



SPC Nickel Corp.
(formerly Sudbury Platinum Corporation)

Condensed interim financial statements for the three months ended November 30, 2021 and 2020
(unaudited) (expressed in Canadian dollars)

NOTICE TO READER

The condensed interim financial statements of SPC Nickel Corp. as at, and for the three month period ended, November 30, 2021 have been compiled by management.

No audit or review to verify the accuracy or completeness of the information contained in these financial statements has been performed. Readers are cautioned that these statements may not be appropriate for their purposes.

January 19, 2022



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SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
DRAFT Condensed Interim Statements of Financial Position
(Unaudited) (Expressed in Canadian dollars)

	Notes	November 30, 2021	August 31, 2021
		\$	\$
Assets			
Current assets			
Cash		3,582,888	5,335,752
Restricted cash equivalents	4	100,303	100,191
Amounts receivable		208,538	369,619
Prepaid expenses		40,979	54,228
Current portion of net investment lease		29,402	28,679
Total current assets		3,962,110	5,888,469
Net investment in lease		7,819	15,446
Capital assets		78,966	86,173
Right of use assets		93,596	94,293
Total assets		4,142,492	6,084,381
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	401,929	1,161,828
Current portion of lease obligation	5	24,659	24,053
Total current liabilities		426,588	1,185,881
Lease obligation	5	107,346	113,743
Total liabilities		533,934	1,299,624
Shareholders' equity			
Share capital	6	16,756,064	16,756,064
Warrants reserve	6(d)	652,344	634,344
Options reserve	6(c)	875,850	875,850
Deficit		(14,675,700)	(13,481,501)
Total shareholders' equity		3,608,558	4,784,757
Total liabilities and shareholders' equity		4,142,492	6,084,381

Going concern (Note 2)

Commitments and contingencies (Notes 5 and 11)

Please see accompanying notes to the condensed interim financial statements

The financial statements were approved by the Board of Directors on January 19, 2022 signed on its behalf by:

"Olav Langelaar", Director

"William Shaver", Director

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
DRAFT Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited) (Expressed in Canadian dollars)

For the Three Months Ended November 30,	Notes	2021	2020
		\$	\$
Expenses			
Exploration and evaluation expenditures	6(c), 8	1,067,364	162,205
Share based compensation	6(c)	-	337,500
Consultants		25,800	37,140
Investor relations		14,512	5,931
Professional fees		21,054	21,864
Office and general		62,762	25,293
Right of use amortization		696	-
Depreciation		7,207	-
Total expenses		<u>1,199,395</u>	<u>589,973</u>
Other income			
Interest income		4,150	68
Sublease interest revenue		<u>1,046</u>	<u>-</u>
Net loss and comprehensive loss for the period		<u><u>1,194,199</u></u>	<u><u>589,905</u></u>
Loss per share			
Basic and diluted		0.01	0.01
Weighted average number of shares outstanding			
Basic and diluted		<u><u>102,191,636</u></u>	<u><u>64,361,515</u></u>

Please see accompanying notes to the condensed interim financial statements

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
DRAFT Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited) (Expressed in Canadian dollars)

	Notes	Capital Stock #	Share Capital \$	Options reserve \$	Warrants reserve \$	Deficit \$	Total \$
Balance, August 31, 2020		64,361,515	10,220,252	437,550	196,586	(9,171,338)	1,683,050
Net loss for the period		-	-	-	-	(589,905)	(589,905)
Stock based compensation	6(c)	-	-	337,500	-	-	337,500
Balance, November 30, 2020		<u>64,361,515</u>	<u>10,220,252</u>	<u>775,050</u>	<u>196,586</u>	<u>(9,761,243)</u>	<u>1,430,645</u>
Balance, August 31, 2021		102,191,636	16,756,064	875,850	634,344	(13,481,501)	4,784,757
Net loss for the period		-	-	-	-	(1,194,199)	(1,194,199)
Warrants issued for properties		-	-	-	18,000	-	18,000
Balance, November 30, 2021		<u>102,191,636</u>	<u>16,756,064</u>	<u>875,850</u>	<u>652,344</u>	<u>(14,675,700)</u>	<u>3,608,558</u>

