Wildsky Resources

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Nine Months ended August 31, 2021

(Unaudited)

Notice of No Auditor Review

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), the Company discloses that the unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the nine months ended August 31, 2021 have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
AS AT

	Notes	August 31, 2021	November 30, 2020
ASSETS			
Current			
Cash		$ 240,166	$ 35,323
Restricted cash	8	-	800,000
Receivables		3,902	7,460
Prepaid expenses		6,250	4,842
Total current assets		250,318	847,625
Equity investment	6	7,340,290	8,083,526
Property, plant and equipment	3,4	45,730	21,067
Exploration and evaluation assets	3,5	212,495	-
Total assets		$ 7,848,833	$ 8,952,218
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 80,813	$ 81,467
Due to related parties	9	132,000	135,536
Convertible debentures	7	190,319	509,112
Total current liabilities		403,132	726,115
Shareholders' equity			
Share capital	8	54,104,351	52,983,761
Share subscription received in advance	8	-	800,000
Share-based payments reserve		10,163,462	10,072,391
Equity components of convertible debentures	7	24,000	94,727
Deficit		(56,846,112)	(55,724,776)
Total shareholders' equity		7,445,701	8,226,103
Total liabilities and shareholders' equity		$ 7,848,833	$ 8,952,218

Nature of operations and going concern (Note 1)

On behalf of the Board:

"Wilson Jin" Director   *"John Anderson"* Director

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended August 31, 2021	Three Months Ended August 31, 2020	Nine Months Ended August 31, 2021	Nine Months Ended August 31, 2020
EXPENSES				
Accretion of asset retirement obligation (Note 6)	$ -	$ 13,345	$ -	$ 40,038
Accretion of interest (Note 7)	10,409	28,938	57,407	64,421
Amortization (Note 4)	5,392	13,124	11,900	39,376
Consulting fee	17,282	4,107	21,868	10,570
Director fee	4,000	-	12,000	-
Filing and transfer agent	404	2,936	12,666	10,344
Management fees (Note 9)	48,000	42,000	142,000	126,000
Professional fees	-	20,819	23,353	23,663
Rent and office expenses (Note 9)	3,948	3,043	13,981	12,828
Shareholder relations	1,872	2,456	8,476	8,211
Salary and benefits	16,149	-	43,065	-
Stock based compensation (Note 8)	91,071	-	91,071	-
Camp maintenance	-	-	-	2,984
Total expenses	(198,527)	(130,768)	(437,787)	(338,435)
Interest income	-	2,215	-	3,274
Loss on dilution of equity investment	(417,227)	-	(417,227)	-
Share of loss on equity investment	(46,821)	-	(326,009)	-
Fair value adjustment on investments (Note 3)	-	2,968,200	-	2,357,100
	(464,048)	2,970,415	(743,236)	2,360,374
Income (loss) and comprehensive income (loss) for the period	$ (662,575)	$ 2,839,647	$ (1,181,023)	$ 2,021,939
Basic income (loss) per common share	$ (0.03)	$ 0.19	$ (0.07)	$ 0.14
Diluted income (loss) per common share	$ (0.03)	$ 0.14	$ (0.07)	$ 0.10
Weighted average number of common shares outstanding	24,458,509	14,839,813	16,335,579	14,839,813

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Nine Months Ended August 31, 2021	Nine Months Ended August 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	$ (1,181,023)	$ 2,021,939
Items not affecting cash:		
Accretion of asset retirement obligation	-	40,038
Accretion of interest	57,407	64,421
Amortization	11,900	39,376
Stock-based compensation	91,071	-
Loss on dilution of equity investment	417,227	-
Share of loss on equity investment	326,009	-
Fair value adjustment on investments	-	(2,357,100)
Changes in non-cash working capital items:		
Other receivables and prepaids	2,150	8,582
Accounts payable and accrued liabilities	(654)	(43,775)
Due to related parties	(3,536)	46,909
Net cash used in operating activities	(279,449)	(179,610)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share subscription received in advance	-	800,000
Share issuance costs	(6,450)	(7,959)
Proceeds from convertible debentures	-	200,000
Repayment of loan principal	(10,000)	-
Repayment of loan interest	(50,200)	(30,200)
Net cash provided by (used in) financing activities	(66,650)	961,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	(212,495)	-
Restricted cash	800,000	(800,000)
Acquisition of property, plant and equipment	(36,563)	(30,961)
Net cash provided by (used in) investing activities	550,942	(830,961)
Change in cash during the period	204,843	(48,730)
Cash, beginning of period	35,323	169,901
Cash, end of period	$ 240,166	$ 121,171

