PROSPER GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JULY 31, 2021

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) continuous disclosure requirement, 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 unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these Condensed Interim Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

PROSPER GOLD CORP.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	**July 31, 2021 (Unaudited)**	October 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		**$ 5,406,375**	$ 2,346,449
Amounts receivable		**203,576**	78,560
Marketable securities	6	**15,500**	-
Prepaid expenses and deposit	10	**368,067**	89,454
		5,993,518	2,514,463
Non-current assets			
Reclamation deposit	4	**219,000**	219,000
Equipment	5	**362,900**	24,533
Mineral properties	6	**887,566**	798,541
		1,469,466	1,042,074
		$ 7,462,984	$ 3,556,537
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	**$ 376,876**	$ 290,190
Loan payable	7	**37,348**	35,986
Deferred gain on loan payable	7	**2,652**	4,014
		40,000	40,000
		416,876	330,190
SHAREHOLDERS' EQUITY			
Share capital	8	**23,473,393**	16,382,054
Reserves	9	**3,837,480**	2,124,020
Deficit		**(20,264,765)**	(15,279,727)
		7,046,108	3,226,347
		$ 7,462,984	$ 3,556,537

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on September 24, 2021. They are signed on behalf of the Board of Directors by:

/s/ "Peter Bernier"	*/s/ "Jason Hynes"*
Peter Bernier Director	Jason Hynes Director

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

PROSPER GOLD CORP.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Three months ended		Nine months ended	
		July 31, 2021	July 31, 2020	**July 31, 2021**	July 31, 2020
Expenses					
Exploration expenditures	6,11	**$ 1,732,108**	$ 32,275	**$ 2,312,985**	$ 207,556
General and administrative		**107,301**	38,231	**522,649**	114,204
Management fees and salaries	11	**110,613**	16,324	**448,313**	52,999
Professional fees		**37,892**	5,623	**80,648**	28,293
Share-based payments	9(b), 11	**856,039**	9,282	**1,606,370**	44,234
Transfer agent, listing and filing fees		**13,706**	8,911	**32,448**	16,406
		2,857,659	110,646	**5,003,413**	463,692
Other (income) and expense					
Interest income		**(5,948)**	(91)	**(7,318)**	(3,376)
Gain on disposal of mineral properties	6	**(14,557)**	-	**(14,557)**	-
Unrealized loss on marketable securities	6	**3,500**	-	**3,500**	-
Net loss and comprehensive loss for period		**$ 2,840,654**	$ 110,555	**$ 4,985,038**	$ 460,316
Loss per share					
Basic and diluted		**$ 0.13**	$ 0.01	**$ 0.25**	$ 0.06
Weighted average number of common shares outstanding		**21,581,536**	8,055,891	**19,603,162**	8,049,924

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

PROSPER GOLD CORP.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

For the nine months ended July 31, 2020

	Number of Shares	Share Capital	Reserves – Options	Reserves – Other	Reserves – Total	Deficit	Total
Balance at October 31, 2019	8,040,891	$ 13,416,665	$1,409,481	$ 657,991	$2,067,472	$(14,291,978)	$ 1,192,159
Shares issued for property	15,000	7,500	-	-	-	-	7,500
Share issue costs	-	(577)	-	-	-	-	(577)
Share-based payments	-	-	44,234	-	44,234	-	44,234
Net loss for the period	-	-	-	-	-	(460,316)	(460,316)
Balance at July 31, 2020	8,055,891	$ 13,423,588	$ 1,453,715	$ 657,991	$ 2,111,706	$(14,752,294)	$ 783,000

For the nine months ended July 31, 2021

	Number of Shares	Share Capital	Reserves – Options	Reserves – Other	Reserves – Total	Deficit	Total
Balance at October 31, 2020	13,721,801	$ 16,382,054	$1,436,057	$ 687,963	$2,124,020	$(15,279,727)	$ 3,226,347
Private placement – units	6,111,111	5,500,000	-	-	-	-	5,500,000
Shares issued for property	50,000	87,000	-	-	-	-	87,000
Shares issued for warrants exercised	2,064,963	1,805,489	-	-	-	-	1,805,489
Share issue costs	-	(301,150)	-	107,090	107,090	-	(194,060)
Share-based payments (note 9(b))	-	-	1,606,370	-	1,606,370	-	1,606,370
Net loss for the period	-	-	-	-	-	(4,985,038)	(4,985,038)
Balance at July 31, 2021	**21,947,875**	**$ 23,473,393**	**$3,042,427**	**$ 795,053**	**$3,837,480**	**$(20,264,765)**	**$ 7,046,108**

