MAJOR PRECIOUS METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended September 30, 2021 and 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Major Precious Metals Corp.

Opinion

We have audited the consolidated financial statements of Major Precious Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2021 and 2020, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Cherry Ho.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 22, 2021

MAJOR PRECIOUS METALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	September 30, 2021	September 30, 2020
	$	$
ASSETS		
Current		
Cash	**852,064**	640,390
Amounts receivable (Note 7)	**146,397**	16,950
Prepaid expenses	**312,678**	285,145
	1,311,139	942,485
Non-Current		
Acquisition prepayment	**-**	50,000
Exploration and evaluation assets (Note 4)	**10,349,703**	120,640
Total Assets	**11,660,842**	1,113,125
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	**5,942,689**	265,889
Due to related parties (Note 8)	**185,418**	123,025
Loans payable (Note 6)	**4,133,567**	245,066
Total Liabilities	**10,261,674**	633,980
Shareholders' Equity		
Share capital (Note 7)	**38,561,264**	12,621,226
Reserves (Note 7)	**3,191,038**	1,835,076
Deficit	**(40,353,134)**	(13,977,157)
Total shareholders' equity	**1,399,168**	479,145
Total liabilities and shareholders' equity	**11,660,842**	1,113,125

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved by the board of directors and authorized for issue on December 22, 2021

"Joel Dumaresq"	*"Stephen Stine"*
Director	Director

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

MAJOR PRECIOUS METALS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Year ended	
	September 30, 2021	September 30, 2020
	$	$
Expenses		
Consulting (Note 8)	**1,430,790**	404,609
Exploration and evaluation (Note 11)	**21,524,087**	171,673
Filing fees	**202,492**	25,232
Interest expenses (Note 6)	**75,709**	17,458
Marketing	**1,543,663**	516,350
Office expenses (Note 8)	**50,112**	25,012
Professional fees (Note 8)	**210,544**	72,207
Property investigation	**-**	20,000
Rent (Note 8)	**21,600**	21,600
Share based compensation (Note 7)	**1,316,984**	812,413
Total Expenses	**(26,375,981)**	(2,086,554)
Other Items		
Interest Income	**4**	9
Impairment (Note 4)	**-**	(5,070,092)
Net and comprehensive loss for the year	**(26,375,977)**	(7,156,637)
Basic and diluted loss per share for the year	**(0.13)**	(0.08)
Weighted average number of common shares outstanding, basic and diluted	**203,845,273**	84,553,065

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

MAJOR PRECIOUS METALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Share capital				
	Number of shares	Amount	Share-based payment reserve	Deficit	Total Shareholders' Equity
	#	$	$	$	$
Balance, September 30, 2019	**67,802,175**	**8,389,687**	**774,302**	**(6,820,520)**	**2,343,469**
Net and comprehensive loss for the year	-	-	-	(7,158,637)	(7,158,637)
Shares issued – non-brokered private placement (Note 7)	40,000,000	2,000,000	-	-	2,000,000
Share issuance costs – finders shares and warrants (Note 7)	2,765,000	(248,361)	248,361	-	-
Acquisition of mineral property – BMC Maritime. (Note 4, 7)	1,000,000	25,000	-	-	25,000
Acquisition of mineral property – Clear Lake. (Note 4, 7)	5,010,000	2,454,900	-	-	2,454,900
Share based compensation (Note 7)	-	-	812,413	-	812,413
Balance, September 30, 2020	**116,577,175**	**12,621,226**	**1,835,076**	**(13,977,157)**	**479,145**
Net and comprehensive loss for the year	-	-	-	(26,375,977)	(26,375,977)
Shares issued – non-brokered private placement (Note 7)	38,771,430	12,535,000	-	-	12,535,000
Share issuance costs – Finders' cash, shares and warrants (Note 7)	371,000	(893,275)	373,702	-	(519,573)
Acquisition of mineral property – Skaergaard (Note 4, 7)	55,000,000	8,507,813	-	-	8,507,813
Finders' shares – Skaergaard (Note 4,7)	3,850,000	866,250	-	-	866,250
Acquisition of mineral property – BMC Maritime. (Note 4, 7)	1,000,000	300,000	-	-	300,000
Warrants exercised (Note 7)	29,660,453	4,016,350	(59,732)	-	3,956,618
Stock options exercised (Note 7)	3,434,890	607,900	(274,992)	-	332,908
Share based compensation (Note 7)	-	-	1,316,984	-	1,316,984
Balance, September 30, 2021	**248,664,948**	**38,561,264**	**3,191,038**	**(40,353,134)**	**1,399,168**

