MAJOR PRECIOUS METALS CORP.
(formerly EASTERN ZINC CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended March 31, 2022 and 2021

(Expressed in Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW

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

The accompanying unaudited condensed interim consolidated financial statements of Major Precious Metals Corp. (formerly, Eastern Zinc Corp.) have been prepared by and are the responsibility of management.

These condensed interim consolidated financial statements for the six months ended March 31, 2022 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

MAJOR PRECIOUS METALS CORP. (FORMERLY, EASTERN ZINC CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars - Unaudited)

	March 31, 2022	September 30, 2021
	$	$
ASSETS		
Current		
Cash	**114,884**	852,064
Amounts receivable	**40,568**	146,397
Prepaid expenses	**312,902**	312,678
	468,354	1,311,139
Non-current assets		
Exploration and evaluation assets (Note 4)	**9,929,063**	10,349,703
Total Assets	**10,397,417**	11,660,842
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	**4,643,975**	5,942,689
Due to related parties (Note 9)	**398,730**	185,418
Loans payable (Note 6)	**4,005,039**	4,133,567
	9,047,744	10,261,674
Non-current liabilities		
Convertible debenture (Note 7)	**1,877,863**	-
Derivative liability (Note 7)	**203,740**	-
Total Liabilities	**11,129,347**	10,261,674
Shareholders' Equity (Deficiency)		
Share capital (Note 8)	**39,622,368**	38,561,264
Reserves (Note 8)	**3,191,038**	3,191,038
Deficit	**(43,545,336)**	(40,353,134)
Total shareholders' equity (deficiency)	**(731,930)**	1,399,168
Total liabilities and shareholders' equity (deficiency)	**10,397,417**	11,660,842

Nature and continuance of operations (Note 1)

Approved by the board of directors and authorized for issue on May 13, 2022

"Joel Dumaresq" — Director

"Stephen Stine" — Director

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

MAJOR PRECIOUS METALS CORP. (FORMERLY, EASTERN ZINC CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars - Unaudited)

	Three-months ended		Six-months ended	
	March 31, 2022 $	March 31, 2021 $	**March 31, 2022 $**	March 31, 2021 $
Expenses				
Accretion (Note 7)	**514,145**	-	**806,816**	-
Consulting (Note 9)	**619,149**	368,163	**826,096**	614,255
Exploration and evaluation (Note 12)	**678,030**	671,634	**1,508,202**	775,217
Regulatory fees	**15,250**	6,510	**34,173**	27,367
Interest expenses (Note 6)	**86,719**	1,677	**202,252**	5,355
Marketing	**-**	108,641	**39,611**	165,564
Office expenses (Note 9)	**4,829**	2,315	**40,605**	10,171
Professional fees (Note 9)	**81,617**	29,678	**119,351**	58,309
Rent (Note 9)	**5,400**	5,400	**10,800**	10,800
Share based compensation (Note 8)	**-**	-	**-**	1,316,694
Total expenses	**(2,005,139)**	(1,194,018)	**(3,587,906)**	(2,984,022)
Other Items				
Fair value change on derivative liability (Note 7)	**949,783**	-	**1,224,724**	-
Property impairment (Note 4)	**(585,584)**	-	**(585,584)**	-
Transaction costs (Note 7)	**-**	-	**(243,436)**	-
Net and comprehensive loss for the period	**(1,640,940)**	(1,194,018)	**(3,192,202)**	(2,984,022)
Basic and diluted loss per share for the period	**(0.01)**	(0.01)	**(0.01)**	(0.02)
Weighted average number of common shares outstanding, basic and diluted	**250,021,213**	196,628,119	**249,490,495**	180,227,032

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

MAJOR PRECIOUS METALS CORP. (FORMERLY, EASTERN ZINC CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian dollars - Unaudited)