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

Prosper Gold Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended	
	July 31, 2021	July 31, 2020
Cash provided by (used in):		
Operating activities		
Net loss	**$ (4,985,038)**	$ (460,316)
Adjustments for:		
Amortization of equipment	**29,486**	4,425
Amortization of deferred gain on loan payable	**(1,363)**	(423)
Accretion expense on loan payable	**1,363**	423
Gain on sale of mineral property	**(14,557)**	-
Unrealized loss on marketable securities	**3,500**	-
Share-based payments	**1,606,370**	44,234
Net change in non-cash working capital		
Amounts receivable	**(125,016)**	(7,723)
Prepaid expenses and deposit	**(278,613)**	4,367
Accounts payable and accrued liabilities	**86,686**	(51,263)
	(3,677,182)	(466,276)
Investing activities		
Purchase of equipment	**(367,853)**	(10,859)
Acquisition of mineral properties	**(13,200)**	(32,711)
Sale of mineral property	**6,732**	-
	(374,321)	(43,570)
Financing activities		
Loan payable	**-**	40,000
Issuance of units in connection of private placement	**5,500,000**	-
Issuance of shares for warrants exercised	**1,805,489**	-
Share issue costs	**(194,060)**	(577)
	7,111,429	39,423
Increase/(decrease) in cash	**3,059,926**	(470,423)
Cash and cash equivalents, beginning of period	**2,346,449**	525,616
Cash and cash equivalents, end of period	**$ 5,406,375**	$ 55,193

Non-cash activities:

Shares issued for property	$ 87,000	$ 7,500
Fair value of broker warrants for private placement	$ 107,090	$ -
Shares received from sale of mineral property	$ 19,000	$ -

Cash and cash equivalents consist of:

Cash	$ 1,402,366	$ 124,643
Term deposits	$ 4,004,009	$ -

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

1. Nature of operations and going concern

Prosper Gold Corp. ("Prosper" or the "Company") was incorporated under the *Business Corporations Act* (Ontario) on October 11, 2007, continued into British Columbia under the *Business Corporations Act* (British Columbia) and changed its name from Lander Energy Corporation on April 26, 2012. The registered office of the Company is located at Suite 3500 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L3. Effective September 3, 2013, the Company's common shares are listed on the TSX Venture Exchange (the "Exchange"), trading under the symbol "PGX" upon completion of its Qualifying Transaction on August 30, 2013. Prior to September 3, 2013, the Company was classified as a capital pool company ("CPC") as defined under Policy 2.4 of the Exchange, and trading on the NEX board of the Exchange under the symbol "PGX-H". Effective March 18, 2021, the Company has qualified to trade on the OTCQX Best Market in the United States under the symbol "PGXFF".

The principal business activity of the Company is the acquisition, exploration and development of mineral properties. These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. The Company has not yet generated any revenues, has incurred losses and negative cash flows from operations since inception and has a deficit of $20,264,765 as at July 31, 2021 (October 31, 2020 - $15,279,727). At July 31, 2021, the Company had cash and cash equivalents of $5,406,375 (October 31, 2020 - $2,346,449) and working capital of $5,616,642 (October 31, 2020 working capital - $2,224,273). The ability of the Company to continue as a going concern over a longer term is dependent on the Company's ability to complete financing to meet administrative overhead and to complete the exploration and development of its mineral property interest, attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interest. However, there is no guarantee that the Company will establish economically recoverable reserves, profitable operations or positive cash flows from operations. The Company will continue to raise funding through equity financing to continue operations and has been successful to date, but there can be no assurance that adequate financing will be available in the future, or available on terms acceptable to the Company and, therefore, a material uncertainty exists that may cast significant doubt over the Company's ability to continue as a going concern.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak has caused staff shortages, reduced consumer demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, these condensed interim financial statements do not include all the information and disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2020, which have been prepared in accordance with IFRS.

2. Basis of preparation (continued)

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are recorded at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The Company's interim results are not necessarily indicative of its results for the full year.

(c) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

(d) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Actual results could differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgment and assumptions applied in the preparation of these condensed interim financial statements and other major sources of measurement uncertainty are consistent with those applied and disclosed in the Company's audited financial statements for the year ended October 31, 2020.

3. Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended October 31, 2020.

4. Reclamation deposit

The Company was required to post a security deposit of $190,000 in favor of the BC Ministry of Energy and Mines prior to commencement of surface work at the Star Project.

During the year ended October 31, 2020, the Company posted an additional security deposit of $29,000 in favor of the BC Ministry of Energy and Mines for the Star Property.