Supplemental disclosures with respect to cash flows (Note 13)

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share Capital						
	Number	Amount	Share subscription received in advance	Share-Based Payments Reserve	Equity component of convertible debentures	Deficit	Total
Balance, November 30, 2019	14,839,813	$ 52,991,720	$ -	$ 10,072,391	$ 36,240	$ (56,823,173)	$ 6,277,178
Share subscription received in advance	-	-	800,000	-	-	-	800,000
Equity component of convertible debentures	-	-	-	-	58,487	-	58,487
Share issuance costs	-	(7,959)	-	-	-	-	(7,959)
Net income for the period	-	-	-	-	-	2,021,939	2,021,939
Balance, August 31, 2020	14,839,813	52,991,720	800,000	10,072,391	94,727	(54,801,234)	9,149,645
Net loss for the period	-	-	-	-	-	(923,542)	(923,542)
Balance, November 30, 2020	14,839,813	52,983,761	800,000	10,072,391	94,727	(55,724,776)	8,226,103
Shares issued for cash	8,000,000	800,000	(800,000)	-	-	-	-
Share issuance costs	-	(6,450)	-	-	-	-	(6,450)
Equity component of convertible debentures	-	-	-	-	(35,687)	59,687	24,000
Conversion of convertible debenture	2,920,000	327,040	-	-	-	-	292,000
Share-based compensation	-	-	-	91,071	-	-	91,071
Net loss for the period	-	-	-	-	-	(1,181,023)	(1,181,023)
Balance, August 31, 2021	25,759,813	$ 54,104,351	$ -	$ 10,163,462	$ 24,000	$ (58,846,112)	$ 7,445,701

1. NATURE OF OPERATIONS AND GOING CONCERN

Wildsky Resources Inc. ("Wildsky" or the "Company") was incorporated in January 2006 under the laws of British Columbia, Canada. The Company's registered office is Suite 890 – 580 Hornby Street, Vancouver, British Columbia, Canada. Wildsky is listed on the TSX Venture Exchange under the trading symbol "WSK". The Company and its subsidiary are in the business of acquisition, exploration and development of mineral properties.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. As the Company is in the exploration stage, no revenue has been generated to date. At August 31, 2021, the Company had cash of $240,116 (November 30, 2020 - $35,323), a working capital deficiency of $152,814 (November 30, 2020 – working capital of $121,510) and a deficit of $56,846,112 (November 30, 2020 - $55,724,776).

In the past, operating capital and exploration requirements have been funded primarily from equity and debt financing and the Company will need to arrange equity or other financing in the near future in order to continue in operation. While the Company has been successful in raising capital in the past, there can be no assurance that such financing will be available to the Company in the amount required or that it can be obtained on terms satisfactory to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with IAS 34 Interim Financial Reporting. These financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended November 30, 2020.

These financial statements were approved and authorized for issue by the Board of Directors on September 30, 2021.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Basis of consolidation

These consolidated financial statements include the balances and results of the Company and those entities over which the Company exercises control:

Subsidiary	Jurisdiction	Nature of business	Direct or Indirect Ownership August 31, 2021	Direct or Indirect Ownership November 30, 2020
Cassiar Gold (2020) Corp.	BC, Canada	Mineral property exploration	-	-
1248120 BC Ltd.	BC, Canada	Inactive	100%	100%
1187935 BC Ltd.	BC, Canada	Holding Company	100%	-
Zijin Midas (Nigeria) Limited	The Federal Republic of Nigeria	Holding Company	100%	-

The Company consolidates these subsidiaries on the basis that it controls these subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated on consolidation.

As of October 9, 2020, the Company transferred 100% of its interest in Cassiar Gold (2020) Corp. ("Cassiar (2020)") to Cassiar Gold Corp. ("Margaux" formerly "Margaux Resources Inc.") according to the option agreement dated March 25, 2019. (Notes 3 and 5). As a result, the Company ceased to consolidate Cassiar (2020)'s financial statements from October 9, 2020.