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

MAJOR PRECIOUS METALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended September 30, 2021 and 2020
(Expressed in Canadian dollars)

	September 30, 2021 $	September 30, 2020 $
Operating Activities		
Loss for the year	**(26,375,977)**	(7,156,637)
Items not affecting cash:		
Accrued interest	**46,051**	17,458
Impairment	**-**	5,070,092
Share based compensation	**1,316,984**	812,413
Changes in non-cash working capital items:		
Receivables	**(129,447)**	5,519
Prepaid expenses	**(27,533)**	(260,145)
Accounts payable and accrued liabilities	**5,739,193**	95,676
Cash used in operating activities	**(19,430,729)**	(1,415,624)
Investing Activities		
Prepayment for mineral property acquisition	**-**	(50,000)
Acquisition of mineral properties	**(505,000)**	(50,000)
Cash used in investing activities	**(505,000)**	(100,000)
Financing Activities		
Proceeds from non-brokered private placement	**11,697,877**	2,000,000
Proceeds from options exercised	**332,908**	-
Proceeds from warrants exercised	**3,956,618**	-
Proceeds from loans	**4,700,000**	25,000
Repayment of loans	**(540,000)**	-
Cash generated by financing activities	**20,147,403**	2,025,000
Net change in cash during the year	**211,674**	509,376
Cash, beginning of the year	**640,390**	131,014
Cash, ending of the year	**852,064**	640,390
Supplementary cash flow information		
Shares issued to acquire mineral property options	**8,807,813**	2,479,900
Shares issued as finders fees	**991,410**	-
Warrants issued as finders fees	**373,702**	-
Loans repaid by private placement subscriptions	**317,550**	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Major Precious Metals Corp. (the "Company") was incorporated under the provisions of the *Business Corporations Act* (British Columbia) on June 5, 2006. On September 4, 2018 the Company's common shares began trading on the Canadian Securities Exchange (the "CSE") under the symbol "EZNC". On June 17, 2020 the name was changed to Major Precious Metals Corp., and on June 22, 2020 the Company started trading on the CSE under the name Major Precious Metals Corp., under the symbol "SIZE". On September 29, 2021, the Company's common shares commenced trading on the Aequitas Neo Exchange under the symbol "SIZE". As a result, the Company ceased to be a "venture issuer", as that term is defined under National instrument 51-102.The Company is a junior exploration company focused on the acquisition, exploration, and development of resources properties.

The Company has its administration office and registered records office at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

These consolidated financial statements have been prepared on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of operations rather than through a process of forced liquidation. As at September 30, 2021, the Company had no source of revenue, had a working capital deficiency of $8,950,535 (2020 – positive $308,505) and an accumulated deficit of $40,353,134 (2020 - $13,977,157). The ability of the Company to continue as a going concern depends upon its ability to identify, evaluate and negotiate acquisitions of viable projects and to continue to raise adequate financing and attain future profitable operations. Management is continually targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business to ensure continuation of the Company's operations and exploration programs. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. While this has been successful in the past, there is no assurance that such financing will be available in the future. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The pandemic could result in delays in the course of business, including potential delays to its exploration efforts/activities/programs, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). The Board of Directors approved these consolidated financial statements on December 22, 2021.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Cont'd)

c) Functional and presentation currency

In management's judgement, the functional currency of the Company and subsidiaries are the Canadian dollar. The presentation currency used in preparing these consolidated financial statements of the Company is also the Canadian dollar.

d) Basis of consolidation

As of the date of these consolidated financial statements, the Company's structure is represented by Major Precious Metals as the parent company, and the following wholly owned subsidiaries:

Name	Place of Incorporation	September 30, 2021 Interest	September 30, 2020 Interest
Joubin Capital Inc.	British Columbia	100%	100%
1185779 BC Ltd.	British Columbia	100%	100%
1186835 BC Ltd.	British Columbia	100%	100%
Skaergaard Mining A/S	Greenland	100%	-

e) Significant accounting judgements and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The most significant judgments applied in the Company's consolidated financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or condition that may give rise to significant uncertainty.

b) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

c) Judgements used in determining the realizable value of its exploration properties.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currencies

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries are the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in net loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income (loss) is defined as revenues, expenses, gains and losses that are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as fair value through other comprehensive income ("FVTOCI") and the foreign exchange amounts arising from the translation of the Company's net investment in its foreign operations.

c) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options (including any estimated forfeitures). The fair value of direct awards of shares is determined by the quoted market price of the Company's stock.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

d) Reclamation and environmental obligation

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact any amounts charged to operations for reclamation and remediation. During the periods presented, no reclamation obligations were incurred and therefore, no provision has been recorded. This represents management's best estimate of the present value of future reclamation and remediation obligations. Actual future expenditures may differ from the estimate.

e) Exploration and evaluation assets

The Company capitalizes the direct costs of acquiring mineral property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option. Exploration and evaluation costs are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and development costs are capitalized. Exploration and evaluation costs include the related value-added taxes because the recoverability of these amounts is uncertain. Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e) Exploration and evaluation assets (Cont'd)

frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests is in good standing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are tested for impairment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

f) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share amounts are calculated whereby the proceeds received from the exercise of stock options and warrants would be used to repurchase common shares at the prevailing market rate. Under this method, the basic and diluted loss per share is the same, as the effect of common shares issuable upon the exercise of warrants and stock options of the Company would be anti-dilutive.

g) Cash and cash equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

h) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Any tax currently payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

i) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at FVTOCI or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company has the below financial assets and liabilities:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts receivable for subscription	Amortized cost
Accounts payable	Amortized cost
Due to related parties	Amortized cost
Loan payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

i) Financial instruments (Cont'd)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

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

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

j) Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Proceeds from unit placements are allocated between share and warrants using the residual method.

Changes in accounting standards

New Standards issued but not yet effective

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Skaergaard Project $	Maritime Properties $	Clear Lake $	Bulkley-Nechako $	Total $
Balance, September 30, 2019	-	1,226,342	1,420,000	14,490	2,660,832
Acquisition	-	25,000	2,504,900	-	2,529,900
Impairment	-	(1,130,702)	(3,924,900)	(14,490)	(5,070,092)
Balance, September 30, 2020	-	120,640	-	-	120,640
Acquisition	9,929,063	300,000	-	-	10,229,063
Balance, September 30, 2021	9,929,063	420,640	-	-	10,349,703

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

Skaergaard project Greenland

The Company entered into a definitive purchase agreement with Platina Resources Ltd. ("Platina") on June 1, 2020 and acquired 100% interest in the Skaergaard precious metal project. The Skaergaard project consists of initially two exploration licences located on the east coast of Greenland. Subsequently the company applied and obtained an additional exploration license adjacent to the Skaergaard project, expanding the Company's license position.

In consideration for the Skaergaard project, the Company paid a one-time cash payment of $500,000 (paid October 27, 2020) and issued 55,000,000 common shares with a fair value of $8,507,813 (issued October 26, 2020), estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restriction. The consideration shares are subject to a 24-month time release pooling arrangement, during which time they may not be transferred, assigned, pledged or otherwise traded. The consideration shares will be released from the pooling arrangement in four equal tranches, with the first release after six months and each subsequent release occurring every six months thereafter. The consideration shares are subject to an accelerated release in connection with share price performance, changes in corporate structure or the distribution of the consideration shares to the shareholders of Platina. At September 30 2021, there were 41,250,000 shares remaining in escrow and to be released as follows:

October 26, 2021 - 13,750,000 shares
April 26, 2022 – 13,750,000 shares
October 26, 2022 – 13,750,000 shares

The Company was at arm's length from Platina. Pursuant to the terms of the acquisition, the vendor received the right to nominate one member of the board of directors of the Company. No other changes to management or the Board of Directors of the Company were contemplated in connection with the acquisition.

On November 16, 2020, the Company issued 3,850,000 common shares with a fair value of $866,250 to an arm's-length third party that assisted in facilitating the acquisition. In addition to the pooling arrangement imposed by the terms of the acquisition, the consideration shares and the finder's fee shares will be subject to four-month-and-one-day statutory hold period in accordance with applicable securities laws.

Maritime Properties

BMC project – New Brunswick
On February 22, 2019, the Company signed a property option agreement ("option agreement") with Slam Exploration Ltd. ("Slam Exploration") to obtain 100% registered and beneficial right, title and interest in 19 mineral claims (the "BMC Properties") covering 15,000 hectares. The BMC property consists of 19 claims comprising 688 units located in Bathurst mining district of New Brunswick. In order

4. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Maritime Properties (Cont'd)

to earn a 100% interest in the BMC Properties, the Company has to make a series of cash payments totalling $790,000 and issuing 5,500,000 common shares over four years as follows:

Cash Payments totalling $700,000 to Slam Exploration as follows:
- $ 10,000 upon signing of the Option agreement (Paid);
- $ 10,000 upon filing the Option Agreement with the CSE (Paid);
- $ 80,000 six months after filing the Option Agreement with the CSE (Deferred);
- $100,000 on or before February 22, 2020 (Deferred);
- $100,000 on or before February 22, 2021 (Deferred);
- $200,000 on or before February 22, 2022; and
- $200,000 on or before February 22, 2023.