Both security deposits were posted with a Canadian financial institution and bear interest at the rate of 0.10%.

(Expressed in Canadian Dollars)

5. Equipment

	Computer Equipment	Office Furniture	Field Equipment	Vehicles	Total
Cost					
As at October 31, 2019	$ 15,523	$ 2,236	$ 28,186	$ 13,704	$ 59,649
Additions	1,998	-	8,861	-	10,859
As at October 31, 2020	$ 17,521	$ 2,236	$ 37,047	$ 13,704	$ 70,508
Addition	12,150	-	280,686	75,017	367,853
As at July 31, 2021	$ 29,671	$ 2,236	$ 317,733	$ 88,721	$ 438,361
Accumulated Amortization					
As at October 31, 2019	$ 14,281	$ 1,411	$ 14,318	$ 9,709	$ 39,719
Amortization	1,232	165	3,660	1,199	6,256
As at October 31, 2020	15,513	1,576	17,978	10,908	45,975
Amortization	3,100	99	18,156	8,131	29,486
As at July 31, 2021	$ 18,613	$ 1,675	$ 36,134	$ 19,039	$ 75,461
Carrying value					
As at October 31, 2020	$ 2,008	$ 660	$ 19,069	$ 2,796	$ 24,533
As at July 31, 2021	**$ 11,058**	**$ 561**	**$ 281,599**	**$ 69,682**	**$ 362,900**

6. Mineral properties

The Company capitalizes costs of mineral property option payments for cash and share issuances and the related transaction costs for the Ontario Projects in Ontario and the Star Property in British Columbia.

	Ontario Projects					
Costs	**Matachewan**	**Wydee**	**Galahad**	**Golden Sidewalk**	**Star**	**Total**
Balance, October 31, 2019	$ 56,275	$ 39,435	$ 83,517	$ -	$ 446,715	$ 625,942
Option payments	2,140	29,529	-	105,000	-	136,669
Share issuances	3,750	3,750	-	109,750	-	117,250
Transaction costs	-	1,042	-	34,230	-	35,272
Write-off	(42,836)	(73,756)	-	-	-	(116,592)
Balance, October 31, 2020	19,329	-	83,517	248,980	446,715	798,541
Share issuance	-	-	-	87,000	-	87,000
Claims purchased	-	-	-	13,200	-	13,200
Claims sold	(11,175)	-	-	-	-	(11,175)
Balance, July 31, 2021	**$ 8,154**	**$ -**	**$ 83,517**	**$ 349,180**	**$ 446,715**	**$ 887,566**

(a) Ontario Projects, Ontario, Canada

Matachewan and Wydee

On February 25, 2016 ("Alexandria Effective Date"), the Company entered into a definitive agreement (the "Alexandria Option Agreement") with Alexandria Minerals Corporation ("Alexandria"), whereby Alexandria has granted the Company the option to acquire a 90% interest in the Wydee and Matachewan claims in central Ontario (collectively, the "Alexandria Properties"). The Alexandria Option Agreement requires the Company to issue 75,000 Prosper shares and for work expenditures totaling $5,000,000 over five years in order for the Company to earn a 75% interest ("First Alexandria Option") in both the Wydee and Matachewan claims as follows:

6. Mineral properties (continued)

(a) Ontario Projects, Ontario, Canada (continued)

Matachewan and Wydee (continued)

(i) Issue 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) on or before five business days after the receipt of the required approval of the Exchange of the agreement (issued);
(ii) Incur $120,000 ($60,000 for Wydee and $60,000 for Matachewan) in expenditures, including airborne survey on the property on or before six months after the Alexandria Effective Date (incurred);
(iii) Issue 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) on or before 24 months after the Alexandria Effective Date (issued);
(iv) Issued 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) on or before 36 months after the Alexandria Effective Date (issued February 22, 2019);
(v) Issue 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) on or before 48 months after the Alexandria Effective Date (issued February 18, 2020); and
(vi) Issue 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) (*) and incur an additional $4,880,000 ($2,440,000 for Wydee and $2,440,000 for Matachewan) on expenditures (*) on or before 60 months of the Alexandria Effective Date.

Upon the Company acquiring a 75% interest in the Alexandria properties, the Company and Alexandria will enter into a joint venture for the exploration and development of the Alexandria property. The Company may elect to exercise the First Alexandria Option to only one of the claims within 60 months of the Alexandria Effective Date by issuing an additional 12,500 shares to Alexandria.

Subject to the First Alexandria Option, Alexandria grants the Company the exclusive irrevocable right and option to acquire an additional 15% interest (“Second Alexandria Option”) upon the delivery of and acceptance by Alexandria of a resource estimate report that delineates a minimum of 1,500,000 ounces of gold on the property.

