

**NORRA METALS CORP.**

**(An Exploration Stage Company)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021**

**(Unaudited – Prepared by Management)**

**(Expressed in Canadian dollars)**

## **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 indication that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**NORRA METALS CORP.**  
(An Exploration Stage Company)  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	February 28, 2021	November 30, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 419,165	\$ 532,625
Receivables (Note 5)	15,773	13,547
Prepaid expenses and deposits (Note 6)	106,460	143,760
<b>Total current assets</b>	541,398	689,932
<b>Non-current assets</b>		
Reclamation bond (Note 7)	33,500	33,500
<b>Total assets</b>	\$ 574,898	\$ 723,432

**LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)**

<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 8 and 13)	\$ 365,759	\$ 370,294
Loan payable (Notes 9 and 13)	3,808	3,808
<b>Total liabilities</b>	369,567	374,102
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 10)	12,316,695	12,054,195
Reserves (Note 10)	880,887	880,887
Deficit	(12,992,251)	(12,585,752)
<b>Total shareholders' equity (deficiency)</b>	205,331	349,330
<b>Total liabilities and shareholders' equity (deficiency)</b>	\$ 574,898	\$ 723,432

**Nature and continuance of operations** (Note 1)  
**Commitment** (Note 15)  
**Subsequent events** (Note 17)

**Approved by the Board of Directors and authorized for issue on April 29, 2021:**

<u>"Minaz Devji"</u> Minaz Devji	Director	<u>"Tag Gill"</u> Tag Gill	Director
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The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**NORRA METALS CORP.**

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
<b>EXPENSES</b>		
Interest (Note 9)	\$ -	\$ 55
Advertising, marketing and promotion	41,183	-
Consulting, director, and management fees (Note 13)	61,278	35,000
Exploration and evaluation expenditures – Property specific (Notes 7 and 13)	174,842	76,698
Exploration and evaluation expenditures – General	26,000	17,397
Foreign exchange	(18)	123
Investor relations	30,635	452
Office and miscellaneous	13,915	7,956
Professional fees (Note 13)	45,606	46,100
Rent	-	22,381
Transfer agent and filing fees	11,691	7,212
Travel expenses	1,367	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (406,499)</b>	<b>\$ (213,374)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of outstanding common shares – basic and diluted</b>	<b>85,062,921</b>	<b>53,707,560</b>

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

**NORRA METALS CORP.**  
(An Exploration Stage Company)  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (406,499)	\$ (213,374)
Items not involving cash:		
Accrued interest on loan payable	-	55
Issuance of shares for exploration and evaluation assets	-	8,910
Changes in non-cash working capital items:		
Increase in receivables	(2,226)	(6,038)
Decrease in prepaid expenses	37,300	789
Increase (decrease) in accounts payable and accrued liabilities	(4,535)	161,487
Net cash used in operating activities	<u>(375,960)</u>	<u>(48,171)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan repayment	-	(100,000)
Warrants exercised	262,500	-
Net cash provided by (used in) financing activities	<u>262,500</u>	<u>(100,000)</u>
<b>Change in cash during the period</b>	(113,460)	(148,171)
<b>Cash, beginning of period</b>	<u>532,625</u>	<u>199,947</u>
<b>Cash, end of period</b>	<u>\$ 419,165</u>	<u>\$ 51,776</u>
<b>Interest received</b>	\$ -	\$ -
<b>Interest paid</b>	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 14)

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

**NORRA METALS CORP.**

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' equity (deficiency)
<b>Balance, November 30, 2019</b>	53,393,773	\$ 10,190,179	\$ 868,708	\$ (11,348,048)	\$ (289,161)
Shares issued for evaluation and exploration assets	356,400	8,910	-	-	8,910
Loss and comprehensive loss for the period	-	-	-	(213,374)	(213,374)
<b>Balance, February 29, 2020</b>	53,750,173	10,199,089	868,708	(11,561,422)	(493,625)
Private placement	27,550,000	1,377,500	-	-	1,377,500
Share issuance costs - cash	-	(56,965)	-	-	(56,965)
Share issuance costs – broker's warrants	-	(75,000)	75,000	-	-
Shares issued for evaluation and exploration assets	3,200,385	592,071	-	-	592,071
Expiry of options	-	-	(68,510)	68,510	-
Cancellation of options	-	-	(42,011)	42,011	-
Exercise of warrants	175,000	17,500	-	-	17,500
Share-based compensation	-	-	47,700	-	47,700
Loss and comprehensive loss for the period	-	-	-	(1,134,851)	(1,134,851)
<b>Balance, November 30, 2020</b>	84,675,558	12,054,195	880,887	(12,585,752)	349,330
Exercise of warrants	2,625,000	262,500	-	-	262,500
Loss and comprehensive loss for the period	-	-	-	(406,499)	(406,499)
<b>Balance, February 28, 2021</b>	87,300,558	\$ 12,316,695	\$ 880,887	\$ (12,992,251)	\$ 205,331