Further Cash payments totalling $90,000 to Northeast Exploration Services Ltd. ("North Exploration") as follows:
- $40,000 on or before November 2, 2019 (Terminated); and
- $50,000 on or before November 2, 2020 (Terminated).

Share issuances totalling 5,000,000 to Slam Exploration as follows:
- 500,000 upon filing the Option Agreement with the CSE (Issued with a fair value of $42,500);
- 500,000 six months after filing the Option Agreement with the CSE (Issued with a fair value of $50,000);
- 1,000,000 on or before February 22, 2020 (Issued with a fair value of $25,000);
- 1,000,000 on or before February 22, 2021 (Issued with a fair value of $300,000);
- 1,000,000 on or before February 22, 2022; and
- 1,000,000 on or before February 22, 2023.

Further share issuances totalling 500,000 to Northeast Exploration:
- 250,000 on or before November 2, 2019 (Terminated); and
- 250,000 on or before November 2, 2020 (Terminated).

The Optionor will retain a 2% NSR royalty on future mineral production from the BMC properties. Three of the claims is subject to an underlying 2% NSR that has a buy-back provision down to 0.5% NSR. The Company paid a finder's fee in connection with the BMC project of 350,000 shares with a fair value of $29,750.

During the year ended September 30, 2019, the Company terminated the sub-option agreement with Northern Exploration. Therefore, there will be no further cash payment or share issuance to Northeast Exploration.

During the year ended September 30, 2019, the Company also paid $5,340 cash to acquire 3 more claims.

During the year ended September 30, 2020, the Company cancelled certain claims and record an impairment of $1,130,702 on the BMC properties.

As at September 30, 2021, the Company was currently renegotiating the terms in the option agreement. Slam Exploration has agreed to defer the cash payment until the renegotiation is completed.

Clear Lake Property and Bulkley-Nechako Regional District of British Columbia Property

During the year ended September 30, 2020, the Company terminated both projects. Therefore, the Company recorded an impairment of $3,939,390.

(Expressed in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	September 30, 2021 $	September 30, 2020 $
Accounts payable	5,825,856	167,056
Accrued liabilities	116,833	98,833
	5,942,689	265,889

6. LOAN PAYABLE

Principle	September 30, 2021 $	September 30, 2020 $
Opening Balance	225,000	200,000
Additions	4,700,000	25,000
Repayments	(857,550)	-
Closing Balance	4,067,450	225,000

Interest at 8%	September 30, 2021 $	September 30, 2020 $
Opening Balance	20,066	2,608
Interest – additions	75,709	17,458
Interest paid	(29,658)	
Closing Balance	66,117	20,066

The Company obtained various loans totaling a principle balance of $4,700,000 (September 30, 2020 - $25,000) from arm's length parties to cover ongoing operational expenses. The loans are unsecured, bear interest at 8% per annum, and are due on demand.

During the year ended September 30, 2021, $317,550 was repaid by subscriptions to a private placement (Note 7).

7. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Issued and outstanding

On September 30, 2021 the Company had 248,664,948 common shares issued and outstanding (2020: 116,577,175).

Shares issued for the year ending September 30, 2021

During the year ended September 30, 2021, the Company issued 29,660,453 common shares pursuant to warrants exercised at prices ranging from $0.073 to $0.50 per share for proceeds of $3,956,618. The fair value $59,732 of finder warrants were simultaneously transferred to share capital.

7. SHARE CAPITAL (cont'd)

b) Issued and outstanding (cont'd)

Shares issued for the year ending September 30, 2021 (cont'd)

During the year ended September 30, 2021, the Company issued 3,434,890 common shares pursuant to options exercised at prices ranging from $0.05 to $0.155 per share for proceeds of $332,908. The fair value $274,992 of the options were simultaneously transferred to share capital.

On February 22, 2021, the Company issued 1,000,000 common shares, with a fair value of $300,000 pursuant to the BMC property.

On July 6, 2021 the Company closed a first tranche of a non-brokered private placement through the issuance of 24,285,715 units of the Company at a price of $0.35 per unit for gross proceeds of $8,500,000. Each unit consists of one common share of the Company and one-half transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share for a period of two years from closing at a price of $0.70 per common share. $317,550 of the proceeds received were used to repay loan payable (Note 6). No value was attributed to the warrants using residual method.

