BRAVEHEART RESOURCES INC.

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2021 and 2020

BRAVEHEART RESOURCES INC.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim unaudited condensed consolidated financial statements of Braveheart Resources Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice of no auditor review of interim financial statements:

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

The accompanying interim unaudited condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management and have not been reviewed by the Company's independent auditors.

BRAVEHEART RESOURCES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT

	Note		November 30 2021		May 31 2021
ASSETS					
Non-current assets					
Property, plant and equipment	5	$	**2,702,765**	$	2,708,424
Unprocessed ore			**5,039,144**		5,039,144
Mineral properties	4,6		**4,504,227**		4,417,689
Deposits	7		**1,136,738**		1,163,335
Deferred tax asset			**1**		1
Total non-current assets			**13,382,875**		13,328,593
Current assets					
Prepaids and deposits	7		**229,690**		30,500
Accounts receivable and harmonized sales tax	8		**137,321**		179,324
Cash and cash equivalents			**175,931**		1,473,631
Total current assets			**542,942**		1,683,455
Total assets		$	**13,925,817**	$	15,012,048
EQUITY AND LIABILITIES					
Equity					
Share capital	9	$	**22,569,351**	$	22,085,144
Warrants	9		**2,980,589**		2,782,337
Contributed surplus	9		**6,257,994**		6,154,681
Deficit			**(25,244,293)**		(23,701,659)
Total Equity			**6,563,641**		7,320,503
Going concern	1				
Commitments and contingencies	13				
Subsequent events	14				
Non-current liabilities					
Due to related party	10		**809,923**		3,216,897
Loans payable	11		**1,307,419**		974,853
Flow through share premium	9		**22,215**		84,449
Government grants	11		**2,119**		13,297
Decommissioning obligations	12		**317,802**		295,597
Total non-current liabilities			**2,459,478**		4,585,093
Current liabilities					
Accounts payable and accrued liabilities			**722,268**		1,191,042
Current portion of due to related party	10		**4,127,113**		1,636,353
Current portion of loans payable	11		**-**		224,206
Current portion of government grants	11		**25,426**		26,961
Contingent consideration	4		**27,891**		27,891
Total current liabilities			**4,902,698**		3,106,453
Total liabilities			**7,362,176**		7,691,546
Total equity and liabilities		$	**13,925,817**	$	15,012,049

Approved on behalf of the Board on January 28, 2022:

Signed: "Gestur Kristjansson"   Signed: "Peter Lacey"

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

BRAVEHEART RESOURCES INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2021 and 2020

		Three months ended		Six months ended	
	Note	November 30 2021	November 30 2020	November 30 2021	November 30 2020
Revenue		**$ 73**	$ -	**$ 123**	$ -
Expenses					
Marketing and advertising		**$ 4,166**	$ 44,802	**$ 12,381**	$ 84,155
Consulting fees		**112,328**	192,908	**282,730**	284,858
Amortization	5	**48,936**	46,455	**96,658**	93,421
Accretion	12	**11,291**	7,178	**22,206**	14,116
Administrative expenses		**58,905**	54,804	**171,430**	96,358
Professional fees		**37,331**	113,926	**95,962**	152,983
Salaries and wages		**56,529**	48,127	**101,257**	97,380
Supplies and maintenance		**79,749**	57,483	**151,290**	120,311
Equipment repairs		**-**	4,112	**-**	3,761
Mining exploration and development expenses	6	**125,667**	67,693	**244,412**	67,693
Share based compensation		**-**	295,370	**46,559**	310,517
Interest expense	10,11	**137,079**	289,139	**335,886**	643,402
Operating loss		**671,981**	1,221,997	**1,560,771**	1,968,955
Other (income) expenses		**(6,356)**	-	**(12,713)**	-
(Gain) loss on sale of assets		**-**	-	**-**	(7,127)
Foreign exchange (gain) loss		**6,581**	969	**60,974**	1,764
Interest income		**(1,433)**	(147)	**(4,041)**	(3,997)
Net loss		**$ (670,700)**	$ (1,222,819)	**$ (1,604,868)**	**$** (1,959,595)
Flow through Share premium renunciation		**(22,306)**	(9,000)	**(62,234)**	(16,840)
Corporate income tax recovery		**-**	(7,577)	**-**	(7,577)
Net loss and comprehensive loss for the period		**$ (648,394)**	(1,206,242)	**$ (1,542,634)**	**$** (1,935,178)
Net loss per share		$ **(0.003)**	$ (0.009)	$ **(0.007)**	$ (0.006)
Weighted average outstanding shares		**213,031,492**	134,025,544	**211,472,061**	113,320,878