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

**NORRA METALS CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Norra Metals Corp. (the “Company”) is incorporated under the laws of the province of British Columbia, Canada on July 19, 2007 and its common shares are listed on the TSX Venture Exchange (“TSX-V”). On February 6, 2019, the Company changed its name from OK2 Minerals Ltd. to Norra Metals Corp. and commenced trading on the TSX-V under the “NORA” trading symbol on February 15, 2019. The Company’s principal business activities include the acquisition and exploration of resource properties.

The head office of the Company is located at Suite 480 - 505 Burrard Street, Vancouver, BC, Canada, V7X 1M3. The registered address and records office of the Company is located at Suite 1780 - 400 Burrard Street, Vancouver, BC, Canada, V6C 3A6.

**Going concern of operations**

These condensed interim consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term.

As at February 28, 2021 the Company had an accumulated deficit of \$12,992,251 and has incurred losses since inception. These material uncertainties may raise substantial doubt about the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company’s commitments as they come due and to finance the future exploration and development of the Company’s mineral assets, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

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	February 28, 2021	November 30, 2020
Deficit	\$ (12,992,251)	\$ (12,585,752)
Working capital	171,831	315,830

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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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

**2. BASIS OF PREPARATION****Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

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**2. BASIS OF PREPARATION (cont'd...)****Basis of presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts presented are in Canadian dollars, which is the functional currency of the Company, unless otherwise specified. All amounts are rounded to the nearest dollar.

These condensed interim consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The condensed interim consolidated financial statements include the financial information of the Company and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest at February 28, 2021	Ownership Interest at November 30, 2020	Principal Activity
Norra Metals AS	Norway	100%	100%	Holding Company
Norra Metals 3 AS	Norway	100%	100%	Holding Company

The condensed interim consolidated financial statements include the financial statements of Norra Metals AS, and Norra Metals 3 AS from its date of acquisition on February 14, 2019.

On November 24, 2020, the Company sold Norra Metals 1 AS, Norra Metals AS 2, Norra Metals Sweden AB, and Bastutrask Holding AB for proceeds of \$5 (USD \$4).



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**2. BASIS OF PREPARATION (cont'd...)****Significant accounting judgments and critical accounting estimates**

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these condensed interim financial statements.

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim financial statements include, but are not limited to, the following:

- i) Determination and assessment of the Company's ability to continue going concern (Note 1); and

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

- i) Deferred income taxes – The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives; and
- ii) Share-based payment – The fair value of share-based payment is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.
- iii) Acquisition – Management uses judgment in determining if an acquisition is a business combination or an asset acquisition.

**3. SIGNIFICANT ACCOUNTING POLICIES****Resource properties – exploration and evaluation expenditures**

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Subsidiaries**

Subsidiaries are entities over which the Company has control. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

**Provision for environmental rehabilitation**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the year. As at February 29, 2021 and November 30, 2020, the Company has determined that it does not have any decommissioning obligations.

**Financial instruments**

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*Financial assets at FVTPL*

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

*Financial assets at FVTOCI*

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company does not have any financial assets classified as FVTOCI.

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

*Financial assets at amortized cost*

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company has classified its cash at fair value through profit and loss. The Company's receivables are classified at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

*Fair value through profit or loss:* This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

*Amortized cost:* This category includes all other liabilities, all of which are recognized at amortized cost. The Company's accounts payable and accrued liabilities, and loan payable are classified at amortized cost.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

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

*Impairment of financial assets*

The Company assesses at each reporting date whether a financial asset is impaired.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****Share-based payments**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

**Share capital**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued using the residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the warrants.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up, is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the date of the agreement to issue shares.

**Loss per share**

The Company recognizes the dilutive effect on loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

**Share issuance costs**

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital will be charged against share capital.

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FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Newly adopted accounting policies**

IFRS 16 Leases: The new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. Applicable to annual periods beginning on or after January 1, 2019. This standard did not have a significant impact on the Company's existing accounting policies or financial statement presentation.