Management judgments and estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management use of estimates, assumptions and judgment that impact the Company's reported financial results. These estimates are based on past experiences and expectations of future events. Uncertainty on these judgments could result in material differences of the carrying amounts in the Company's financial position.

The key judgments and estimates that affect the consolidated financial statements are:

Impairment of exploration and evaluation assets (E&E assets)

The Company carries out an impairment assessment on its E&E assets when circumstances indicate their carrying values may exceed their recoverable amounts. The process of determining the impairment involves significant judgment and estimation on the recoverability of the E&E assets as it relies on both an interpretation of geological and technical data as well as market conditions including commodity prices, investor sentiment and global financing. As new information comes up, the recoverable amounts of the assets and the impairment loss may differ from these judgments and estimates.

Impairment of property, plant and equipment

The Company carries out an impairment assessment on its property, plant and equipment when circumstances indicate their carrying values may exceed their recoverable amounts. The process of determining the impairment involves significant judgment and estimation on the recoverability of the carrying value of the property, plant and equipment, which is impacted by factors such as the condition of and demand for such assets. Therefore, actual recoverable amounts of the assets and the impairment loss may differ from these judgments and estimates.

(Expressed in Canadian dollars)

3. DISOPOSAL OF SUBSIDAIRY

As of October 9, 2020, the Company transferred 100% of its interest in Cassiar (2020) to Margaux according to the option agreement dated March 25, 2019. (Note 5) for total proceeds of $5,790,990 (cost of 11,640,000 of Margaux shares received). The proceeds have been recorded to reduce the carrying value of the exploration and evaluation assets when received.

Details of the disposal are as follows:

Carrying amounts of net assets over which control was lost:	$
Non-current assets	
Property, plant and equipment (Note 4)	400,706
Reclamation bonds (Note 5)	354,944
Exploration and evaluation assets (Note 5)	2,439,801
Total assets	3,195,451
Non-current liabilities	
Asset retirement obligation (Note 5)	2,849,821
Total liabilities	(2,849,821)
Loss on disposal of subsidiaries	
Net assets derecognized	(345,630)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Computers	Geological equipment	Total
Cost					
Balance, November 30, 2019	$ 20,000	$ 875,217	$ 3,072	$ -	$ 898,289
Additions	-	-	-	30,961	30,961
Disposal of subsidiary (Note 3)	(20,000)	(875,217)	-	-	(895,217)
Balance, November 30, 2020	-	-	3,072	30,961	34,033
Additions	-	-	3,393	33,170	36,563
Balance, August 31, 2021	$ -	$ -	$ 3,072	$ 64,131	$ 70,596
Accumulated amortization					
Balance, November 30, 2019	$ -	$ 463,643	$ 1,621	$ -	$ 465,264
Additions	-	30,868	1,024	10,321	42,213
Disposal of subsidiary (Note 3)	-	(494,511)	-	-	(494,511)
Balance, November 30, 2020	-	-	2,645	10,321	12,966
Additions	-	-	474	11,426	11,900
Balance, August 31, 2021	$ -	$ -	$ 3,119	$ 21,747	$ 24,866
At November 30, 2020	$ -	$ -	$ 427	$ 20,640	$ 21,067
At August 31, 2021	$ -	$ -	$ 3,346	$ 42,384	$ 45,730

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Nasarawa Property (Nigeria)	*Tsorena Property (Ethiopia)*	*Cassiar Property (BC, Canada)*	***Total***
Balance, November 30, 2019	$ -	$ -	$ 6,839,004	$ 6,839,004
BC Mining Exploration Tax Credit	-	-	(5,103)	(5,103)
Margaux Payment shares	-	-	(4,394,100)	(4,394,100)
Disposal of subsidiary (Note 3)	-	-	(2,439,801)	(2,439,801)
Balance, November 30, 2020	-	-	-	-
Acquisition costs	122,496	66,475	-	188,971
License maintenance	23,824	-	-	23,824
Balance, August 31, 2020	$ 146,020	$ 66,475	$ -	$ 212,495

Nasarawa Property (the Federal Republic of Nigeria)

In December 2020, the Company received approval from the TSX-V for its acquisition of 1187935 BC Limited (“1187935 BC”). 1187935 BC legally and beneficially owns 9,900,000 ordinary shares (out of 10,000,000 ordinary shares issued and outstanding, the “Shares”) of Zijin Midas Nigeria Limited (“ZMNL”), a private company incorporated in the Federal Republic of Nigeria. The remaining 100,000 shares of ZMNL are held by an individual in trust for the Company.