In connection with the private placement, the Company paid finders' fees of $457,848 cash and issued 959,280 finder's warrants with a fair value of $314,127. The fair value of the warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.37; exercise price - $0.70; expected life – 2 years; volatility – 244%; dividend yield – $0; and risk-free rate – 0.49%.

On July 21, 2021 the Company closed a second tranche of a non-brokered private placement through the issuance of 4,135,715 units of the Company at a price of $0.35 per unit for gross proceeds of $1,447,500. Each unit consists of one common share of the Company and one-half transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share for a period of two years from closing at a price of $0.70 per common share. As at September 31, 2021, a subscription receivable of $50,050 was included in accounts receivable and was received subsequent to year end. No value was attributed to the warrants using residual method.

In connection with the private placement, the Company paid finders' fees of $19,725 cash and issued 29,100 finder's warrants with a fair value of $9,257. The fair value of the warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.36; exercise price - $0.70; expected life – 2 years; volatility – 244%; dividend yield – $0; and risk-free rate – 0.43%.

On February 1, 2021 the Company closed a non-brokered private placement of 1,900,000 units of the Company at a price of $0.25 per Unit for gross proceeds of $475,000. Each Unit consists of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share for a period of two years from closing at a price of $0.50 per common share. No value was attributed to the warrants using residual method.

In connection with the private placement, finders' fees of 91,000 common shares were issued to an arm's-length finder, with a fair value of $32,760.

On December 31, 2020 the Company completed the second and final tranche of its non-brokered private placement through the issuance of 2,250,000 units of the Company at a price of $0.25 per unit for gross proceeds of $562,500. Each unit consists of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder thereof to

7. SHARE CAPITAL (cont'd)

b) Issued and outstanding (cont'd)

Shares issued for the year ending September 30, 2021 (cont'd)

purchase one additional common share for a period of two years from closing at a price of $0.50 per common share. No value was attributed to the warrants using residual method.

In connection with the second tranche of the private placement, the Company paid finders' fees of $9,000 cash and issued 36,000 finder's warrants with a fair value of $10,135. The fair value of the warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.315; exercise price - $0.50; expected life – 2 years; volatility – 244%; dividend yield – $0; and risk-free rate – 0.20%.

On December 23, 2020 the Company completed the first tranche of a non-brokered private placement through the issuance of 6,200,000 units of the Company at a price of $0.25 per unit for gross proceeds of $1,550,000. Each unit consists of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share for a period of two years from closing at a price of $0.50 per common share. No value was attributed to the warrants using residual method.

In connection with the first tranche of the private placement, the Company paid finders' fee of $33,000 cash, issued 280,000 finder's shares with a fair value of $92,400 and issued 132,000 finder's warrants with a fair value of $40,183. The fair value of the warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.33; exercise price - $0.50; expected life – 2 years; volatility – 263%; dividend yield – $0; and risk-free rate – 0.23%.

On November 16, 2020, the Company issued 3,850,000 common shares with a fair value of $866,250 as a finder's fee pursuant to the Skaergaard project.

On October 26, 2020, the Company issued 55,000,000 common shares with a fair value of $8,507,813 pursuant to the Skaergaard project (Note 4).

Shares issued for the year ending September 30, 2020

On June 30, 2020, the Company issued 5,010,000 common shares with a fair value of $2,454,900 pursuant to the Clear Lake property.

On May 26, 2020 the Company completed a non-brokered private placement consisting of 40,000,000 units of the Company at $0.05 per unit for gross proceeds of $2,000,000. Each unit consists of one common share and one transferable common share purchase warrant. Each share purchase warrant entitles the holder thereof to purchase one additional Common Share of the Company for a period of two year from closing at a price of $0.15 per common share. No value was attributed to the warrants using residual method.

In connection with the private placement, the Company issued 2,765,000 finders fee shares with a fair value of $138,250 and issued 2,765,000 finders fee warrants with the same terms as the private placement warrants. The fair value of the finder's fee warrants was $248,361, recorded as a share issuance cost. The warrants were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.13; exercise price - $0.15; expected life – 2 years; volatility – 150%; dividend yield – $0; and risk-free rate – 0.28%.

On February 21, 2020, the Company issued 1,000,000 common shares, with a fair value of $25,000 pursuant to the BMC property.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (Cont'd)

c) Warrants

The following is a summary of the Company's share purchase warrant activity for the year ended September 30, 2021 and the year ended September 30, 2020.