	Share capital				
	Number of shares	Value	reserve	Deficit	Total Shareholders' Equity (Deficiency)
	#	$	$	$	$
Balance, September 30, 2020	**116,577,175**	**12,621,226**	**1,835,076**	**(13,977,157)**	**479,145**
Net and comprehensive loss for the period	-	-	-	(2,984,022)	(2,984,022)
Shares issued – Non-brokered private placement (Note 8)	10,350,000	2,587,500	-	-	2,587,500
Share Issue costs – Finder's cash, shares and warrants (Note 8)	280,000	(92,318)	50,318	-	(42,000)
Acquisition of mineral property – Skaergaard (Note 4, 8)	55,000,000	12,375,000	-	-	12,375,000
Finder's shares – Skaergaard property (Note 4,8)	3,850,000	866,250	-	-	866,250
Acquisition of mineral property – BMC property	1,000,000	300,000	-	-	300,000
Warrants exercised	10,478,773	1,361,818	-	-	1,361,818
Stock options exercised	1,500,000	121,730	(46,730)	-	75,000
Share based compensation	-	-	1,316,984	-	1,316,984
Balance, March 31, 2021	**199,035,948**	**30,141,206**	**3,155,648**	**(16,961,179)**	**16,335,984**
Balance, September 30, 2021	**248,664,948**	**38,561,264**	**3,191,038**	**(40,353,134)**	**1,399,168**
Net and comprehensive loss for the period	-	-	-	(3,192,202)	(3,192,202)
Shares issued – fee shares (Note 7,8)	362,069	105,000	-	-	105,000
Acquisition of mineral property – BMC property	1,000,000	145,000	-	-	145,000
Warrants exercised	7,686,360	561,104	-	-	561,104
Conversion of convertible debenture	1,000,000	250,000	-	-	250,000
Balance, March 31, 2022	**258,713,377**	**39,622,368**	**3,191,038**	**(43,545,336)**	**(731,930)**

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

MAJOR PRECIOUS METALS CORP. (FORMERLY, EASTERN ZINC CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months period ended March 31, 2022 and 2021
(Expressed in Canadian dollars)

	March 31, 2022 $	March 31, 2021 $
Operating Activities		
Loss for the period	**(3,192,202)**	(2,984,022)
Items not affecting cash:		
Accretion	**806,816**	-
Fair value change on derivative liability	**(1,224,724)**	-
Interest expense	**162,576**	5,354
Property handed back	**585,584**	-
Share based compensation	**-**	1,316,984
Transaction costs	**50,558**	-
Changes in non-cash working capital items:		
Receivables	**105,829**	(36,240)
Prepaid expenses	**(224)**	(611,500)
Accounts payable and accrued liabilities	**(1,166,449)**	13.566
Cash used in operating activities	**(3,872,236)**	(2,295,858)
Investing Activities		
Cash used to acquire mineral properties – staking BMC	**(19,944)**	(19,944)
Acquisition of mineral properties	**-**	(505,000)
Cash used in investing activities	**(19,944)**	(524,944)
Financing Activities		
Proceeds from issuance of convertible debenture	**3,135,000**	-
Proceeds from non-brokered private placement	**-**	2,545,500
Proceeds from loans	**270,000**	-
Proceeds from options exercised	**-**	75,000
Proceeds from warrants exercised	**-**	1,361,816
Repayment of loans	**(250,000)**	(140,000)
Cash generated by financing activities	**3,155,000**	3,842,316
Net change in cash during the period	**(737,180)**	1,021,514
Cash, beginning of the period	**852,064**	640,390
Cash, ending of the period	**114,884**	1,661,904
Supplementary cash flow information		
Shares issued to acquire mineral property options	**145,000**	12,675,000
Shares issued as finders fees	**-**	958,650
Shares issued for conversion of convertible debenture	**250,000**	-
Warrants exercised	**561,104**	50,318

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Major Precious Metals Corp. (formerly - Eastern Zinc 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". 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 condensed interim 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 March 31, 2022, the Company had no source of revenue, had a working capital deficit of $8,579,390 (September 30, 2021 – $8,950,535) and an accumulated deficit of $43,545,336 (September 30, 2021 - $40,353,134). 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 condensed interim 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.

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 impact on the Company is not currently determinable but management continues to monitor the situation

2. BASIS OF PRESENTATION

a) 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 in accordance with IAS 34 – Interim Financial Reporting. The condensed interim consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2021. These condensed interim consolidated financial statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended September 30, 2021.

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

2. BASIS OF PRESENTATION (Cont'd)

b) Basis of measurement

These condensed interim 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.

c) Functional and presentation currency

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

d) Basis of consolidation

As of the date of these interim condensed 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	Interest
Joubin Capital Inc.	British Columbia	100%
1185779 BC Ltd.	British Columbia	100%
1186835 BC Ltd.	British Columbia	100%
Skaergaard Mining A/S	Greenland	100%

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended September 30, 2021, with exception to the new accounting policies adopted by the Company discussed below.