Pursuant to a Share Purchase Agreement (the Agreement) with 1187395 BC dated December 5, 2019, the Company paid cash consideration of US$96,000 ($122,496). On December 15, 2020, the Company obtained a 100% interest in 1187935 BC.

ZMNL holds ten Exploration Licenses (the “EL’s”) in Nigeria, three of the EL’s pertain to niobium-tantalum (“Nb-Ta”) exploration (each being a “Nb-Ta EL”), and the remaining seven EL’s are for gold and lead-zinc exploration (each being a “Au-Pb EL”). The ten EL’s cover a total area of 742 km².

The EL’s are subject to a call option (the “Slight Edge Option”) in favour of Slight Edge HK Limited (“Slight Edge”). Slight Edge’s Nigerian subsidiary assisted ZMNL through the application process which lead to the issuance of the EL’s. According to a call-option deed entered into between ZMNL and Slight Edge, Slight Edge has an option permitting it to obtain up to a 30% interest in the seven Au-Pb EL’s and a 20% interest in the three Nb-Ta EL’s. Slight Edge may exercise its Slight Edge Option before February 8, 2021 by reimbursing ZMNL for its respective percentage of costs and expenses incurred by ZMNL with respect to the EL’s.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Tsorena Property (the Federal Democratic Republic of Ethiopia)

On July 8, 2021, the Company was issued Exploration License #00570, which convers an area about 395.64 km², located in Tigray National Regional State, Central Zone, Enticho Woreda, Ethiopia. The Tsorena Property focuses on gold and base metal exploration.

The Company paid $66,475 (US$52,905) for license application, data and document purchase.

Cassiar Project, British Columbia

The Company, through its subsidiary Cassiar (2020), owned 100% of the Cassiar project's mineral assets. The Cassiar project is located in northern British Columbia, Canada.

On March 25, 2019, the Company entered into an option agreement (the "Agreement") with Margaux, a TSX-V listed junior exploration company. Pursuant to the terms of the Agreement, the Company granted (the "Transaction") Margaux an option (the "Option") to acquire all of the common shares in the capital of the Company's wholly-owned subsidiary Cassiar (2020).

In October 2020, Margaux completed all obligations under the Agreement. As a result, the Company transferred 100% of its interest in Cassiar (2020) to Margaux as of October 9, 2020.

During the year ended November 30, 2020, the Company received 8,148,000 (2019 – 3,492,000) common shares (the "Payment Shares") in the capital of Margaux, valued at $4,394,100 (2019 - $1,396,800) at the time of receipt.

Asset retirement obligations ("ARO") and reclamation bonds

Cassiar (2020) has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

	Year ended November 30, 2020
Asset retirement obligation – beginning balance	$ 2,809,783
Changes in estimates	-
Accretion expense	40,038
Disposal of subsidiary (Note 3)	(2,849,821)
Asset retirement obligation – ending balance	$ -

As of October 9, 2020, the disposal date, Cassiar (2020) had $354,944 of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. The reclamation bonds are interest bearing at the prime rate less 0.60% and 0.70% respectively. The reclamation bonds are hypothecated and automatically renewed upon maturity.

(Expressed in Canadian dollars)

6. INVESTMENTS ACCOUNTED UNDER EQUITY METHOD

		Amount
Balance, as at November 30, 2019	$	-
Amount transferred to equity investment on October 2, 2020		8,148,000
Loss on dilution of investment in equity investment		(5,534)
Share of loss on equity investment		(58,940)
Balance, as at November 30, 2020		8,083,526
Loss on dilution of investment in equity investment		(417,227)
Share of loss on equity investment		(326,009)
Balance, as at August 31, 2021	$	7,340,290

During the year ended November 30, 2020, the Company received 8,148,000 (2019 – 3,492,000) common shares in the capital of Margaux (Note 5).