	Number of Warrants
Outstanding, September 30, 2019	19,999,992
Issued	42,765,000
Outstanding, September 30, 2020	62,764,992
Issued	25,717,097
Exercised	(29,660,453)
Outstanding, September 30, 2021	58,821,636

Details of warrants outstanding as at September 30, 2021 are as follows:

Exercise price	Number of Warrants Outstanding	Expiry date
$0.073	13,354,539	April 17, 2022
$0.10	2,100,000	May 26, 2022
$0.15	17,800,000	May 26, 2022
$0.50	6,182,000	December 23, 2022
$0.50	2,286,000	December 31, 2022
$0.50	1,900,000	February 01, 2023
$0.70	13,102,140	July 06, 2023
$0.70	2,096,957	July 21, 2023
	58,821,636	

The weighted average price of warrants outstanding was $0.34, and the weighted average life was 1.02 years.

On April 15, 2019, the Company extended 21,236,358 warrants exercisable at $0.073 from an expiry date of April 17, 2019 to April 17, 2020, of which 618,183 expired prior to September 30, 2019.

On January 23, 2020, the Company extended 19,999,992 warrants exercisable at $0.073 from an expiry date on April 17, 2020 to April 17, 2022. The warrants were originally issued on April 17, 2018 in connection with a private placement and were previously extended.

d) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to five years from the date of grant.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (Cont'd)

d) Stock options (Cont'd)

On December 21, 2020, the Company granted incentive stock options to consultants to purchase an aggregate of 5,500,000 common shares at an exercise price of $0.25 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $1,316,984. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.25; exercise price - $0.25; expected life – 5 years; volatility – 181%; dividend yield – $0; and risk-free rate – 0.43%.

On June 2, 2020, the Company granted incentive stock options to consultants to purchase an aggregate of 4,360,217 common shares at an exercise price of $0.155 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $613,031. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.155; exercise price - $0.155; expected life – 5 years; volatility – 150%; dividend yield – $0; and risk-free rate – 0.26%.

On April 14, 2020, the Company granted incentive stock options to consultants to purchase an aggregate of 6,400,000 common shares at an exercise price of $0.05 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $199,382. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.035; exercise price - $0.05; expected life – 5 years; volatility – 150%; dividend yield – $0; and risk-free rate – 0.38%.

On April 13, 2020, the Company cancelled incentive stock options to purchase an aggregate of 3,294,399 common shares at an exercise price of $0.19 per common share.

During the year ended September 30, 2021, 3,434,890 options were exercised and an amount of $274,992 were transferred to share capital, from reserves. The weighted average share price at the dates when the stock options were exercised during the year ended September 30, 2021 was $0.10 (2020: $Nil).

The following is a summary of the Company's option activity for the year ended September 30, 2021 and the year ended September 30, 2020.

	Number of Options	Weighted Average Exercise Price ($)
Outstanding, September 30, 2019	3,694,399	0.19
Cancelled	(3,294,399)	0.19
Issued	10,760,217	0.09
Outstanding, September 30, 2020	11,160,217	0.10
Exercised	(3,434,890)	0.10
Issued	5,500,000	0.25
Outstanding, September 30, 2021	13,225,327	0.16

(Expressed in Canadian dollars)

7. SHARE CAPITAL (Cont'd)

d) Stock options (Cont'd)

Details of options outstanding as at September 30, 2021 are as follows:

Exercise price	Number of Options outstanding	Expiry date
$0.190	400,000	November 26, 2023
$0.050	4,500,000	April 14, 2025
$0.155	2,825,327	June 02, 2025
$0.25	5,500,000	December 21, 2025
Total	13,225,327	

The weighted average price of options outstanding was $0.16, and the weighted average life was 3.81 years.

e) Reserve

The share-based payment reserves record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

8. RELATED PARTY TRANSACTIONS AND PAYMENTS TO KEY MANAGEMENT PERSONNEL

During the year ended September 30, 2021 and 2020, the Company entered into the following transactions with related parties and incurred payments to key management personnel, which were in the normal course of operations.

	September 30, 2021 $	September 30, 2020 $
Management and consulting fees paid to a company jointly controlled by the CFO	41,000	20,500
Office expense paid to a company controlled by the CFO	-	3,000
Office rent paid to a company controlled by the CFO	21,600	21,600
Consulting fees paid to a company controlled by the President of the Company and previous CEO	161,000	39,000
Consulting fees paid to the CEO of the Company	145,243	-
	368,843	84,100

As at September 30, 2021, there was a balance of $185,418 (2020 - $123,025) due to related parties. The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

9. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance future business opportunities. The Company does not have any externally imposed capital requirements to which it is subject. There were no changes to the Company's approach to capital management.