During the year ended October 31, 2020, the Company paid $29,529 (2019 - $nil) to the Matachewan First Nations as part of the Memorandum of Understanding (“MOU”) for the Wydee property entered into by Alexandria. Legal fees of $1,042 (2019 - $nil) were incurred for this transaction.

(*) During the quarter ended January 31, 2021, the Company allowed the Alexandria Option Agreement to lapse. The costs included in mineral properties of $42,836 for the Matachewan claims and $73,756 for the Wydee claims were written off for the year ended October 31, 2020 in accordance with level 3 of the fair value hierarchy.

Matachewan Land Package

On March 21, 2019, the Company entered into a purchase agreement and acquired a 100% interest in 64 mineral claims and 6 mining patents. The Company paid $5,000 and issued 150,000 common shares at $0.07 per share. Share issue costs of $1,690 were paid for legal fees and filing fees with the Exchange during the 2019 fiscal year. During the 2020 fiscal year, transaction costs for legal fees of $2,140 were paid for legal fees to transfer the titles of the claims to the Company.

During the quarter, the Company sold 37 mineral claims to LaSalle Exploration Corp. (“LaSalle”) for cash proceeds of $10,000 and 100,000 common shares of LaSalle with a fair market value of $19,000 on the completion date. The Company incurred legal fees of $3,268 for the transaction. The cost of the claims equal to $11,175 and a gain of $14,557 has been recorded. At July 31, 2021, the 100,000 LaSalle shares were adjusted to the market value of $15,500 and an unrealized loss of $3,500 has been recorded in the statement of comprehensive loss.

6. Mineral properties (continued)

(a) Ontario Projects, Ontario, Canada (continued)

Galahad
On April 20, 2016, the Company entered into a purchase agreement (the "Purchase Agreement") with JCML Resources Inc. ("JCML"), whereby the Company agreed to acquire 13 mineral claims ("Galahad") surrounding the Ashley Gold Mine for $50,000 and 10,000 Prosper shares. The Company issued the 10,000 common shares at a price of $0.26 per share and paid $50,000 for the acquisition in 2016.

Golden Sidewalk Project

Sabina Agreement
On August 9, 2020 ("Sabina Effective Date"), the Company entered into an option agreement with Sabina Gold & Silver Corp. ("Sabina") to acquire a 100% interest in the Golden Sidewalk Properties, subject to the permitted encumbrances, underlying royalties, the Golden Sidewalk Royalties and any additional property royalty in accordance with the following:

a) In order to acquire a 70% interest ("Sabina First Option"), the Company shall pay $40,000 cash, issue 900,000 common shares and incur $1,400,000 as follows:
   (i) within five business days of receipt of TSXV approval, pay $20,000 cash (paid) and issue 50,000 common shares (issued September 8, 2020)
   (ii) on or before six months of the Sabina Effective Date, issue 50,000 common share (issued January 25, 2021) and incur expenditures of $150,000 (incurred)
   (iii) on or before 18 months of the Sabina Effective Date, issue 250,000 common shares, pay $10,000 in cash and incur $500,000 in expenditures
   (iv) on or before 30 months of the Sabina Effective Date, issue 550,000 common shares, pay $10,000 in cash and incur $750,000 in expenditures

b) Upon the exercise of the Sabina First Option, the Company can elect to pursue the second option to acquire the remaining 30% interest on or before 48 months of the Sabina Effective Date, by issuing an additional 600,000 common shares, pay an additional $10,000 in cash, incur an additional $1,200,000 of expenditures and enter into agreement to fully assume and novate to the Company the permitted encumbrances and all royalties that Sabina is subject to for the property.

Per the agreement, in the event that the Company does not incur the required expenditures in each period, the Company may pay Sabina in cash any shortfall by the end of each period.

Upon the exercise of the first option by the Company, Sabina and the Company will enter in a royalty agreement ("Golden Sidewalk Royalty") whereby Sabina will retain and the Company will pay to Sabina 2.0% NSR on the proceeds from the production or sale of products produced or derived from the Golden Sidewalk property. The Company can elect to purchase 1.0% of the NSR by payment of $1,000,000.

Smith Agreement
On August 25, 2020, the Company entered into an agreement with Greg Smith to acquire a 100% interest in certain mineral claims for $25,000 cash (paid).

The acquisition for these claims is subject to a 1% NSR. The Company can elect to purchase 0.5% of the NSR by payment of $500,000.