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

BRAVEHEART RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021 and 2020

		Share Capital					Equity		
		Common Shares		Warrants		Contributed	Convertible		
	Note	Number	Amount	Number	Amount	Surplus	Debenture	Deficit	Total
Balance, May 31 , 2020		113,175,899	$ 9,984,540	$ 27,667,569	$ 1,001,530	$ 4,490,567	$ 2,044,039	$ (16,509,383)	$ 1,011,293
Share issue for cash		24,767,957	1,993,930						1,993,930
Warrants excercised		400,000	76,402	(400,000)	(16,402)				60,000
Warrants expired unexercised				(2,135,000)	(87,550)	87,550			-
Fair value of warrants			(815,320)	24,967,976	$ 815,320	-			-
Shares issued for settlement of convertible loan		12,000,000	2,400,000				(716,658)		1,683,342
Share based compensation						310,518			310,518
Stock options exercised		300,000	35,535			(17,535)			18,000
Share issue costs			(20,265)						(20,265)
Net loss and comprehensive loss								(1,935,178)	(1,935,178)
Balance, November 30, 2020		**150,643,856**	**$ 13,654,822**	**$ 50,100,545**	**$ 1,712,898**	**$ 4,871,100**	**$ 1,327,381**	**$ (18,444,561)**	**$ 3,121,640**
Balance, May 31, 2021		205,548,362	$ 22,085,144	$ 58,782,878	$ 2,782,337	$ 6,154,681	$ -	$ (23,701,659)	$ 4,541,946
Share issue for cash	9	7,233,130	723,313						723,313
Warrants expired unexercised	9			(521,569)	(56,754)	56,754			-
Fair value of warrants	9		(251,872)	17,233,130	251,872				-
Share based compensation	9					46,559			46,559
Share issue for property acquisition	9	250,000	25,000						25,000
Share issue costs	9		(12,234)	90,000	3,134				(9,100)
Net loss and comprehensive loss								(1,542,634)	(1,542,634)
Balance, November 30, 2021		**213,031,492**	**$ 22,569,351**	**$ 75,584,439**	**$ 2,980,589**	**$ 6,257,994**	**$ -**	**$ (25,244,293)**	**$ 6,563,641**

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

BRAVEHEART RESOURCES INC.

CONSOLIDATED STATMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021 and 2020

	Note	November 30 2021	November 30 2020
Cash flows from operating activities			
Net loss for the period		**$ (1,542,634)**	$ (1,935,178)
Add back/Deduct non-cash expenses/(income)			
Amortization	5	**96,658**	93,421
Accretion	12	**22,206**	14,116
Share based compensation		**46,559**	310,517
Other income - Government grant	11	**(12,713)**	-
Interest accrued	10,11	**335,886**	643,265
Flow-through share premium renunciation		**(62,234)**	(16,840)
Unrealized foreign exchange loss		**70,402**	-
Net changes in working capital balances			
Accounts receivable and harmonized sales tax		**42,004**	195,781
Prepaids and deposits		**(172,593)**	(23,874)
Accounts payable and accrued liabilities		**(468,776)**	41,633
Due to directors		**-**	1,123
Cash flows used in operating activities		**(1,645,235)**	(676,036)
Cash flows from investing activities			
Investment in capital assets		**(65,999)**	-
Mineral properties	6	**(86,538)**	(105,944)
Cash flows used in investing activities		**(152,537)**	(105,944)
Cash flows from financing activities			
Issue of common shares and warrants, net of costs	9	**714,213**	1,973,665
Stock options exercised		**-**	18,000
Related party loan		**(175,000)**	60,000
Loans payable		**(39,141)**	-
Cash provided by financing activities		**500,072**	2,051,665
Net change in cash		**(1,297,700)**	1,269,685
Cash, beginning of year		**1,473,631**	108,635
Cash, end of period		**$ 175,931**	$ 1,378,320