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

Convertible Debenture

The component parts of compound instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The identification of such components embedded within a convertible debenture requires significant judgment given that it is based on the interpretation of the substance of the contractual arrangement.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

(Expressed in Canadian dollars - Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

Convertible Debenture

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Where the conversion option has a variable conversion rate, the conversion option is recognized as a derivative liability measured at fair value through profit and loss. The residual amount is recognized as a financial liability and subsequently measured at amortized cost. The determination of the fair value is also an area of significant judgment given that it is subject to various inputs, assumptions and estimates including: contractual future cash flows, discount rates, credit spreads and volatility.

Transaction costs that relate to the issue of the convertible debentures are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the term of the convertible debentures using the effective interest method.

Derivatives

Derivatives are initially measured at fair value and are subsequently measured at FVTPL. If the transaction price does not equal to fair value at the point of initial recognition, management measures the fair value of each component of the investment and any unrealized gains or losses at inception are either recognized in profit or loss or initially unrecognized and recognized over the term of the investment, depending on whether the valuation inputs are based on observable market data. The resulting unrealized gain or loss at inception and subsequent changes in fair value are recognized in profit or loss for the period.

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.

4. EXPLORATION AND EVALUATION ASSETS

	Skaergaard Project $	Maritime Properties $	Total $
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
Acquisition	-	164,944	164,944
Property impairment	-	(585,584)	(585,584)
Balance, March 31, 2022	9,929,063	-	9,929,063

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

(Expressed in Canadian dollars - Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

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 on October 27, 2020 and issued 55,000,000 common shares with a fair value of $8,507,813 on October 26, 2020, estimated using a commonly used option pricing 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 are to be released as follows:

Date	Shares
October 26, 2021	13,750,000
April 26, 2022	13,750,000
October 26, 2022	13,750,000
	41,250,000

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

On February 22, 2019, the Company signed a property option agreement with Slam Exploration Ltd. (“Slam Exploration”) to acquire 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 to earn a 100% interest in the BMC Properties, the Company is required to make cash payments totalling $700,000 to Slam Exploration and $90,000 to Northeast Exploration Services Ltd. (“Northeast”) and to issue 5,000,000 common shares to Slam Exploration and 500,000 common shares to Northeast.

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. On April 28, 2022 the Company terminated the option agreement with SLAM Exploration. During the period ended March 31, 2022, the Company recorded a property impairment of $585,584.

(Expressed in Canadian dollars - Unaudited)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	March 31, 2022 $	September 30, 2021 $
Accounts payable	4,437,898	5,825,856
Accrued liabilities	206,077	116,833
	4,643,975	5,942,689

6. LOAN PAYABLE

Principal	March 31, 2022 $	September 30, 2021 $
Opening Balance	4,067,450	225,000
Additions	270,000	4,700,000
Repayments	(561,104)	(857,550)
Closing Balance	3,776,346	4,067,450

Interest at 8%	March 31, 2022 $	September 30, 2021 $
Opening Balance	66,117	20,066
Interest – additions	162,577	75,709
Interest paid	-	(29,658)
Closing Balance	228,694	66,117

The Company borrowed $3,776,346 (September 30, 2021- $4,067,450) from arm's length parties to pay ongoing operational expenses. The loans are unsecured, bear interest at 8% per annum, and are due on demand.

7. CONVERTIBLE DEBENTURE

The Company has entered into a definitive convertible loan agreement ("Convertible Debenture") with L1 Capital Global Opportunities Master Fund, a Cayman based investment fund. ("L1 Capital"). The funding will consist of $6,000,000 in convertible debentures. The Company will receive net proceeds of up to $5,400,000 from the Convertible Debenture issuance ("Convertible Debenture"), less applicable closing costs.

As at March 31, 2021, the Company received an initial tranche of $3,135,000 with a face value of $3,500,000 ("Initial Tranche"). The Convertible Debenture matures 18-months from the date of issuance and bears an interest rate of 0%. L1 Capital has the option to advance a second tranche of $2,250,000 with a face value of $2,500,000 ("Second Tranche") on the same terms as the Initial Tranche.

The Convertible Debenture can be settled by:
1. The repayment of the Convertible Debenture in 14 equal monthly instalments, commencing February 28, 2022 ("Monthly Repayment"); or
2. The conversion of the Convertible Debenture, in whole or part, at the discretion of the Investor, at $0.40 per share ("Conversion").