Please see accompanying notes to the condensed interim financial statements

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
DRAFT Condensed Interim Statements of Cash Flows
(Unaudited) (Expressed in Canadian dollars)

For the Three Months Ended November 30,	Notes	2021 \$	2020 \$
Operating Activities			
Net loss for the period		(1,194,199)	(589,905)
Adjustments for			
Stock-based compensation	6(c)	-	337,500
Warrants issued as exploration and evaluation expense		18,000	-
Depreciation		7,207	-
Right of use asset amortization		696	-
		<u>(1,168,296)</u>	<u>(252,405)</u>
Net change in non-cash working capital accounts			
Prepaid expenses		13,249	3,893
Accounts receivable		161,081	6,587
Accounts payable and accrued liabilities		<u>(759,899)</u>	<u>69,923</u>
Cash flows used in operating activities		<u>(1,753,865)</u>	<u>(172,002)</u>
Investing Activities			
Restricted cash		(112)	(67)
Net investment in lease		<u>6,904</u>	<u>-</u>
Cash flows used in investing activities		<u>6,792</u>	<u>(67)</u>
Financing Activities			
Subscription receipts received		-	951,749
Lease obligation		<u>(5,791)</u>	<u>-</u>
Cash flows used in financing activities		<u>(5,791)</u>	<u>951,749</u>
Net increase (decrease) in cash and cash equivalents		(1,752,864)	779,680
Cash, beginning of period		<u>5,335,752</u>	<u>1,783,513</u>
Cash, end of period		<u>3,582,888</u>	<u>2,563,193</u>

Please see accompanying notes to the condensed interim financial statements

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
Notes to the Condensed Interim Financial Statements
November 30, 2021 and 2020
(Unaudited) (Expressed in Canadian Dollars)

1. Nature of Operations

SPC Nickel Corp. (“SPC” or the “Company”), is a junior mining exploration company engaged in the acquisition, exploration and development of mineral properties located in Canada. The Company’s registered office is 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, Ontario, M5X 1B8.

2. Going Concern

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programmes will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company’s ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. The Company’s property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these financial statements. Such adjustments could be material.

The Company in part, raises capital for working capital and exploration and development of its properties. Because of continuing operating losses, the Company’s continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$14,657,700 as at November 30, 2021 (August 31, 2021 - \$13,481,501). The Company’s continued existence is dependent upon the achievement of profitable operations or the ability of the Company to raise alternative financing, if necessary. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through restrictions put in place by the Canadian government regarding travel, business operations and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company’s business and financial condition.

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
Notes to the Condensed Interim Financial Statements
November 30, 2021 and 2020
(Unaudited) (Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies

Statement of Compliance

These interim financial statements have been prepared in accordance with International Accounting Standard 34, ("IAS 34"), Interim Financial Reporting. These interim financial statements do not conform in all respects to the requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the Company's August 31, 2021 financial statements.

These interim financial statements were approved by the Board of Directors of the Company on January 19, 2022

The policies set in the Company's annual financial statements for the year ended August 31, 2021 were consistently applied to all the periods presented unless otherwise noted below. Certain disclosures included in the annual financial statements have been condensed or omitted.

Basis of Measurement and Presentation

These financial statements have been prepared on a historical cost basis, except for certain financial assets which are carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Contingencies

See Note 11.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income, Value Added, Withholding and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be

3. Summary of Significant Accounting Policies - Continued

Critical Accounting Estimates and Judgments – continued

Income, Value Added, Withholding and Other Taxes - continued

due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company is also subject to tax regulations as they relate to flow-through financing arrangements. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-Based Payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The expected volatility assumptions for the Company's option and warrant grants are based on comparable public companies.