6. Mineral properties (continued)

(a) Ontario Projects, Ontario, Canada (continued)

Golden Sidewalk Project (continued)

Bounty Agreement
On August 31, 2020, the Company entered into an agreement with Bounty Gold Corp. ("Bounty") to acquire a 100% interest in certain mineral claims free of any encumbrances by:

i. Within 5 days of Exchange approval, payment of $60,000 in cash (paid)
ii. Issuance of 125,000 common shares of the Company (issued October 14, 2020)

The purchase is subject to a 2% NSR with an option to purchase 1% of the NSR by the Company with a payment of $1,000,000.

Claims Purchased
During the period ended April 30, 2021, the Company acquired additional claims for the Golden Sidewalk Project for $13,200.

(b) Star Property, British Columbia, Canada

Pursuant to an option agreement dated July 15, 2013 between the Company and Firesteel Resources Inc. ("Firesteel") (name changed to Otso Gold Corp.) (the "Option Agreement"), the Company has the exclusive option to earn up to an 80% interest in 19 mining claims on the Star property (formerly the Sheslay property), a copper-gold discovery located northwest of Telegraph Creek, British Columbia, in the Stikine Arch area of northwestern British Columbia, in exchange for cash payments, the issuance of common shares and exploration expenditures over four years as follows:

Pursuant to the option agreement (the "First Option"), the Company has earned a 51% interest in the Star property by:

- Making cash payments to Firesteel totalling $300,000 over 18 months (paid);
- Issuing a total of 30,000 Prosper common shares to Firesteel (issued); and
- Incurring exploration expenditures totalling $1,000,000 over 18 months (incurred).

The Company has an additional option (the "Second Option") to earn an additional 19% interest, thereby increasing its total interest in the Property to 70%, which may be exercised by:

- Making cash payments to Firesteel totalling $200,000 over 36 months (due August 30, 2016) (unpaid);
- Issuing a total of 20,000 Prosper common shares to Firesteel over a period of 36 months (due August 30, 2016) (unissued); and
- Incurring exploration expenditures totalling $2,000,000 over 36 months (incurred).

The Company has an additional option (the "Third Option") to earn an additional 10% interest, thereby increasing its total interest in the Property to 80%, which may be exercised by:

- Making cash payments to Firesteel totalling $500,000 over 48 months (unpaid);
- Issuing a total of 50,000 Prosper common shares to Firesteel over a period of 48 months (unissued); and
- Incurring exploration expenditures totalling $2,000,000 over 48 months (incurred).

(Expressed in Canadian Dollars)

6. Mineral properties (continued)

(b) Star Property, British Columbia, Canada (continued)

Rather than making the Second Option payment and issuance of common shares due August 30, 2016 and the Third Option payment and issuance of common shares due August 30, 2017, the Company and Firesteel entered into a joint venture agreement on August 30, 2016. The Company holds 51% ownership of the Star property. The joint venture agreement specifies that the Company and Firesteel will contribute funds to continue explorations on the Star property pro-rata, based on their percentage of ownership; 51% to be contributed by Prosper and 49% to be contributed by Firesteel.

The underlying royalty holders are entitled to a 2% NSR on the property. The Company has the option to purchase the 2% royalty entitlement for $2,000,000.

(c) Exploration and evaluation expenditures

During the 3 months and 9 months ended July 31, 2021, the Company's exploration expenditures consisted of the following:

	Ontario	Star	Total	Ontario	Star	Total
	3 months ended July 31, 2021	3 months ended July 31, 2021	3 months ended July 31, 2021	9 months ended July 31, 2021	9 months ended July 31, 2021	9 months ended July 31, 2021
Airborne survey	$ -	$ -	$ -	$ 22,253	$ -	$ 22,253
Assay and analysis	15,567	-	15,567	37,820	-	37,820
Camp	214,529	-	214,529	389,334	-	389,334
Drilling	778,402	-	778,402	778,402	-	778,402
Field costs	271,036	600	271,636	284,055	1,800	285,255
Geological (note 11)	107,712	-	107,712	378,875	-	378,875
Property rentals and utilities	-	-	-	59	-	59
Salaries and benefits (note11)	229,238	-	229,238	277,427	-	277,427
Transportation and freight	36,372	-	36,372	60,104	-	60,104
Travel	78,652	-	78,652	82,856	-	82,856
	$ 1,731,508	**$ 600**	**$ 1,732,108**	**$ 2,311,185**	**$ 1,800**	**$2,312,985**

During the 3 months and 9 months ended July 31, 2020, the Company's exploration expenditures consisted of the following:

	Ontario	Star	Total	Ontario	Star	Total
	3 months ended July 31, 2020	3 months ended July 31, 2020	3 months ended July 31, 2020	9 months ended July 31, 2020	9 months ended July 31, 2020	9 months ended July 31, 2020
Assay and analysis	$ -	$ -	$ -	$ 6,985	$ -	$ 6,985
Drilling	-	-	-	96,361	-	96,361
Field costs (recovery)	11,934	(35,400)	(23,466)	21,906	(34,200)	(12,294)
Geological (note 11)	8,925	1,350	10,275	16,825	4,950	21,775
Property rentals and utilities	6,872	-	6,872	18,301	-	18,301
Salaries and benefits (note11)	34,751	-	34,751	70,622	-	70,622
Transportation and freight	3,843	-	3,843	5,806	-	5,806
	$ 66,325	**$(34,050)**	**$ 32,275**	**$ 236,806**	**$ (29,250)**	**$ 207,556**

7. Loan payable

The Company received $40,000 for the Canada Emergency Business Account (“CEBA”) interest free loan up to the initial term date of December 31, 2022. 25% of the loan balance will be forgiven if the balance of 75% of the loan balance is repaid by the initial term date of December 31, 2022. Subsequent to December 31, 2022, if 75% of the loan has not been repaid, then the loan is subject to an interest rate of 5% per annum and due for repayment by December 31, 2025. The loan payable has been initially recorded at fair value of $35,114 and is calculated based on the application of a fair value interest rate of 5% with the anticipated repayment date of December 31, 2022. The initial difference of $4,886 between the face value of $40,000 and the initial fair value of the loan payable of $35,114 has been recorded as a deferred gain on loan payable. Accretion expense of $1,363 (October 31, 2020 - $872) and amortization of deferred gain of $1,363 (October 31, 2020 - $872) has been included in general and administrative expense resulting in the loan payable balance at July 31, 2021 of $37,348 (October 31, 2020 - $35,986) and a deferred gain on loan payable balance of $2,652 (October 31, 2020 - $4,014).

8. Share capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued

i) On December 22, 2020, the Company completed a non-brokered private placement of 6,111,111 units at $0.90 per unit for $5,500,000. Each unit consists of one common share and one-half of one share purchase warrant exercisable at $1.35 for 24 months. In connection with the offering, finder's fees totaling $134,385 in cash were paid and 149,316 common share purchase finder warrants were issued with a fair value of $107,089. Each finder warrant is non-transferable and exercisable for one common share for a period of 24 months following closing of the offering at an exercise price equal to $1.35. In addition, the Company incurred $46,445 of costs for legal fees, filing fees, transfer agent fees and bank charges.

ii) During the period ended July 31, 2021, the Company issued 2,064,963 shares from the exercise of warrants at an average exercise price of $0.87 per share. Share issue costs of $12,733 were incurred for transfer agent fees and $298 for bank changes.

iii) The Company issued 50,000 common shares with a fair value of $87,000 per the Sabina Agreement (note 6(a)). Share issue costs of $200 were incurred for filing fees.

9. Share based payments and warrants

(a) Stock option plan

The Company has a stock option plan under which the Board of Directors may from time to time grant to directors, senior officers, consultants and employees options to acquire common shares, exercisable for a period of up to ten years from the date of grant. The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall not exceed 10% of the total issued and outstanding common shares. The maximum number of common shares that may be reserved for issuance to any individual insider pursuant to share options may not exceed 5% of the common shares issued and outstanding at the time of grant, and the number of common shares that may be reserved for issuance to all technical consultants pursuant to share options may not exceed 2% of the common shares issued and outstanding at the time of grant. Options become exercisable as long as the optionee holds office or continues to be employed by the Company and 90 days following the cessation of an optionee's position with the Company.

(Expressed in Canadian Dollars)

9. Share based payments and warrants (continued)

(b) Stock options

On December 30, 2020, the Company granted an aggregate of 1,521,500 incentive options to purchase common shares of the Company to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $1.35 per common share for 5 years from the date of grant. The options have vesting terms of 25% every 6 months.

On May 10, 2021, the Company granted an aggregate of 600,000 incentive options to purchase common shares of the Company to certain directors of the Company. The options are exercisable at a price of $1.60 per common share for 5 years from the date of grant. The options have vesting terms of 25% every 6 months.

During the period, 70,000 stock options with an exercise price of $2.40 expired unexercised on May 31, 2021.