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

1. REPORTING ENTITY AND GOING CONCERN

Braveheart Resources Inc. (the "Company") is an exploration stage company engaged in locating, acquiring and exploring for precious metals in Canada. The Company was incorporated pursuant to the laws of Ontario on October 13, 2009. The Company is listed on the TSX Venture Exchange, having the symbol BHT as well as the OTCQB Venture Market in the United States, having the symbol RIINF, and the Frankfurt Stock Exchange having the symbol 2ZR, and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is 2520 – 16th Street NW, Calgary, Alberta T2M 3R2, Canada.

On January 18, 2019, the Company acquired all of the shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and these consolidated financial statements include the operating results of Purcell and its subsidiaries (Bul River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd.) from the date of acquisition.

On December 22, 2020, the Company acquired all shares of Cadillac Ventures Holdings Inc. and on January 26, 2021 Cadillac Ventures Holdings Inc. changed its name to Pickle Lake Minerals Inc. (Pickle Lake). These consolidated financial statements include the operating results of Pickle Lake from the date of acquisition. The results of Pickle Lake are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition. All intercompany transactions, balances, income and expenses are eliminated through the consolidation process.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company for the six months ended November 30, 2021 incurred a net loss of $1,542,634 (cumulative deficit of $25,244,293) and used cash flow in operating activities of $1,645,235. At November 30, 2021, the Company, has a working capital deficit of $4,359,756. The Company will be required to raise significant financing to fund both ongoing operating activities and the capital required to develop its existing mining properties. In addition, the Company has certain commitments (note 13) and longer term debt maturities (notes 10 and 11) for which repayment will be required. See also Note 14 which discusses the renegotiated term of the Ocean Partner UK agreement ("Ocean debt") (note 11). The Company will have to raise significant additional funds to advance its exploration and development activities and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Further, the Company's continued existence is dependent upon the preservation of its interest in the underlying mineral properties, the discovery of economically recoverable mineral reserves and the achievement of profitable operations.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses or statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

During March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause investment market volatility, supply chain disruptions, and increased government regulations, all of which may negatively impact the Company's business and financial condition. Exploration drilling operations were suspended during these restrictions.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

The interim unaudited condensed financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended May 31, 2021.

The policies applied in these interim unaudited condensed financial statements are consistent with the policies disclosed in Notes 2, 3, and 4 of the audited annual consolidated financial statements for the year ended May 31, 2021.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on January 28, 2022.

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Braveheart Resources Inc. and its wholly-owned subsidiaries, Pickle Lake Minerals Inc. and Purcell Basin Minerals Inc., a company incorporated in British Columbia and its wholly-owned subsidiaries Bul River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated through the consolidation process.

2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis as set out in the accounting policies below. Certain items are stated at fair value.

3. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- price risk
- commodity price risk
- foreign currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivables, and cash and equivalents.

The Company considers this risk to be low.

Accounts Receivables

Receivables are measured at carrying value and are subject to credit risk exposure.

Cash and cash equivalents and deposits

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

(ii) Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used for operating costs, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. The current volatility in commodity prices and overall global market uncertainty creates significant inherent challenges with the preparation of financial forecasts. See further discussions relating to going concern and liquidity in note 1.

The consolidated financial statements for the six months ended November 30, 2021 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, Braveheart is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Braveheart's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

(iii) 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.

Related party loans are at fixed rates and loans payable are variable.

(iv) Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions and loans are denominated in United States dollars.

Sensitivity analysis - Based on management's knowledge and experience of the financial markets, the Company believes that movements at ± 10% are "reasonably possible" over a one year period:

(a) As at November 30, 2021, the Company had $1,234,834 ($959,068 US dollars) in loan liability and $4,754 in cash denominated US Dollar foreign currency.