During the year ended November 30, 2020, the Company had an office lease with term less than 12 months since adoption, of the standard which resulted in classifying the lease as operating. As at February 28, 2021, the Company had no office lease agreements in place (Note 15).

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**4. SALE OF SUBSIDIARIES**

Effective November 24, 2020, the Company sold all of the outstanding shares of its subsidiaries, Norra Metals 1 AS, Norra Metals 2 AS, Norra Metals Sweden AB, and Bastutrask Holding AB that were acquired in fiscal 2019 (note 7), to an arm's length company. In consideration, the Company received \$5 (USD 4), which resulted in a gain of \$17,365.

As at the date of the disposition, the assets and liabilities associated with the disposal were classified as follows:

	<i>Carrying value November 24, 2020</i>	
<b>Asset:</b>		
Cash	\$	6,071
<b>Liabilities:</b>		
Current liabilities	\$	23,431

**5. RECEIVABLES**

The Company's receivables are as follows:

	February 28, 2021	November 30, 2020
GST receivable	\$ 15,773	\$ 13,547

**6. PREPAID EXPENSES AND DEPOSITS**

The Company's prepaid expenses, deposits and advances are as follows:

	February 28, 2021	November 30, 2020
Prepaid expenses	\$ 106,460	\$ 138,050
Security deposit	-	5,710
	\$ 106,460	\$ 143,760

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**7. RESOURCE PROPERTIES**

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	Kinskuch Property	Bleikvassli Property	Meraker Property	Total
Exploration and evaluation costs during the period ended February 28, 2021				
Acquisition costs - shares	-	25,457	25,458	50,915
Geological and consulting	-	32,018	91,909	123,927
	<u>\$ -</u>	<u>\$ 57,475</u>	<u>\$ 117,367</u>	<u>\$ 174,842</u>
Exploration and evaluation costs during the year ended November 30, 2020				
Acquisition costs - shares	-	300,491	300,490	600,981
Geological and consulting (recovery)	(4,500)	8,688	29,830	34,018
	<u>\$ (4,500)</u>	<u>\$ 309,179</u>	<u>\$ 330,320</u>	<u>\$ 634,999</u>

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**7. RESOURCE PROPERTIES (cont'd...)****Pyramid Copper, Canada**

The Company holds a 100% interest in mineral claims collectively known as the Pyramid Copper Property, located in northern British Columbia, Canada.

At February 28, 2021, the Company had a reclamation bond with the B.C. Ministry of Energy and Mines for the Pyramid Copper Property in the amount of \$33,500 (November 30, 2020 - \$33,500).

**Scandinavian Projects, Norway and Sweden**

On December 12, 2018, the Company entered into a purchase and sale agreement with EMX Royalty Corporation (“EMX”), and amended in December 28, 2018, to acquire 100% interest in Bleikvassli, Sagvoll and Meraker polymetallic projects in Norway, and Bastutrask polymetallic project in Sweden.

To acquire the properties, the Company issued 4,808,770 common shares which represented a 9.9% equity ownership in the Company and had the continuing obligation to issue additional shares to maintain 9.9% interest, at no additional cost to EMX, until the Company has raised CDN\$5,000,000 in equity; thereafter EMX will have the right to participate pro-rata in future financings at its own costs to maintain its 9.9% interest. There is an additional provision that requires the Company to raise and spend \$2,000,000 within a 24-months period, otherwise the 9.9% interest equity ownership shall be increased to 14.9% continuing equity interest (up to a maximum of 21,350,956 common shares). The Company is currently negotiating with EMX to extend the \$2,000,000 spending requirement.

As of February 28, 2021, a total of 8,365,555 common shares (valued at \$889,507) of the Company were issued to EMX due to the above obligations.

EMX has also been granted a 3% net smelter return (“NSR”) royalty on each of the properties, of which 1% NSR royalty may be purchased by the Company on or before the sixth anniversary of the closing date in 0.5% increments for a total of \$2,500,000 in cash or shares.

EMX will receive annual advance royalty (“AAR”) payments of \$20,000 for each of the properties commencing on the second anniversary of the closing, with each AAR payment increasing by \$5,000 per year until reaching \$60,000 per year, except that the Company may forgo AAR payments on two of the four properties in years two and three. Once reaching \$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics).

EMX Royalty will receive a 0.5% NSR royalty on any new mineral exploration projects generated by the Company in Sweden or Norway, excluding projects acquired from a third party containing a mineral resource or reserve or an existing mining operation. EMX has the right to nominate one seat on the Board of Directors of the Company.