As at September 30, 2021, the Company had capital resources consisting mainly of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares, borrow loans, or dispose of assets.

10. FINANCIAL INSTRUMENTS

As at September 30, 2021, the Company's financial instruments consists of cash, accounts receivable, accounts payable due to related parties, and loans payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risks arising from these financial instruments. The risk exposure is summarized as follows:

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balance at the bank. The majority of the Company cash is held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. As such, management has determined credit risk to be low.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at September 30, 2021, the Company had a cash balance of $852,064 (2020 - $640,390) to settle current liabilities of $10,261,674 (2020 - $633,980) which mainly consists of loans and account payables that are considered short term and normally settled within 30 days.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company has limited financial resources and has no assurance that additional funding will be available to it for future development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and operational success of its activities. In recent years, the securities markets have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings. Management has determined liquidity risk to be high.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (Cont'd)

c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash attracts interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low; however, the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the consolidated financial statements. The Company does not have any liabilities with variable interest rates. As such, management has determined interest rate risk to be low.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's Skaergaard property was exposed to currency risk as it incurs expenditures that are denominated in various currencies, including Danish Crown, British pound, Euro, United States Dollars and Australian Dollars, while its functional currency is the Canadian Dollar. The Company did not hedge its exposure to fluctuations in foreign exchange rates. The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in foreign currencies:

	September 30, 2021	September 30, 2020
Cash	$ 107,000	$ 112,000
Accounts payable	(5,716,000)	-
	$ (5,609,000)	$ 112,000

Based on the above net exposures, at September 30, 2021 a 10% change in the currencies mentioned above to Canadian Dollar exchange rate would impact the Company's net loss plus or minus $560,900 (September 30, 2020 - $1,120).

(iii) Price risk

The Company is not subject to significant price risk.

d) Fair value

The carrying values of accounts payable and loans payable approximate their respective fair values due to the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (Cont'd)

Financial assets and liabilities recognised at fair value must be classified in one of the following three fair value hierarchy levels:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured using level 1 inputs.

11. EXPLORATION AND EVALUATION EXPENDITURES

The following table reflects the exploration and evaluation expenditures incurred for the year ended September 30, 2021 and the year ended September 30, 2020. Cumulative expenses are shown for each project.

Year ended September 30, 2020	Skaergaard project $	BC Zinc Properties $	Maritime Properties $	Clear Lake $	Bulkley-Nechako $	Total $
Assay	-	-	1,842	-	-	1,842
Geological	101,862	-	74,783	725	-	177,370
Filing and licenses	1,101	-	1,010	12,150	-	14,261
Administrative and project management	-	-	2,200	-	-	2,200
Recovery	-	-	(24,000)	-	-	(24,000)
Total September 30, 2020	102,963	-	55,835	12,875	-	171,673
Cumulative Expenditures	102,963	18,229	322,494	28,293	26,937	471,979

Year ended September 30, 2021	Skaergaard project $	BC Zinc Properties $	Maritime Properties $	Clear Lake $	Bulkley-Nechako $	Total $
Administration and project management	331,308	-	-	-	-	331,308
Assay	69,790	-	-	-	-	69,790
Camp Operations	1,697,359	-	-	-	-	1,697,359
Charter ship operations	5,519,060	-	-	-	-	5,519,060
Drilling	8,747,922	-	-	-	-	8,747,922
Geological	490,487	198	-	-	-	490,685
Helicopter	3,237,975	-	-	-	-	3,237,975
Filing and licenses	70,536	11,059	-	-	-	81,595
Mobilizing/Demobilizing	673,438	-	-	-	-	673,438
Technical Studies	674,955	-	-	-	-	674,955
Total September 30, 2021	21,512,830	11,257	-	-	-	21,524,087
Cumulative Expenditures	21,615,793	29,486	322,494	28,293	26,937	22,023,003

(Expressed in Canadian dollars)

12. SEGMENT INFORMATION

The Company operates in two operating segments being the acquisition and exploration of exploration and evaluation assets in Canada and in Greenland. The Company's head office is located in Canada, and all of the Company's non current assets are located in Canada and in Greenland as follows:

	Canada	Greenland	Total
Balance at September 30, 2021			
Mineral properties	420,640	9,929,063	10,349,703
	420,640	9,929,063	10,349,703

13. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	Year ended	
	September 30, 2021 $	September 30, 2020 $
Loss before income tax recovery	**(26,375,977)**	(7,156,637)
Combined statutory rate	**27%**	27%
Expected income tax recovery	**(7,121,514)**	(1,932,292)
Non-deductible items	**(48,786)**	1,539,872
Change in unrecognized deductible temporary difference	**7,170,300**	392,420
	-	-

Deferred tax assets are as follows:

	Year ended	
	September 30, 2021 $	September 30, 2020 $
Deferred tax assets:		
Non-capital loss carry-forwards	**1,840,200**	846,600
Share issuance	**330,000**	7,300
Property, plant and equipment	**4,020**	4,020
Exploration and evaluation assets	**7,116,200**	1,262,200
	9,290,420	2,120,120
Unrecognized deferred tax assets	**(9,290,420)**	(2,120,120)
	-	-

(Expressed in Canadian dollars)

13. INCOME TAXES (continued)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	September 30, 2021 $	September 30, 2020 $	**Expiry Date Range**
Temporary differences:			
Exploration and evaluation assets	**6,815,000**	4,658,000	No expiry date
Non-capital losses available for future period	**27,534,000**	3,136,000	2028-2041

14. SUBSEQUENT EVENT

The Company has entered into a definitive convertible security funding agreement with L1 Capital Global Opportunities Master Fund, a Cayman based investment fund, part of the L1 Capital Group. The funding will come in the form of up to $6 million face-value convertible debentures. The Company will receive net proceeds of up to $5.4 million from the Convertible Debenture issuance ("Convertible Debenture"), less applicable closing costs.

Under the terms of the Agreement, an initial $3.15 million has been funded pursuant to the issuance of an initial Convertible Debenture with a Face Value of $3.5 million as a first tranche. The agreement also contemplates the issuance of a second Convertible Debenture, subject to conditions set forth in the agreement, for gross proceeds to the Company of up to $2.25 million with a face value of $2.5 million as a second tranche, to be completed on the date that is one hundred and eighty (180) days after the closing of the first tranche. There can be no assurances that the second tranche will be completed as indicated, or at all.

Each Convertible Debenture issuable under the agreement will have an 18-month term from the date of issuance. The face value of each Convertible Debenture is to be paid in 14 equal monthly instalments starting after the four-month anniversary of the date of issuance of each convertible debenture. The repayment of the face value may be paid in cash or common shares of the Company at the discretion of the Company, subject to satisfaction of certain conditions, at a price per share equal to 90% of the arithmetic average volume weighted average prices "VWAP" of the shares for the five trading days chosen by the Investor during the 20- day trading day period prior to the date that is the applicable monthly instalment date. The Investor will be entitled to convert the Convertible Debentures, in whole or in part, into shares over the term of the applicable Convertible Debenture at a conversion price equal to $0.40, representing a 30% premium to the closing VWAP on the day prior to signing the agreement.

In addition, in respect to the first tranche, the Company has agreed to issue 6,034,482 common share purchase warrants exercisable for shares for a period of 60 months at an exercise price of $0.325. Under the terms of the agreement, the Company has also agreed to issue to the Investor such number of warrants as is equal to 50% of the quotient of the face value of the Convertible Debenture issued under the second tranche divided by the 5-day closing VWAP of the shares prior to closing of the second tranche, exercisable for a period of 60 months at a price per share equal to a 50% premium to the 5-day VWAP of the shares prior to the closing of the second tranche

14. SUBSEQUENT EVENT (continued)

The Company has agreed to pay the Investor a 3% financing fee of the face value of each Convertible Debenture under the first tranche and second tranche, respectively, and due upon closing of each such tranche, payable in shares "fee shares". In connection with the closing of the first tranche, the Company has issued to the Investor an aggregate of 362,069 fee shares. The number of fee shares issuable for the financing fee applicable to the second tranche shall be equal to: (a) 3% of the face value of the second tranche convertible debenture divided by (b) a 10% discount to the 5-day closing VWAP of the shares prior to the closing of the second tranche. In the event that the 5-day closing VWAP of the shares prior to each tranche closing, each a "closing VWAP", is less than the 5-day closing VWAP of the shares on the four-month anniversary of each closing, "supplemental closing VWAP", a supplemental fee is due in an amount equal to (a) the applicable closing VWAP less the applicable supplemental closing WVAP multiplied by (b) the number of applicable fee shares.

The securities issuable under the agreement will be subject to a hold period pursuant to Canadian securities laws, expiring four months and a day after the issuance of the applicable security. The transactions contemplated under the agreement have been conditionally accepted by the Neo Exchange, subject to the filing of the documents required by section 7.04(8) of the Neo Exchange Listing Manual.