(Expressed in Canadian dollars - Unaudited)

7. CONVERTIBLE DEBENTURE (CONTINUED)

The Monthly Repayments 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.

As part of the initial tranche, the Company issued 6,034,483 common share purchase warrants exercisable for shares for a period of five years at an exercise price of $0.325. The fair value of these common share purchase warrants was determined to be $Nil, after deducting the present value of the host liability and fair value of the conversion feature from the face value of the Convertible Debenture.

The Company agreed to pay L1 Global a financing fee equal to 3% of the face value of each Convertible Debenture, and payable upon closing of each such tranche, in shares “Fee Shares”. In connection with the closing of the first tranche, the Company has issued an aggregate of 362,069 Fee Shares (Note 8) with a fair value of $105,000. The deemed price of Fee Shares is a 90% of the 5-day closing VWAP of the common 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. As at March 31, 2022, the Company has recorded a provision of $81,047 related to the second fee share tranche.

	Convertible Debenture $	Derivative Liability $	Total $
Balance as at September 30, 2021	-	-	-
Additions	1,625,489	1,509,511	3,135,000
Transaction costs	(54,442)	-	(54,442)
Accretion expense	806,816	-	806,816
Payment – cash	(250,000)	-	(250,000)
Payment – shares	(250,000)	-	(250,000)
Change in derivative liability	-	(1,305,771)	(1,305,771)
Balance at March 31, 2022	1,877,863	203,740	2,081,603

In accordance with IFRS 9, the equity conversion option embedded in the Convertible Debenture was determined to be a derivative liability, which has been recognized separately at its fair value. Subsequent changes in the fair value of the equity conversion option are recognized through profit and loss. The equity conversion option was classified as a derivative liability as it can be settled through the issuance of a variable number of shares, cash or a combination thereof, based on the trading price at the time of settlement.

The debt host has been recognized at amortized cost of $1,625,489, which represents the remaining fair value allocated from total net proceeds received of $3,135,000 after $1,509,511 was allocated to the derivative liability representing the equity conversion option. Management elected to capitalize transaction costs, which are directly attributable to the issuance of the Convertible Debenture. These transaction costs total $105,000 and $54,442 has been allocated to the debt host and the remainder allocated to the conversion feature, which has been expensed as transaction cost in the Statement of Loss and Comprehensive Loss.

Upon initial recognition, the conversion option had a fair value of $1,509,511 and the Company recognized a change in derivative liability of $1,305,771 to date. The initial fair value of the conversion option was determined based on the Black-Scholes Option Pricing Model with the following assumptions: share price of $0.23, volatility of 115%, term of 1.33 years, discount rate of 0.91% and forfeiture risk of 0%.

8. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Issued and outstanding

On March 31, 2022 the Company had 258,713,377 common shares issued and outstanding (September 30, 2021: 248,664,948).

Shares issued for the six months period ending March 31, 2022

During the six months ended March 31, 2021, the Company issued 7,686,360 common shares pursuant to the exercise of warrants at $0.073 per share for proceeds of $561,104.

On March 28, 2022, the Company issued 1,000,000 common shares, with a fair value of $250,000 pursuant to a conversion of convertible debenture.

On March 1, 2022, the Company issued 1,000,000 common shares, with a fair value of $145,000 pursuant to the BMC Properties property option agreement.

On October 28, 2021, in connection with the convertible debentures, the Company issued 362,069 fee shares with a fair value of $105,000 (Note 7).

Shares issued for the year ending September 30, 2021

During the year ended September 30, 2021, the Company issued 3,434,890 common shares pursuant to the exercise of options at prices ranging from $0.05 to $0.155 per share for proceeds of $332,908. The fair value of the options of $274,992 was 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 Properties property option agreement.

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.

8. SHARE CAPITAL (CONTINUED)

b) Issued and outstanding (Continued)

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 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 purchase of 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 purchase of the Skaergaard Project (Note 4).

(Expressed in Canadian dollars - Unaudited)

8. SHARE CAPITAL (CONTINUED)

c) Warrants

The following is a summary of the Company's share purchase warrant activity for the six months period ended March 31, 2022 and the year ended September 30, 2021.

	Number of Warrants
Outstanding, September 30, 2020	62,764,992
Issued	25,717,097
Exercised	(29,660,453)
Outstanding, September 30, 2021	58,821,636
Issued	6,034,483
Exercised	(7,686,360)
Outstanding, March 31, 2022	57,169,759

In connection with the convertible debenture financing (Note 7), the Company issued 6,034,483 common share purchase warrants with an exercise price of $0.325 and expires on October 28, 2026. The fair value of these warrants was $Nil.