As of October 2, 2020, upon receiving the last tranche of Margaux Payment Shares, the Company holds 11,640,000 common shares of Margaux, representing 25.98% of the total issued and outstanding shares of Margaux. Before October 2, 2020, the Company held less than a 20% interest in Margaux. The investment in Margaux was measured as financial assets at fair value through profit or loss. During the three months ended February 29, 2020, the Company recognized $611,100 of loss on fair value adjustment on investment.

Starting October 2, 2020, the investment in Margaux is accounted for using the equity method. The fair value of the 11,640,000 Margaux shares, $8,148,000, was transferred from financial assets at fair value through profit or loss to equity investment.

On October 30, 2020, Margaux closed on a non-brokered private placement of 3,252,867 units of Margaux at a purchase price of $0.60 per unit, 3,775,715 flow-through units at a purchase price of $0.70 per unit, and 2,508,333 charitable flow-through units a purchase price of $0.82 per unit, for total proceeds of $6,650,000. As a result of the private placement, the Company’s shareholding in Margaux decreased to 21.42%.

On August 14, 2021, Margaux closed on a non-brokered private placement of 520,971 flow-through units at a price of $0.60 per unit and 5,312,360 premium flow-through units at a price of $0.60 per unit, for total proceeds of $3,500,000. As a result of the private placement, the Company’s shareholding in Margaux decreased to 19.34%.

From October 2, 2020 to November 30, 2020, the Company recognized a loss on the dilution of its investment in Margaux in the amount of $5,534, which was the result of Margaux issuing additional shares on October 30, 2020 and the Company’s shareholding in Margaux decreasing to 21.42% as of November 30, 2020.

(Expressed in Canadian dollars)

6. INVESTMENTS ACCOUNTED UNDER EQUITY METHOD (cont'd…)

From October 2, 2020 to November 30, 2020, the Company recognized $58,940 of Margaux's loss during the period. The Company estimated the loss during the period by using the most recent available financial statements of Margaux which is for its fiscal year ended September 30, 2020 and then adjusting significant transactions of Margaux that occurred between September 30, 2020 and November 30, 2020.

During the nine months ended August 31, 2021, the Company recognized $417,227 of loss on dilution and $326,009 of Margaux's loss of its nine-month period from October 1, 2020 to June 30, 2021.

The following summarize Margaux's most available financial info:

	As at June 30, 2021	As at September 30, 2020
Current assets	$ 3,967,129	$ 2,177,890
Non-current assets	$ 15,456,467	$ 6,828,857
Current liabilities	$ (849,488)	$ (767,491)

	Nine months ended June 30, 2021	Year ended September 30, 2020
Total revenue	$ -	$ -
Total expenses	$ (1,834,814)	$ (2,036,274)
Net loss and comprehensive loss	$ (1,545,576)	$ (2,449,549)

7. CONVERTIBLE DEBENTURES

	Nine months ended August 31, 2021	Year ended November 30, 2020
Convertible debenture – beginning balance	$ 509,112	$ 302,920
Convertible debentures at issuance	-	177,753
Convertible debentures at renewal	(200,000)	(302,000)
Convertible debentures revalued at renewal	176,000	265,760
Conversion of convertible debentures	(292,000)	-
Repayment of principal	(10,000)	-
Interest accretion	57,407	94,879
Interest payment	(50,200)	(30,200)
Convertible debenture – ending balance	$ 190,319	$ 509,112

7. CONVERTIBLE DEBENTURES (cont'd…)

Convertible Debenture May 2019

In May 2019, the Company closed a non-brokered, private placement of debentures (the "Debentures") of the Company at a price of $1,000 per Debenture for gross proceeds of $302,000. Each Debenture bears an annual simple interest rate of 10% over its term of up to twelve months (the "Term"). The Debenture holder may, at any time and from time to time up to maturity, elect to convert the outstanding Debentures into common shares in the capital of the Company at a price of $0.10 per share.

On May 20, 2020, the Debentures were renewed for a year at the same terms. The Company repaid interest of $30,200 at the renewal date.