(b) Price risk is remote since the Company is a non-producing entity.

Capital risk management

The primary objective of managing the Company's capital is to ensure that there is sufficient capital available to support the funding and operating requirements of the Company in a way that optimizes the cost of capital, maximizes shareholders' returns, matches the current strategic business plan and ensures that the Company remains in a sound financial position. (See note 1)

There were no changes to the Company's approach to capital management during the period, as compared to the prior year.

4. ACQUISITIONS OF MINERALS PROPERTIES

4.1 Summary of Asset Acquisition of Thierry

On December 22, 2020 the Company acquired the shares of Cadillac Ventures Holdings Inc. which owns the Thierry Mine Project (Thierry) near Pickle Lake, Ontario from Cadillac Ventures Inc. (Cadillac)(TSXV:CDC). This was an arm's length transaction.
The terms of the arrangement were as follows:

- (i) $300,000 in cash;
- (ii) 11,000,000 common shares of the Company;
- (iii) up to an additional 2,500,000 common shares following delivery of the pending Updated Rehabilitation Plan to the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry;
- (iv) Cadillac was responsible for settlement of certain liabilities on acquisition of Thierry – described as Cadillac amounts receivable. The Company reports below both the assumed accounts payable of Thierry and the corresponding Cadillac receivable.
- (v) On July 29, 2021, the Company amended the agreement to purchase of a 2% Net Smelter Royalty ("NSR") on the Thierry Mine Project. Braveheart issued 250,000 common shares and made a cash payment of $225,000 to purchase the 2% NSR.

(In Canadian dollars)

4.2 Value Received and Consideration Transferred – Pickle Lake -Thierry Acquisition

Deposit	$	401,300
Cadillac amounts receivable		150,000
Mineral property		2,353,095
		2,904,395
Decommissioning obligation		(137,935)
Accounts payable		(774,008)
Loan -CEBA		(33,375)
Government grant		(26,625)
Fair value of net assets acquired	$	1,932,452
Fair value of consideration transferred:		
Shares issued	$	1,540,000
Cash		300,000
Legal costs		39,561
Contingent consideration (6.3 below)		52,891
Fair value of consideration	$	1,932,452

The acquisition of historical non-capital loss and tax pools of $105.04 million are available to reduce future income taxes.

4.3 Contingent consideration arrangements – Pickle Lake-Thierry Acquisition

The share sale agreement provides for the issuance of up to an additional 2,500,000 common shares based on decommissioning estimates with an Updated Rehabilitation Plan to the Ministry of Northern Development, Mines, Natural Resources and Forestry of Ontario for Thierry. $52,891 represents the estimated fair value of additional shares to be issued. As at November 30, 2021, the estimated fair value of additional shares to be issued was adjusted to $27,891.

(In Canadian dollars)

5. PROPERTY, PLANT AND EQUIPMENT

November 30, 2021	Cost	Accumulated amortization	Net book value
Buildings	$2,486,494	(355,101)	$2,131,393
Equipment	$ 741,067	(169,695)	$ 571,372
Total	$3,227,561	(524,796)	$2,702,765

May 31, 2021	Cost	Accumulated amortization	Net book value
Buildings	$2,486,494	(292,769)	$2,193,725
Equipment	$ 650,068	(135,369)	$ 514,699
Total	$3,136,562	(428,138)	$2,708,424

Amortization rates based on estimated useful lives of 20 years for Building and 10 years for Equipment. The buildings and equipment are attributable to the Bul River mine.

6. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION ASSET

Acquisition of Mineral Properties

	May 31, 2021	Additions	November 30, 2021
Purcell	$ 2,089,594	$ -	$ 2,089,594
Thierry	2,328,095	86,538	2,414,633
	$ 4,417,689	$ 86,538	$ 4,504,227

Mining Exploration Expenses

	For the Period Ended November 30, 2021	For the Year Ended May 31, 2021
Alpine	14,484	-
Purcell	229,928	542,832
Thierry	-	103,902
	$ 244,412	$ 646,734

The BC Mining Exploration Tax Credit (BCMETC) is a 30% credit on qualified mining exploration for the determination of the existence, location, extent or quality of a mineral resource in BC.