During the year end November 30, 2020, the Company returned the Norwegian Sagvoll license and the Swedish Bastutrask license back to the vendors through the sale of subsidiaries (Norra Metals 1 AS, Norra Metals 2 AS, Norra Metals Sweden AB, and Bastutrask Holding AB) in consideration of \$5 (USD \$4) (notes 2 and 4).



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**7. RESOURCE PROPERTIES (cont'd...)****Kinskuch Project, Canada**

On August 18, 2016, the Company entered into an option agreement, and amended in September 2018, to earn a 100% interest in claims known as the Kinskuch Project, located in northern British Columbia. To earn a 100% interest, the Company must make the following payments:

- i) pay \$50,000 on the closing date (paid);
- ii) pay \$75,000 and incur \$100,000 of exploration expenditures on or before August 18, 2017 (paid and incurred);
- iii) pay \$60,000 on or before August 18, 2018 (paid); and incur \$20,000 on specified survey results (incurred);
- iv) pay \$100,000 and incur \$250,000 of exploration expenditures (incurred) on or before November 1, 2019;
- v) pay \$170,000 and incur \$500,000 of exploration expenditures on or before November 1, 2020;
- vi) pay \$270,000 and incur \$750,000 of exploration expenditures on or before November 1, 2021; and
- vii) pay \$1,000,000 on or before December 1, 2022.

The Kinskuch property is subject to a 2% NSR of which 1% can be repurchased for \$1,100,000 and advanced royalty payments commencing after the Company has earned its 100% interest.

During the year ended November 30, 2020, the Company decided to return the Kinskuch project back to the vendor and no longer has any interest in the claims.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company's accounts payable and accrued liabilities are as follows:

	February 28, 2021	November 30, 2020
Trade payables	\$ 128,445	\$ 143,727
Accrued liabilities	20,535	37,996
Due to related parties (Note 13)	216,779	188,571
	<u>\$ 365,759</u>	<u>\$ 370,294</u>

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**9. LOAN PAYABLE**

During the year ended November 30, 2019, the Company received a loan in the amount of \$100,000 from a director of the Company. The loan accrues interest at the rate of 10% per annum and the Company granted the lender 2,000,000 loan bonus warrants (valued at \$60,800) exercisable for a term of one year at an exercise price of \$0.05 per common share, which was recorded as financing transaction costs.

	Loan Payable
Loan payable at November 30, 2019	\$ 103,753
Loan repayment	(100,000)
Interest accrued	55
Loan payable at November 30, 2020 and February 28, 2021	\$ 3,808

The bonus warrants were valued at \$60,800 using the Black-Scholes option model assuming expected life of 1 year, a risk-free interest rate of 1.59%, a forfeiture and dividend rate of 0% and an expected volatility of 169.92%.

**10. SHARE CAPITAL AND RESERVES****Authorized**

Unlimited number of common shares without par value.

During the period ended February 28, 2021, the Company issued 2,625,000 common shares pursuant to exercise of warrants for gross proceeds of \$262,500.

During the year ended November 30, 2020, the Company:

- i) issued 356,400 common shares at a value of \$8,910 pursuant to the Scandinavian Projects agreement in maintaining the vendor's percentage interest of 9.9% (note 7).
- ii) closed a non-brokered private placement of 27,550,000 units at a price of \$0.05 per unit for a total proceeds of \$1,377,500. Each unit comprises of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.15 expiring on September 23, 2022. The Company paid cash finder's fees of \$48,720 and issued 939,400 finders' warrants (valued at \$75,000) as share issuance costs. Each finder's warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.15 expiring on September 23, 2022. The Company also paid other share issuance costs of \$8,245.
- iii) issued 3,200,385 common shares at a value of \$592,071 pursuant to the Scandinavian Projects agreement in maintaining the vendor's percentage interest of 9.9% (note 7).
- iv) issued 175,000 common shares at a value of \$17,500 pursuant to exercise of warrants.

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**10. SHARE CAPITAL AND RESERVES (cont'd...)****Stock options**

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the board of directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

During the period ended February 28, 2021 no options were granted.

During the year ended November 30, 2020, the Company granted 700,000 stock options to consultants of the Company. The Company recognized share-based compensation of \$47,700.