For accounting purposes, the renewed Debentures are separated into their liability ($265,760) and equity components ($36,240) by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows of the Debentures assuming an 25% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the Debentures and the fair value of the liability component.

On May 20, 2021, the principal of $292,000 was converted into 2,929,000 common shares of the Company at a conversion price of $0.10. The Company repaid the remaining principal of $10,000 and interest of $30,200. At the date of conversion, the carrying amount of liabilities $292,000 and equity components of the debts $35,040, totalling $327,040, was transferred to share capital. The Company transferred the remaining $37,440 in equity components of debts to deficit. There is no gain or loss recorded at conversion.

During the nine months ended August 31, 2021, the Company recorded $29,280 (2020 - $48,317) of accretion and interest on this debt.

Convertible Debenture April 2020

In April 2020, the Company closed a non-brokered, private placement of debentures (the "Debentures") of the Company at a price of $1,000 per Debenture for gross proceeds of $200,000. Each Debenture bears an annual simple interest rate of 10% over its term of up to twelve months (the "Term"). The Debenture holder may, at any time and from time to time up to maturity, elect to convert the outstanding Debentures into common shares in the capital of the Company at a price of $0.10 per share.

On April 25, 2021, the Debentures were renewed for a year at the same terms. The Company repaid interest of $20,000 at the renewal date.

For accounting purposes, the renewed Debentures are separated into their liability ($176,000) and equity components ($24,000) by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows of the Debentures assuming an 25% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the Debentures and the fair value of the liability component. The Company transferred the $22,470 in equity components of debts to deficit. There is no gain or loss recognized at the renewal date.

During the nine months ended August 31, 2021, the Company recorded $28,127 (2020 - $16,104) of accretion and interest on this debt.

(Expressed in Canadian dollars)

8. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

Share issuance

During the nine months ended August 31, 2021:

1) On December 15, 2020, the Company closed a non-brokered private placement by issuing 8,000,000 units at a price of $0.10 per unit for gross proceeds of $800,000 (received in May 2020). Each unit is comprised of one common share and ½ of one share purchase warrant (each whole warrant being a "Warrant"). Each Warrant is exercisable into a common share at a price of $0.15 per Warrant Share till December 15, 2023. The Company paid filing fee of $4,750 and legal fee of $1,700

2) The Company issued 2,920,000 shares pursuant to the convertible debts issued in May 2019 (Note 7) with a value of $327,040.

There were no share issuances during the year ended November 30, 2020.

Stock options

The Company has a stock option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees and consultants. The term of the option grants is up to ten years and vests immediately except for stock options granted to investor relations consultants whereby these options vest over 12 months. The maximum number of common shares reserved for issue shall not exceed 10% of the total number of common shares issued and outstanding as at the grant date.

On July 27, 2021, the Company granted to a director 500,000 stock options, exercisable at $0.20 per share for a term of 3 years. These options vested on the date of grant. The fair value of the stock options granted was $91,071 ($0.18 per option).

The fair value of the stock options granted was determined using the Black-Scholes option price modelling with the following assumptions:

Weighted average assumptions	Nine months ended August 31, 2021
Risk free interest rate	0.56%
Volatility	212.55%
Expected life of options	3 years
Dividend rate	0%

Expected stock price volatility was derived from the historical closing price of the Company's stock for a length of time equal to the expected life of the options. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0.00% in determining the expense recorded in the accompanying consolidated statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (*cont'd…*)

Stock options *(cont'd…)*

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, November 30, 2019 and 2020	1,400,000	$	0.10
Granted	500,000		0.20
Expired/cancelled	(400,000)		0.10
Balance, August 31, 2021	1,500,000	$	0.13
Exercisable, at August 31, 2021	1,500,000	$	0.13

As at August 31, 2021, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
1,000,000	$ 0.10	August 7, 2024
500,000	$ 0.20	July 26, 2024

Warrants

On December 15, 2020, the Company closed a non-brokered private placement by issuing 8,000,000 units at a price of $0.10 per unit for gross proceeds of $800,000. Each unit is comprised of one common share and ½ of one share purchase warrant (each whole warrant being a "Warrant"). Each Warrant is exercisable into a common share at a price of $0.15 per Warrant Share till December 15, 2023.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (*cont'd…*)