(In Canadian dollars)

7. DEPOSITS AND PREPAIDS

	November 30, 2021	May 31, 2021
Restricted deposits	$ 1,136,738	$ 1,038,335
Alpine Mine Property Option	125,000	125,000
Advances and prepaids	104,690	30,500
Deposits and prepaid	$ 1,366,428	$ 1,193,835
Current portion	229,690	30,500
	$ 1,136,738	$ 1,163,335

Restricted deposits are held in Canadian banks as required by British Columbia Ministry of Energy, Mines and Low Carbon Innovation for Purcell and the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry for Thierry.

Options agreement to acquire Alpine Gold Mine Property

On March 3, 2021, the Company entered into an option agreement to acquire a 100% interest in the past-producing Alpine Mine Property near Nelson, British Columbia. The Company issued 1,000,000 shares fair value estimated at $125,000 in April 2021. (See also note 13 for commitments of the option agreement.)

8. HARMONIZED SALES TAX AND OTHER RECEIVABLES

	November 30, 2021	May 31, 2021
Receivable from Thierry acquisition	$ -	$ 40,000
BC Mining Exploration Tax Credit	111,924	111,924
Trade receivables	-	11,550
Harmonized sales tax	25,397	15,850
	$137,321	$ 179,324

(In Canadian dollars)

9. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

Authorized and issued	Number of shares	
	November 30, 2021	May 31, 2021
Common shares, beginning of year	205,548,362	113,175,899
Issued for cash - shares (ii)(iii)(iv)(vi)(viii)(xvi)	7,233,130	27,815,072
Issued for cash on exercise of stock options (vii)(xii)	-	400,000
Issued for settlement of convertible loan (v)(xv)	-	39,200,000
Issued for cash - flow-through shares (xiii)	-	5,217,391
Issued for property acquisition (ix)(xiv)(xvii)	250,000	12,000,000
Issued for settlement of related party loan (x)	-	6,500,000
Warrants exercised (i)(xi)	-	1,240,000
Common shares	213,031,492	205,548,362

Opening	$ 22,085,144	$ 9,984,540
Issued for cash - shares (ii)(iii)(iv)(vi)(viii)(xvi)	723,313	2,289,641
Issued for cash on exercise of stock options (vii)(xii)	-	47,380
Issued for settlement of convertible loan (v)(xv)	-	7,944,151
Issued for cash - flow-through shares (xiii)	-	600,000
Issued for property acquisition (ix)(xiv)(xvii)	25,000	1,665,000
Issued for settlement of related party loan(x)	-	780,000
Warrants exercised (i)(xi)	-	233,067
Flow-through share premium (xiii)	-	(130,435)
Share issue costs (vi)(viii)(xiii)(xvi)	(12,234)	(202,680)
Fair value of warrants (ii)(iii)(iv)(vi)(xiii)(xv)	(251,872)	(1,134,520)
	$ 22,569,351	$ 22,085,144

(i) On July 21, 2020, 400,000 common share purchase warrants were exercised for gross proceeds of $60,000, and 2,135,000 common share purchase warrants expired unexercised.

(ii) On August 6, 2020 the Company issued 2,000,000 units at $0.1015 per unit for $203,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.1688 per share until August 6, 2025.

(iii) On September 1, 2020 the Company issued 2,222,222 units at $0.1125 per unit for $250,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.187 per share until September 1, 2025.

(iv) On September 22, 2020 the Company issued 7,000,000 units at $0.075 per unit for $525,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.11 per share until September 22, 2023.

(v) On October 13, 2020 the Company issued 12,000,000 units at $0.20 per unit as settlement of $2,400,000 of its convertible debt.

(vi) On October 30, 2020 the Company issued 13,545,734 units at $0.075 per unit for $1,015,930. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.11 per share until October 30, 2023. In connection with the offering the Company issued 200,020 finders fees warrants exercisable into a common share at a price of $0.11 per share until October 30, 2023.