Stock options outstanding as at February 28, 2021:

Expiry Date	Exercise Price	November 30, 2020	Granted	Exercised	Expired / Cancelled	February 28, 2021	Exercisable	
May 3, 2021	\$ 0.69	133,333	-	-	-	133,333	133,333	
August 26, 2021	0.54	548,334	-	-	-	548,334	548,334	
August 20, 2023	0.06	700,000	-	-	-	700,000	700,000	
September 17, 2023	0.30	533,334	-	-	-	533,334	533,334	
November 1, 2023	0.30	83,333	-	-	-	83,333	83,333	
<b>Total</b>		<b>1,998,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,998,334</b>	<b>1,998,334</b>	
<b>Weighted average exercise price</b>	<b>\$</b>	<b>0.31</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>0.31</b>	<b>\$</b>	<b>0.31</b>
<b>Weighted average remaining contractual life</b>						<b>1.79 years</b>		

Stock options outstanding as at November 30, 2020:

Expiry Date	Exercise Price	November 30, 2019	Granted	Exercised	Expired / Cancelled	November 30, 2020	Exercisable		
June 29, 2020	\$ 0.36	228,333	-	-	(228,333)	-	-		
May 3, 2021	0.69	133,333	-	-	-	133,333	133,333		
August 26, 2021	0.54	641,667	-	-	(93,333)	548,334	548,334		
August 20, 2023	0.06	-	700,000	-	-	700,000	700,000		
September 17, 2023	0.30	583,334	-	-	(50,000)	533,334	533,334		
November 1, 2023	0.30	83,333	-	-	-	83,333	83,333		
<b>Total</b>		<b>1,670,000</b>	<b>700,000</b>	<b>-</b>	<b>(371,666)</b>	<b>1,998,334</b>	<b>1,998,334</b>		
<b>Weighted average exercise price</b>	<b>\$</b>	<b>0.43</b>	<b>\$</b>	<b>0.06</b>	<b>-</b>	<b>\$</b>	<b>0.32</b>	<b>\$</b>	<b>0.32</b>
<b>Weighted average remaining contractual life</b>						<b>2.04 years</b>			

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**10. SHARE CAPITAL AND RESERVES (cont'd...)****Stock options (cont'd...)**

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of options granted for the period ended February 28, 2021 and year ended November 30, 2020:

	Period ended February 28, 2021	Year ended November 30, 2020
Risk-free interest rate	-	0.25%
Expected life of options	-	3 years
Expected annualized volatility	-	157.73%
Exercise price	-	\$0.06
Weighted average fair value of options granted	-	\$0.07
Expected dividend rate	-	-

**Warrants**

Warrants outstanding as February 28, 2021

Expiry Date	Exercise Price	November 30, 2020	Granted	Exercised	Expired / Cancelled	November 30, 2020	Exercisable
February 15, 2021	0.10	5,988,334	-	(2,625,000)	(3,363,334)	-	-
November 8, 2021	0.10	1,800,000	-	-	-	1,800,000	1,800,000
September 23, 2022	0.15	27,550,000	-	-	-	27,550,000	27,550,000
September 23, 2022	0.15	939,400	-	-	-	939,400	939,400
<b>Total</b>		<b>36,277,734</b>	<b>-</b>	<b>(2,625,000)</b>	<b>(3,363,334)</b>	<b>30,289,400</b>	<b>30,289,400</b>
<b>Weighted average exercise price</b>	<b>\$ 0.14</b>	<b>\$ -</b>	<b>\$ 0.10</b>	<b>\$ 0.10</b>	<b>\$ 0.15</b>	<b>\$ 0.15</b>	<b>\$ 0.15</b>
<b>Weighted average remaining contractual life</b>						<b>1.52 years</b>	

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**10. SHARE CAPITAL AND RESERVES (cont'd...)****Warrants**

Warrants outstanding as November 30, 2020:

Expiry Date	Exercise Price	November 30, 2019	Granted	Exercised	Expired / Cancelled	November 30, 2020	Exercisable	
December 6, 2019	\$ 0.45	1,570,490	-	-	(1,570,490)	-	-	
December 6, 2019	0.45	81,359	-	-	(81,359)	-	-	
July 16, 2020	0.05	2,000,000	-	-	(2,000,000)	-	-	
February 15, 2021*	0.10	6,163,334	-	(175,000)	-	5,988,334	5,988,334	
November 8, 2021	0.10	1,800,000	-	-	-	1,800,000	1,800,000	
September 23, 2022	0.15	-	27,550,000	-	-	27,550,000	27,550,000	
September 23, 2022	0.15	-	939,400	-	-	939,400	939,400	
<b>Total</b>		<b>11,615,183</b>	<b>28,489,400</b>	<b>(175,000)</b>	<b>(3,651,849)</b>	<b>36,277,734</b>	<b>36,277,734</b>	
<b>Weighted average exercise price</b>	<b>\$</b>	<b>0.14</b>	<b>\$</b>	<b>0.15</b>	<b>\$</b>	<b>0.23</b>	<b>\$</b>	<b>0.14</b>
<b>Weighted average remaining contractual life</b>						<b>1.51 years</b>		