Warrants *(cont'd…)*

The continuity of the Company's warrants as of August 31, 2021 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2019	7,245,000	$ 0.30
Expired	(7,245,000)	0.30
Balance, November 30, 2020	-	-
Issued	4,000,000	0.15
Balance, August 31, 2021	4,000,000	$ 0.15

As at August 31, 2021, the following warrants are outstanding:

Number of Options	Exercise Price	Expiry Date
4,000,000	$ 0.15	December 14, 2023

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the nine months ended August 31, 2021:

a) the Company paid or accrued management fee of $88,000 (2020 - $72,000) to a company controlled by the CEO and President. As of August 31, 2021, $76,000 (November 30, 2020 - $84,400) payable to the company controlled by the CEO and President was included in due to related parties.

On May 21, 2019, the company controlled by the CEO and President subscribed for 42 units of the Company's convertible debenture for a principal of $42,000 which was converted into 420,000 shares (Notes 7 ad 8) on May 21, 2021. The Company paid interest of $4,200 (2020 - $4,200) to the company controlled by the CEO and President.

b) the Company paid or accrued management of $54,000 (2020 -$54,000) to a company controlled by the CFO. As of August 31, 2021, $44,000 (November 30, 2020 - $50,300) payable to the company controlled by the CFO was included in due to related parties.

On May 21, 2019, the CFO subscribed for 10 units of the Company's convertible debenture for a principal of $10,000 which was converted into 100,000 shares (Notes 7 ad 8) on May 21, 2021. The Company paid interest of $1,000 (2020 - $1,000) to the CFO.

c) the Company accrued directors' fees of $12,000 (2020 -$Nil) to three directors. As of August 31, 2021, $12,000 (November 30, 2020 - $Nil) payable to the three directors was included in due to related parties.

d) the Company granted 500,000 (2020 – Nil) stock options to a director, valued at $91,071 (2020 - $Nil) (Note 8).

Accounts payable to related parties do not bear interest, are unsecured and repayable on demand.

(Expressed in Canadian dollars)

10. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets located in Africa.

11. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The Company's accounts payable and accrued liabilities, due to related parties, and convertible debentures are measured at amortized cost. Its financial assets, cash, is measured at fair value and GST receivable, is measured at amortized cost. The Company's carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

The Company's financial instruments as at August 31, 2021 are as follows:

	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash	$ 240,166	$ -	$ -
Financial assets at amortized costs			
Other receivables	$ 3,902	$ -	$ -
Financial liabilities at amortized costs			
Accounts payable and accrued liabilities	$ 80,813	$ -	$ -
Due to related parties	$ 132,000	$ -	$ -
Convertible debentures	$ -	$ 190,319	$ -

Liquidity risk

Liquidity risk is the risk that the Company might not be able to meet its obligations and commitments as they come due. As at August 31, 2021, the Company had cash of $240,166 (November 30, 2020 - $35,323) and a working capital deficiency of $152,814 (November 30, 2020 – working capital of $121,510).

Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash and receivables on its consolidated statement of financial position.

11. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT (cont'd…)

Market risk

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

i. Interest rate risk
Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's convertible debentures bear interest at 10% per annum. The Company's exposure to interest rate risk is insignificant.

ii. Foreign currency risk
Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

iii. Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

12. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure its ability to continue as a going concern to meet its operational obligations and to maintain capital access to fund its mineral exploration activities in the Federal Republic of Nigeria.

The capital that the Company manages is the total of liabilities and equity on the consolidated statements of financial position. The Company may modify the capital structure to meet its funding needs by issuing new equity shares and/or debt instruments, disposing assets or bringing in joint venture partners. To facilitate the management of its capital, the Company prepares annual budgets approved by the Board of Directors. The budget is reviewed and updated periodically to account for changes in the expenditures and economic conditions. The Company is not subject to any externally imposed capital requirements.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the nine months ended August 31, 2021, the Company converted $292,000 of convertible loan into 2,920,000 shares (Note 8).

During the nine-month period ended August 31, 2020, the Company recorded a reduction of $1,134,900 to the exploration and evaluation assets which is the fair value of the 17,460,000 shares received from Margaux pursuant to the option agreement (Note 5).