(vii) On November 30, 2020 300,000 stock options were exercised at $0.06 per common share for gross proceeds of $18,000.

(viii) On December 10, 2020 the Company issued 3,047,115 units at $0.10 per unit for $304,711. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.15 per share until December 10, 2022. 15,000 finders fees warrants were issued exercisable into a common share at a price of $0.15 per share until December 10, 2022.

(ix) On December 22, 2020, the Company issued 11,000,000 common shares under the terms of the Thierry Mine Project acquisition (note 4).

(x) On January 27, 2021 the company issuance of 6,500,000 common shares for partial settlement of the related party loan (note 10).

(xi) On January 27, 2021, 840,000 common share purchase warrants with an exercise price of $0.15 were exercised for gross proceeds of $126,600.

(xii) On April 5, 2021, 100,000 stock options were exercised at $0.06 per common share for gross proceeds of $6,000.

(xiii) On April 5, 2021, the Company completed a private placement of 5,217,391 flow-through units at $0.115 per unit and for gross proceeds of $600,000. The Company paid finders fees totaling 36,000 and issued 313,044 finders warrants, with each finder warrant exercisable into a common share at an exercise price of $0.115 per share for a period of 24 months.

(xiv) In April 2021, the Company issued 1,000,000 common shares under the terms of the Alpine Mine Project acquisition. (note 7 and 13)

(xv) On May 31, 2021 the Company issued 27,200,000 units at $0.13 per unit as settlement of $3,536,000 of its convertible debt. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.20 per share until March 16, 2024.

(xvi) On July 7, 2021 the Company issued 7,233,130 units at $0.10 per unit for $723,313. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.14 per share for a period of 24 months from offering. 90,000 finders fees warrants were issued exercisable into a common share at a price of $0.14 per share until July 7, 2023.

(xvii) On August 10, 2021, the Company issued 250,000 shares as part of its cost of acquisition of a 2% Net Smelter Royalty on the Thierry mine project. (note 4)

(In Canadian dollars)

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the years ended May 31, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2020	27,667,569	$ 0.151
Exercised	(1,240,000)	0.124
Expired	(25,640,000)	-
Issued	57,995,309	0.160
Balance, May 31, 2021	58,782,878	$ 0.160
Expired	(521,569)	0.183
Issued	7,323,130	0.140
Balance, November 30, 2021	65,584,439	$ 0.158

At November 30, 2021, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants	Exercise Price	Expiry date
266,000	0.14	December 19, 2021
2,000,000	0.1688	August 6, 2025
2,222,222	0.185	September 1, 2025
7,000,000	0.11	September 22, 2023
13,745,754	0.11	October 30, 2023
3,062,115	0.15	December 10, 2022
27,200,000	0.20	March 16, 2024
2,765,218	0.14	April 5, 2023
7,323,130	0.14	July 7, 2023
65,584,439	0.158	

Stock option plan

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. A continuity of stock options are presented as follows:

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2020	8,155,556	$ 0.16
Issued	9,305,000	0.10
Exercised	(400,000)	0.06
Balance, May 31, 2021	17,060,556	$ 0.13
Issued	500,000	0.105
Balance November 30, 2021	17,560,556	$ 0.13

The following table summarizes information about stock options outstanding and exercisable:

(In Canadian dollars)

Date of Grant	Number of Outstanding at May 31, 2021	Exercise Price	Date of Expiry	Number of Exercisable at November 30, 2021
April 25, 2017	1,800,000	$ 0.06	April 25, 2022	1,800,000
June 5, 2019	5,955,556	$ 0.18	June 5, 2023	5,955,556
June 11, 2020	325,000	$ 0.18	June 11,2023	325,000
October 22, 2020	3,600,000	$ 0.10	October 30, 2025	3,600,000
April 8, 2021	5,380,000	$ 0.10	April 8, 2026	5,380,000
June 16, 2021	-	$ 0.105	June 16, 2026	500,000
	17,060,556			17,560,556

The Company provides compensation to directors, employees and consultants in the form of stock options.