Details of warrants outstanding as at March 31, 2022 are as follows:

Exercise price	**Number of Warrants Outstanding**	**Expiry date**
$0.073	5,668,179	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
$0.325	6,034,483	October 28, 2026
	57,169,759	

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.

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%.

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.

(Expressed in Canadian dollars - Unaudited)

8. SHARE CAPITAL (CONTINUED)

d) Stock options (Continued)

The following is a summary of the Company's option activity for the six months period ended March 31, 2022 and the year ended September 30, 2021.

	Number of Options
Outstanding, September 30, 2020	11,160,217
Exercised	(3,434,890)
Issued	5,500,000
Outstanding, September 30, 2021 and March 31, 2022	13,225,327

Details of options outstanding as at March 31, 2022 are as follows:

Exercise price	Number of Options outstanding	Expiry date
$0.19	400,000	November 26, 2023
$0.05	4,500,000	April 14, 2025
$0.15	2,825,327	June 02, 2025
$0.25	5,500,000	December 21, 2025
Total	13,225,327	

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.

9. RELATED PARTY TRANSACTIONS AND PAYMENTS TO KEY MANAGEMENT PERSONNEL

During the six months period ended March 31, 2022 and 2021, 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.

	March 31, 2021 $	March 31, 2021 $
Consulting fees to a company jointly controlled by the CFO	156,000	10,500
Office rent paid to a company controlled by the CFO	10,800	10,800
Consulting fees to a company controlled by the former CEO	56,000	77,000
Geological expenses to a VP of exploration	37,827	
Consulting fees to a company controlled by a director	2,500	
Marketing fees to a company controlled by the CEO	94,188	-
	357,315	98,300

As at March 31, 2021, there was a balance of $398,730 (September 30, 2021 - $185,418) due to related parties. The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

10. 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 March 31, 2022, 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 or dispose of assets.

11. FINANCIAL INSTRUMENTS

As at March 31, 2022, the Company's financial instruments consists of cash, accounts payable, loans payable and convertible debenture. 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 March 31, 2022, the Company had a cash balance of $114,884 (September 30, 2021 - $852,064) to settle current liabilities of $9,047,744 (September 30, 2021 - $10,261,674) 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 - Unaudited)

11. FINANCIAL INSTRUMENTS (CONTINUED)

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 condensed interim 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 currency risk

The Company's financial assets and liabilities are not exposed to foreign currency risk.

(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.

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.

The carrying values of the financial instruments at March 31, 2022 are summarized in the following table:

	Amortized cost	FVTPL	Total
	$	$	$
Cash	114,884	-	114,884
Derivatives	-	203,740	203,740
Convertible debentures	1,877,863	-	1,877,863
Loans	4,005,039	-	4,005,039

The following is a summary of financial instruments at March 31, 2022 measured at fair value segregated based on various level of inputs:

	Level 1	Level 2	Total
	$	$	$
Cash	114,884	-	114,884
Derivatives	-	203,740	203,740

(Expressed in Canadian dollars - Unaudited)

12. EXPLORATION AND EVALUATION EXPENDITURES

The following table reflects the exploration and evaluation expenditures incurred for the six months period ended March 31, 2022 and the year ended September 30, 2021. Cumulative expenses are shown for each project.

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

Six months period ended March 31, 2022	Skaergaard Project $	BC Zinc Properties $	Maritime Properties $	Clear Lake $	Bulkley-Nechako $	Total $
Administration and project management	6,104	-	-	-	-	6,104
Camp Operations	10,598	-	-	-	-	10,598
Drilling	1,194,338	-	-	-	-	1,194,338
Filing and Licenses	118,667	-	-	-	-	118,667
Geological	103,798	-	31,608	-	-	135,406
Technical Studies	43,089	-	-	-	-	43,089
Total March 31, 2022	1,476,594	-	31,608	-	-	1,508,202
Cumulative Expenditures	23,092,387	29,483	354,102	28,293	26,937	23,531,205

13. SUBSEQUENT EVENTS

Subsequent to March 31, 2022 4,693,179 warrants were exercised at $0.073 per warrant for gross proceeds of $342,602.

Subsequent to the March 31, 2022, 975,000 warrants exercisable at $0.073 per warrant expired unexercised.