A continuity schedule of the Company's outstanding stock options under the stock option plan is as follows:

	Number Outstanding	Weighted Average Exercise Price
At October 31, 2019 and July 31, 2020	510,000	$1.90
Forfeited	(27,500)	$1.50
At October 31, 2020	482,500	$1.97
Granted	2,121,500	$1.42
Expired	(70,000)	$2.40
At July 31, 2021	**2,534,000**	**$1.50**

As at July 31, 2021, the Company had the following share purchase options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Fair Value at Grant Date	Remaining Contractual Life (yrs)	Options Exercisable
September 2, 2021	$ 3.45	70,000	$ 2.67	0.09	70,000
January 23, 2022	$ 2.00	50,000	$ 1.85	0.48	50,000
March 23, 2023	$ 1.50	65,000	$ 1.20	1.60	65,000
December 17, 2023	$ 1.50	227,500	$ 1.05	2.38	227,500
December 30, 2025	$ 1.35	1,521,500	$ 1.41	4.42	380,375
May 10, 2026	$ 1.60	600,000	$ 1.51	4.78	-
		2,534,000	**$ 1.44**	**4.05**	**792,875**

(Expressed in Canadian Dollars)

9. Share based payments and warrants (continued)

(b) Stock options (continued)

As at July 31, 2020, the Company had the following share purchase options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Fair Value at Grant Date	Remaining Contractual Life (yrs)	Options Exercisable
May 31, 2021	$ 2.40	70,000	$ 1.84	0.83	70,000
September 2, 2021	$ 3.45	70,000	$ 2.67	1.09	70,000
January 23, 2022	$ 2.00	50,000	$ 1.85	1.48	50,000
March 23, 2023	$ 1.50	80,000	$ 1.20	2.59	80,000
December 17, 2023	$ 1.50	240,000	$ 1.05	3.38	180,000
		510,000	**$ 1.48**	**2.41**	**450,000**

(c) Restricted share units

On May 10, 2021, the Company issued 1,513,000 restricted share units ("RSUs") to certain officers, employees and consultants of the Company. The RSUs are payable in common shares of the Company, or the cash equivalents, on the redemption date, being 3 years from the date of grant, and vest in three equal instalments over 3 years. The grant date fair value of each share was $1.60. As at July 31, 2021, the fair vale of the share is $1.60 with the remaining contractual life of 2.78 years.

The total fair value of the incentive options, restricted share units and broker warrants were calculated using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

	July 31, 2021	July 31, 2020
Risk-free interest rate	**0.62%**	1.70%
Expected volatility	**139%**	112%
Expected life	**3.92 years**	4.24 years
Expected dividend yield	**-**	-
Share price	**$ 1.52**	$ 0.90
Exercise price	**$ 1.49**	$ 1.50
Expected forfeitures	**0.00%**	0.00%

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of comparable companies' stock for a length of time equal to the expected life of the options.

Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0.00% in determining the expense recorded in the accompanying statements of comprehensive loss.

The fair value of the incentive options during the period ended July 31, 2021 of $1,407,235 (July 31, 2020 - $44,234) was recognized as share-based payments. The balance consists of $1,286,939 (July 31, 2020 - $40,442) to directors and officers, and $120,296 (July 31, 2020 - $3,791) to consultants.

The fair value of the RSUs recognized as share-based payments during the period equals $199,135 (July 31, 2020 - $Nil).

(Expressed in Canadian Dollars)

9. Options and warrants (continued)

(d) Warrants

On December 22, 2020, the Company issued 3,055,555 warrants exercisable at $1.35 per warrant with an expiry date of 24 months in conjunction with the unit private placement. Broker warrants of 149,316 with an exercise price of $1.35 and an expiry date of 24 months were also issued.

During the quarter, 250,000 warrants with an exercise price of $1.50 and 159,583 warrants with an exercise price of $1.70 expired unexercised.

As at July 31, 2021, 2,064,963 of warrants and broker warrants with an average exercise price of $0.87 were exercised for proceeds of $1,805,489.

A continuity schedule of the Company's outstanding warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
At October 31, 2019	3,227,335	$1.40
Expired	(769,752)	$2.90
At July 31, 2020	2,457,583	$0.90
Issued – warrants for private placement	5,490,910	$0.85
Issued – broker warrants	114,398	$0.85
At October 31, 2020	8,062,891	$0.87
Expired	(409,583)	$1.58
Issued – warrants for private placement	3,055,555	1.35
Issued – broker warrants	149,316	1.35
Exercised	(2,064,963)	0.87
At July 31, 2021	**8,793,216**	**$1.12**

As at July 31, 2021, the Company had the following warrants outstanding and exercisable:

Expiry Date	Exercise Price	Warrants Outstanding	Remaining Contractual Life (yrs)
September 9, 2021	$0.80	1,239,500	0.11
October 14, 2022	$0.85	4,530,235	1.21
December 22, 2022	$1.35	3,023,481	1.39
		8,793,216	**1.34**

10. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable (other than GST receivable), marketable securities, deposit, reclamation deposits, accounts payable and accrued liabilities and loan payable.