On June 16, 2021, the Company granted 500,000 options at a strike price of $0.105 and an expiry date of five years to a consultant. The fair value of $46,559 for the 500,000 stock options granted of $0.09 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 0.8%, expected life of 5 years and historical volatility was used for calculation of expected volatility of 141%.

10. RELATED PARTY

On January 4, 2019 the Company entered into a loan agreement with Matlock Farms Ltd., a company controlled by Aaron Matlock, a director of the Company. The loan has a principal amount of $5,000,000 and carried an interest rate of 14.8% for a term of four years. Interest accrued for the first two years, and commencing in the third year, the Company will be required to make blended payments comprised of principal and interest.

Under the terms of the loan agreement, $650,000 of the $5,000,000 remained in an escrow account as security for certain third-party debts with Matlock Farms Ltd. The loan is secured by a general security agreement over Bul River assets pledged. During 2021, $141,278 was used as payment of loan.

On January 12, 2021 the Company renegotiated loan terms, effective January 19th, 2021, the interest rate was reduced to 10% for the balance of the loan. $780,000 of accrued interest was settled with the issuance of 6,500,000 common shares. A $323,920 modification gain was recorded on completion of this transaction.

(In Canadian dollars)

	Period Ended November 30, 2021	Year Ended May 31, 2021
Loan balance beginning of period	$ 4,853,250	$ 5,493,727
Settled with escrow funds	-	(141,416)
Interest payments	(175,000)	(175,000)
Settled with shares	-	(780,000)
Gain on renegotiation of terms and share settlement	-	(323,920)
Accrued interest during the period	258,786	779,859
	4,937,035	4,853,250
Less current portion	(4,127,113)	(1,636,353)
	$ 809,923	$ 3,216,897

11. LOANS PAYABLE

Loans payable	November 30, 2021	May 31, 2021
CEBA Loans	$ 72,585	$ 69,394
Ocean - Stockpile loan	1,234,834	1,129,665
	$ 1,307,419	$ 1,199,059
Less current portion	-	(224,206)
	$ 1,307,419	$ 974,853

CEBA Loans payable

On April 20, 2020, the Company received a $40,000 interest free loan due December 2022 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $30,000 by the due date will result in $10,000 forgiveness.

On December 21, 2020 an additional $20,000 interest free loan due December 2022 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $10,000 by the due date will result in $10,000 forgiveness.

During the Theirry acquisition the Company assumed a $60,000 interest free loan due December 2022 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $40,000 by the due date will result in $20,000 forgiveness.

(In Canadian dollars)

CEBA Loans	November 30, 2021	May 31, 2021
Beginning of period	$ 69,394	$ 40,000
Additions	-	10,000
Reclassification to Government grants	-	(17,891)
Interest	3,191	3,910
Additions – Theirry acquisition (Note 4)	-	33,375
	$ 72,585	$ 69,394

Government grants	November 30, 2021	May 31, 2021
Beginning of period	$ 40,258	$ -
Additions	-	10,000
Reclassification from loans	-	17,891
Additions – Thierry acquisition (Note 4)	-	26,625
Amortization	(12,713)	(14,258)
	$ 27,545	$ 40,258
Less current portion	(25,426)	(26,961)
	$ 2,119	$ 13,297

Government Grants are amortized on a straight line basis, assuming repayment in December 2022 to achieve forgiveness. (See also note 14)

Ocean debt - Stockpile loan

On March 17, 2021, the Company entered into a Concentrate Purchase Agreement with Ocean Partners UK Ltd. (Ocean) for the sale of its copper concentrates (with gold and silver credits) from its Bul River Mine. Additionally, Ocean has agreed to provide the Company with a Pre-Payment Financing Facility against initial proceeds from milling of mineralized material on surface. The Company is required to deliver 45,000 wet metric tonnes of copper concentrate. Ocean shall have a right of first refusal on any remaining production thereafter from Bul River. Interest on any amounts drawn is at 12-month LIBOR plus 8.75%. The Ocean debt is secured by Bul River mining assets. Blended interest and principle repayments to commence in March 2022.