\* 2,625,000 warrants exercised and 3,363,334 warrants expired subsequent to November 30, 2020 (note 18)

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of compensatory warrants issued for the period ended February 28, 2021 and year ended November 30, 2020:

	Period ended February 28, 2021	Year ended November 30, 2020
Risk-free interest rate	-	0.35%
Expected life of options	-	2 years
Expected annualized volatility	-	146.10%
Exercise price	-	\$0.15
Weighted average fair value of warrants granted	-	\$0.08
Expected dividend rate	-	-

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**11. CAPITAL MANAGEMENT**

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the period.

**12. SEGMENTED INFORMATION**

The Company operates in one segment – the acquisition and exploration of resource properties. As at February 28, 2021, the Company's operations and assets were held in Canada and Norway.

**13. RELATED PARTY TRANSACTIONS**

During the period ended February 28, 2021, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include certain directors and officers.

Transactions with related parties and key management personnel are as follows:

Paid or accrued to:	Nature of transactions	February 28, 2021	February 29, 2020
<b><u>Key management personnel:</u></b>			
Directors and companies controlled by Directors	Director fees	\$ -	\$ 5,000
A company controlled by the CEO	Consulting	30,000	30,000
A company controlled by a Director	Geological consulting	-	30,000
A company controlled by a Director	Professional	15,000	15,000
Total		\$ 45,000	\$ 80,000
<b><u>Related parties:</u></b>			
A family member of a Director	Geological consulting	\$ 6,000	\$ 15,000

The amounts due to related parties included in accounts payable and accrued liabilities are as follows:

	February 28, 2021	November 30, 2020
Due to Directors and companies controlled by Directors	\$ 216,779	\$ 188,571

As at February 28, 2021, the Company has \$3,808 (November 30, 2020 - \$3,808) in the loan payable owing to a director of the Company consisting of \$Nil principal and accrued interest expense of \$3,808 (Note 9).

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**13. RELATED PARTY TRANSACTIONS (cont'd...)**

The amounts paid to related parties included in prepaid expenses are as follows:

	February 28, 2021	November 30, 2020
Due from Directors	\$ 28,937	\$ 21,000

**14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

During the period ended February 28, 2021 the Company did not have any significant non-cash transactions.

Significant non-cash transactions during the period ended February 29, 2020 include the Company:

- i) granted \$8,910 of shares to in pursuant to the Scandinavian Projects agreement in maintaining the vendor's percentage interest of 9.9%.

**15. COMMITMENT****Leased Premises**

The Company was committed to the minimum payments (before applicable taxes) for the leased premises located at suite 480 – 505 Burrard Street, through July 2020 (expired). No new lease was entered into during fiscal 2020.

**16. FINANCIAL AND CAPITAL RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Fair value of financial instruments**

The Company has various financial instruments including cash, receivables, accounts payable and accrued liabilities and a loan payable. The carrying values of receivables, accounts payable and accrued liabilities, and loan payable approximate their fair values due to the short-term nature of these financial instruments.

Cash is carried at a level 1 fair value measurement.

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**16. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**Credit risk**

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because a portion of receivables are comprised of goods and services tax (GST) and other government refunds, which is recoverable from the governing body in Canada. Management does not believe the receivables are impaired. The Company doesn't believe there is significant credit risk associated with cash as these amounts are held with major Canadian banks.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2021, the Company had a cash balance of \$419,165 (November 30, 2020 – \$532,625) to settle current liabilities of \$369,567 (November 30, 2020 – \$374,102). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited as it does not have any significant interest-bearing financial instruments.

**Price risk**

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent periods. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

**Foreign currency risk**

As at February 28, 2021 and November 30, 2020, the Company is exposed to foreign currency risk as certain monetary financial instruments are denominated in Swedish, Norwegian and United States currencies. The Company's sensitivity analysis suggests that reasonably expected changes in the rates of exchange in Norway, and the United States would change foreign exchange gain or loss by an insignificant amount.

**17. SUBSEQUENT EVENTS**

Subsequent to February 28, 2021, the Company:

- i) granted 5,000,000 stock options to directors, officers, and consultants of the Company. The options are exercisable at a price of \$0.11, expiring on March 5, 2024.