	420,000	-	-	-	420,000
August 6, 2021	\$0.75	894,000	-	-	-	894,000
August 7, 2021	\$0.75	340,000	-	-	-	340,000
August 12, 2021	\$0.75	346,000	-	-	-	346,000
August 18, 2021	\$0.65	90,000	-	-	-	90,000
December 22, 2021	\$1.50	50,000	-	-	-	50,000
May 23, 2022	\$1.00	200,000	-	-	-	200,000
June 09, 2022	\$1.25	435,000	-	-	-	435,000
June 14, 2022	\$1.25	232,500	-	-	-	232,500
June 26, 2022	\$1.25	332,500	-	-	-	332,500
October 16, 2022	\$2.20	344,922	-	-	-	344,922
		5,607,942	-	-	-	5,607,942

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NOTE 10 – SHARE CAPITAL (Continued)

e) Agents' Warrants

As at May 31, 2021, 519,981 agents' warrants, with a weighted average exercise price of \$0.77 per share were outstanding.

Expiry Date	Exercise Price	February 28, 2021	Granted	Exercised	Expired/ Cancelled	May 31, 2021
August 12, 2021	\$0.475	24,000	-	-	-	24,000
November 4, 2021	\$0.475	33,684	-	-	-	33,684
May 26, 2022	\$0.42	38,095	-	-	-	38,095
June 09, 2022	\$1.25	18,500	-	-	-	18,500
June 14, 2022	\$1.25	13,250	-	-	-	13,250
June 26, 2022	\$1.25	7,500	-	-	-	7,500
October 15, 2022	\$0.51	39,215	-	-	-	39,215
October 16, 2022	\$2.20	33,492	-	-	-	33,492
November 13, 2022	\$0.65	30,769	-	-	-	30,769
March 11, 2023	\$0.75	-	15,789	-	-	15,789
March 29, 2023	\$0.55	-	72,727	-	-	72,727
September 16, 2023	\$0.75	103,560	-	-	-	103,560
September 21, 2023	\$0.75	48,000	-	-	-	48,000
February 22, 2024	\$0.75	41,400	-	-	-	41,400
		431,465	88,516	-	-	519,981

As at May 31, 2020, 193,761 agents' warrants, with a weighted average exercise price of \$0.99 per share were outstanding.

Expiry Date	Exercise Price	February 29, 2020	Granted	Exercised	Expired/ Cancelled	May 31, 2020
June 5, 2020	\$1.00	5,320	-	-	-	5,320
June 29, 2020	\$1.00	1,920	-	-	-	1,920
July 6, 2020	\$1.00	8,000	-	-	-	8,000
October 19, 2020	\$1.00	10,000	-	-	-	10,000
August 12, 2021	\$0.475	24,000	-	-	-	24,000
November 4, 2021	\$0.475	33,684	-	-	-	33,684
May 26, 2022	\$0.42	-	38,095	-	-	38,095
June 09, 2022	\$1.25	18,500	-	-	-	18,500
June 14, 2022	\$1.25	13,250	-	-	-	13,250
June 26, 2022	\$1.25	7,500	-	-	-	7,500
October 16, 2022	\$2.20	33,492	-	-	-	33,492
		155,666	38,095	-	-	193,761

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NOTE 11 – RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive) and senior management, including Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. The amounts due to related parties are non-interest bearing, unsecured, and have no fixed terms of repayment, unless otherwise disclosed.

As at May 31, 2021, the Company has the following amounts due to (from) related parties.

	May 31, 2021 \$	February 28, 2021 \$
Due to companies controlled by Directors and Officers for management services and expense reimbursements	-	1,450
Due from a company under common control	(40,200)	(40,200)
	<u>(40,200)</u>	<u>(38,750)</u>

The Company had the following transactions with related parties:

- Management fees totalling \$60,000 (2020 – \$45,000) plus \$5,004 (2020 - \$2,886) in travel and other allowances paid or accrued to a director and an officer of the Company during the period ended May 31, 2021.
- Rent and office reimbursements were received or accrued from companies under common control for use of a shared office space. As at May 31, 2021, \$40,200 (2020 - \$40,200) was receivable from these companies.

NOTE 12 – COMMITMENTS

- On August 31, 2013, the Company entered into a three-year agreement with an officer and a director for management services for monthly fees of \$10,000 plus reimbursement of all traveling and direct expenses. The agreement was renewed for an additional term of three years in August 2016. In September 2018, the monthly fee was increased to \$15,000 per month with a vacation payout and a \$25,000 bonus payout to be issued annually.
- The Company entered into an office space lease from August 21, 2012 to December 31, 2017 at \$5,802 per month. The term of the lease has been extended for another five years, commencing January 01, 2018 and expiring December 31, 2022 at \$6,252 per month.
- The Company entered into an equipment lease from May 1, 2018 to May 1, 2023 at \$1,376 per quarter.

NOTE 13 – SUPPLEMENTAL CASH FLOW INFORMATION

Significant Non-Cash Financing Activities

	May 31, 2021 \$	May 31, 2020 \$
Shares Issued for Exploration and Evaluation Assets	-	141,600
	<u>-</u>	<u>141,600</u>

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

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NOTE 14 – CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. 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 Company manages its share capital as capital, which as at May 31, 2021 was \$21,649,833 (February 28, 2021 – \$20,835,943). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended February 28, 2021, nor during the period ended May 31, 2021.

NOTE 15 – FINANCIAL INSTRUMENTS

The fair value of the Company's loans payable amounts, due from/to related parties, and accounts payable and accrued liabilities, approximate their carrying value, which is the amount recorded on the statements of financial position. The Company's other financial instruments, cash and marketable securities under the fair value hierarchy are recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is not significant.

b) 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 May 31, 2021, the Company has a working capital of \$1,496,849. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company will be required to fund these liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Loans payable accrue interest at 10%, and/or are non-interest bearing. Based on forecast interest rate movements and due to the short-term nature of these financial instruments, fluctuations in market rates are not expected to have a significant impact on estimated fair values.

d) Price Risk

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

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

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NOTE 16 – SUBSEQUENT EVENTS

On June 11, 2021, the Company closed a private placement offering for gross proceeds of \$2,060,000 consisting of \$1,360,000 in flow-through units at a price of \$0.68 per unit and \$700,000 in non-flow-through units at a price of \$0.50 per unit. Each flow-through unit is comprised of one common share that will qualify as a ‘flow-through share’ within the meaning of subsection 66(15) of the Income Tax Act and one common share purchase warrant. Each non-flow-through unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price equal to \$0.75 at any time up to 36 months from closing of the Offering. In connection with the Offering, the Company issued 187,200 units and 144,000 broker warrants to a finder. Each broker warrant is exercisable to acquire one unit at \$0.50 per unit for a period of 36 months from the issuance date.