The Company has to comply with certain conditions present in the Ocean agreement. If these conditions, which include the raise of $2 million of financing, are not met the Ocean debt will be due on December 31, 2021. The Company currently has not met the Ocean debt conditions nor has the funds to repay this debt if it becomes due on December 31, 2021.

On March 13, 2021, the Company made an initial draw of $1,248,181 (USD $1,000,000) net of arrangement fees and expenses associated with lender due diligence and legal fees.

The Company may access up to USD $3,500,000 subject to certain conditions, which can be used for capital expenditures at Bul River including plant commissioning and general working capital purposes. Further advances require:
-provide lender with independently verified mining financial plan with adequate equity raises.

(In Canadian dollars)

-Government permit to operate the mine to be issued by December 31, 2021.
-the fair market value of tangible property is in excess of all debts and the Company is solvent, paying debts as they come due. (See also renegotiated terms note 14)

	November 30, 2021	May 31, 2021
Ocean Debt		
Beginning of period	$1,129,665	$ -
Additions	-	1,248,181
Loan fees and costs incurred	-	(90,540)
Interest accrued	73,908	13,003
Interest paid	(39,141)	-
Foreign exchange gain	70,402	(40,981)
	$ 1,234,834	$ 1,129,665
Less current portion	-	(224,206)
	$ 1,234,834	$ 905,459

12. DECOMMISSIONING LIABILITIES

The Company estimates the total undiscounted cash flows to settle its asset retirement obligations are approximately $691,307 in 2031 and $2,596,147 in 2041 for the Bul River Mine and Thierry Mine respectively. A Company credit adjusted risk-free interest rate of 15.0% (2020 – 15%) and an estimated inflation rate of 3.0% (2020 – 3%) was used to calculate the present value of asset retirement obligations.

Decommissioning obligations activities during the year:	November 30, 2021	May 31, 2021
Beginning of year	$295,597	187,771
Additions assumed in acquisition (Note 4)	-	137,935
Adjustment for increase in mine life	-	(68,406)
Accretion	22,205	38,297
End of period	$317,802	$295,597

13. COMMITMENTS AND CONTINGENCIES

In April 2021 the Company has committed to spend $600,000 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses prior to December 31, 2022. As at November 30, 2021 the Company estimates a $63,000 remaining commitment on eligible Canadian exploration and development expenses by December 31, 2022.

As discussed in note 4, the Company may be required to issue up to an additional 2,500,000 common shares following delivery of the pending Updated Rehabilitation Plan to the Ministry of Northern Development, Mines, Natural Resources and Forestry of Ontario for Thierry.

In connection with the Exploration Memorandum of Understanding with the Mishkeegogamang First Nation, the Company has committed to contribute $60,000 annually to the Mishkeegogamang Community Fund to benefit the community.

Capital equipment commitments of $257,000 related to Bul River floatation tank equipment.

Options agreement to acquire Alpine Gold Mine Property

On March 3, 2021 the Company entered into a new option agreement to acquire a 100% interest in the past-producing Alpine Mine Property near Nelson, British Columbia. The Company previously held an option on the property until December 2019. The Terms of the new option agreement include the following:

a. A cash payment of $100,000 by April 15, 2022.
b. Property expenditures of approximately $700,000 to complete permitting and construction of an upgraded road to the mine site from Nelson by December 22, 2022.
c. A cash payment of $1,400,000 by December 15, 2023.
d. A cash payment of $1,500,000 by December 15, 2024.

14. SUBSEQUENT EVENTS

Ocean Debt – Stockpile Loan Term Changes

On December 7, 2021 the Company amended the Ocean loan agreement by extending the maturity date under the facility to September 30, 2023 or such earlier date if the Company is in default of the conditions under the agreement.

In connection with the amendment, the Company granted to Ocean Partners 10,000,000 warrants of the Company with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per share until September 30, 2023 or such earlier date if the maturity date under the facility is accelerated due to an event of default under the agreement.

CEBA Loan

On January 12, 2022 the Government of Canada changed its policy where CEBA loans are allowed to be repaid up to and including December 31, 2023 (previously December 31, 2022).

Loan

On January 10, 2022 the Company received a loan for $150,000 due in one year which bears interest at 5%.