The fair values of the Company's cash and cash equivalents, amounts receivable (other than GST receivable), marketable securities, deposit and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

These are classified as level 1 financial instruments. The Company's loan payable is classified as a level 2 financial instrument.

10. Financial instruments (continued)

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash and cash equivalents, deposit and reclamation deposit are deposited with a large financial institution with a strong credit rating. Amounts receivable consists of GST receivable and credits on vendor payable balances.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations associated with its financial instruments. The Company manages liquidity risk by maintaining adequate cash and managing its capital. At July 31, 2021, the Company had accounts payable and accrued liabilities of $376,876 (October 31, 2020 - $290,190) due within one year, and cash and cash equivalents of $5,406,375 (October 31, 2020 - $2,346,449). The cash equivalents consist of cashable term deposits of $4,004,009 with interest rate at 0.48% and maturity dates of August 17, 2021 to September 16, 2021.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Floating interest earned on the Company's cash balances are considered to be at market interest rates. The deposit of $67,551 (October 31, 2020 - $17,590) earns no interest and is deposited with a major bank for the Company's corporate credit card. Assuming that all variables remain constant, a change representing a 1% increase or decrease in the interest rate would not have a significant effect for the Company.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. At July 31, 2021, the Company's monetary assets and liabilities are primarily denominated in Canadian dollars.

There has been no change to the Company's approach to risk management during the period ended July 31, 2021.

11. Related party transactions and balances

The Company's related parties consist of its key management personnel, including its directors, and their close family members and entities controlled by key management personnel. During the periods ended July 31, 2021 and 2020, the Company had the following related party transactions:

(a) Key management compensation for the periods ended July 31, 2021 and 2020 were as follows:

	3 months ended July 31, 2021	3 months ended July 31, 2020	**9 months ended July 31, 2021**	9 months ended July 31, 2020
Short-term benefits	**$ 210,296**	$ 29,191	**$ 707,932**	$ 91,866
Share-based payments	**778,701**	8,650	**1,459,224**	40,442
	$ 988,997	$ 37,841	**$ 2,167,156**	$ 132,308

11. Related party transactions and balances (continued)

Short-term benefits include $118,305 and $448,313 for the 3 and 9 months ended July 31, 2021 ($16,324 and $52,999 – 3 and 9 months ended July 31, 2020) in management fees, $64,375 and $188,542 for the 3 and 9 months ended July 31, 2021 ($Nil and $Nil for the 3 and 9 months ended July 31, 2020) in geological exploration expenditures, $27,615 and $71,077 for the 3 and 9 months ended July 31, 2021 ($12,692 and $37,692 for the 3 and 9 months ended July 31, 2020) in exploration salaries expense and $27,615 and $71,077 for the 3 and 9 months ended July 31, 2021 respectively ($175 and $1,175 for the 3 and 9 months ended July 31, 2020) for accounting fees included in general and administrative expenses.

(b) At July 31, 2021, accounts payable and accrued liabilities include $Nil (October 31, 2020 - $131,250) due to companies owned by directors and officers of the Company and $10,577 (October 31, 2020 - $16,269) due to officers of the Company.

(c) During the period, the Company purchased a vehicle for $25,000 from a company controlled by an officer of the Company.

12. Segmented information

The Company has one reportable operating segment in two geographical locations, being the exploration and development of the Star property in British Columbia, Canada and exploration and development of the Ontario Projects in Ontario, Canada.

13. Management of capital

The Company's capital includes all amounts attributable to its shareholders. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may issue additional shares or debt. The Company is dependent on the capital markets as its primary source of operating capital, and the Company's capital resources are largely determined by the strength of the junior resource markets.

The Company is not subject to any capital requirements imposed by regulators or other third parties.

At July 31, 2021, the Company had cash and cash equivalents of $5,406,375 and working capital of $5,616,642. The Company will require additional capital to fund its total obligations under the Option Agreement to purchase the Ontario Projects and the Star Property (note 6) and general and administrative costs. However, there is no guarantee that such financing will be available to the Company or on suitable terms.

There were no changes in the Company's approach to capital management during the period ended July 31, 2021.

14. Subsequent events

Subsequent to July 31, 2021, an additional 1,248,601 warrants were exercised for gross proceeds of $999,336.