Leases

The determination of the Company's lease liability and right-of-use asset depends on certain assumptions which includes the selection of the discount rate. The discount rate is set by referencing to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's financial statements.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after September 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
Notes to the Condensed Interim Financial Statements
November 30, 2021 and 2020
(Unaudited) (Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies - Continued

Critical Accounting Estimates and Judgments – Continued

New standards not yet adopted and interpretations issued but not yet effective - Continued

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

4. Restricted Cash Equivalents

As at November 30, 2021, the Company held guaranteed investment certificates in the aggregate amount of \$100,303 (August 31, 2021 - \$100,191) as security for its corporate credit cards.

5. Lease obligation

The following is a reconciliation from the undiscounted lease payment obligations to the lease obligation balance as at November 30, 2021:

Undiscounted lease payment obligations by year	
2022	27,562
2023	37,625
2024	38,500
2025	39,375
2026	20,215
Total contractual cash flow obligations	163,187
Less interest expense	(31,182)
Present value of lease obligations	132,005
Less: current portion	(24,659)
Balance, November 30, 2021	107,346

6. Share Capital

a) Authorized

An unlimited number of common shares with no par value.

An unlimited number of preferred shares, non-voting, non-participating, retractable, redeemable.

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
Notes to the Condensed Interim Financial Statements
November 30, 2021 and 2020
(Unaudited) (Expressed in Canadian Dollars)

6. Share capital - Continued

b) Transactions

(i) Three-month period ended November 30, 2021

There were no transactions completed during the period.

(ii) Three-month period ended November 30, 2020

There were no transactions completed during the period.

c) Stock Options

The Company has a stock option plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10% of the total issued and outstanding common shares of the Company. These options are non-transferrable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares. Expected volatility has been determined using the share price of the comparable companies for the period equivalent to the life of the options prior to grant date.

On October 21, 2020, the Company granted 2,250,000 incentive stock options to directors, management and employees of the Company, exercisable at \$0.16 per share for a period of 5 years. The grant date fair value of \$0.15 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 160% based on comparative companies for an equivalent period, expected dividend yield of 0%, and a risk-free interest rate of 0.05%. The options vested immediately. Directors and officers of the Company received 2,150,000 of the granted options for a grant date fair value of \$322,500.

On December 9, 2020, the Company extended the expiry date of 775,000 incentive stock options, which would otherwise have expired on March 30, 2021, to March 30, 2022.

On April 13, 2021, the Company granted 340,000 incentive stock options to a director and certain employees of the Company, exercisable at \$0.32 per share for a period of 5 years. The grant date fair value of \$0.30 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 161%, expected dividend yield of 0%, and risk free interest rate of 0.01%. The options vested immediately. The director of the Company received 300,000 of the granted options for a grant date fair value of \$96,000.

At November 30, 2021, the following options were outstanding and available to be exercised:

Grant Date	Number	Exercise Price	Expiration	Remaining Years	Grant Date Fair Value
March 30, 2016	775,000	\$0.30	March 30, 2022	0.33	\$0.27
April 10, 2017	775,000	\$0.20	April 10, 2022	0.36	\$0.18
December 12, 2018	740,000	\$0.20	December 12, 2023	2.03	\$0.12
October 21, 2020	2,250,000	\$0.16	October 21, 2025	3.89	\$0.15
April 13, 2021	340,000	\$0.32	April 13, 2026	4.37	\$0.15
	4,880,000	\$0.21		2.52	\$0.17

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
Notes to the Condensed Interim Financial Statements
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(Unaudited) (Expressed in Canadian Dollars)

6. Share Capital - Continued

c) Stock Options - Continued

There were no stock option transactions occurring during the three-month period ended November 30, 2021. A summary of stock option activity during the three-month period ended November 30, 2020 is as follows:

	Number of Issued and Outstanding Options	Weighted Average Exercise Price
Outstanding - August 31, 2020	2,290,000	\$0.23
Granted	2,250,000	\$0.16
Outstanding - November 30, 2020	<u>4,540,000</u>	<u>\$ 0.20</u>

d) Warrants

A summary of warrant activity during the three-month period ended November 30, 2021 is as follows:

	Number of Issued and Outstanding Options	Weighted Average Exercise Price
Outstanding - August 31, 2021	6,002,380	\$0.26
Expired	(1,000,000)	\$0.25
Issued	100,000	\$0.20
Outstanding - November 30, 2021	<u>5,102,380</u>	<u>\$ 0.27</u>

At November 30, 2021, warrants outstanding consisted of the following:

Grant Date	Number	Exercise Price	Expiration	Remaining Years	Grant Date Fair Value
June 22, 2018	2,316,820	\$0.30	June 22, 2022	0.56	\$0.05
August 19, 2020	510,975	\$0.24	August 19, 2023	1.72	\$0.11
August 21, 2020	246,600	\$0.24	August 21, 2023	1.72	\$0.11
December 2, 2020	1,927,985	\$0.24	December 2, 2023	2.01	\$0.17
November 22, 2021	100,000	\$0.20	November 22, 2024	2.98	\$0.18
	<u>5,102,380</u>	<u>\$0.27</u>		<u>1.33</u>	

There were no warrant transactions occurring during the three-month period ended November 30, 2020.

SPC Nickel Corp. (formerly Sudbury Platinum Corporation)
Notes to the Condensed Interim Financial Statements
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7. Related Party Transactions

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the three-month periods ended November 30, 2021 and November 30, 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Short term benefits - consulting fees and salaries	\$ 65,781	\$64,915
Share based payments	-	\$322,500
	<u>\$ 65,781</u>	<u>\$387,415</u>

Short term benefits are expensed as consultant fees and exploration and evaluation expenditures, as applicable.

During the three month period ended November 30, 2021, the Company also incurred cost reimbursements, management fees and exploration fees of \$Nil (November 30, 2020 - \$43,561) payable to Transition Metals Corp. ("TMC").

Included in accounts payable and accrued liabilities as at November 30, 2021, is \$10,919 (August 31, 2021 - \$2,783) owing to management and related companies. The amounts are unsecured, non-interest bearing, and are due on demand. Included in accounts receivable as at November 30, 2021, is \$5,919 (August 31, 2021 - \$6,479) receivable from TMC in respect of lease payments, which are unsecured, non-interest bearing, and due on demand

Also see notes 5 and 7.

8. Exploration Properties

	Three months ended November 30,	
	<u>2021</u>	<u>2020</u>
Aer Kidd	\$855,865	\$22,076
Owen Nickel	-	196
Lockerby East	7,199	3,262
Janes	40,816	136,671
Muskox	156,378	-
Project generation	7,106	-
	<u>\$1,067,364</u>	<u>\$162,205</u>

a) Aer Kidd Property

On August 19, 2014, SPC acquired a 100% interest in the mineral rights of the Aer-Kidd project for a cash payment of \$1,250,000.

The property remains subject to a pre-existing underlying agreement that provides a 3% Net Smelter Return royalty ("NSR") to a previous owner of which 1.5% NSR can be purchased for \$1,250,000. The underlying royalty arrangement includes advanced royalty bi-annual payments of \$50,000 which are deductible from future production royalties.

8. Exploration Properties - continued

a) Aer Kidd Property - continued

SPC also has the option to purchase 100% of the property surface rights from the Greater City of Sudbury at any time prior to December 31, 2024 for a cash payment of \$250,000 and a further cash payment of \$250,000 if a mine is brought to commercial production on the property.

b) Owen Nickel Property

The Company owns 100% interest in the Owen Nickel property. The property consists of certain staked and patented mining claims.

c) Lockerby East Property (Ni-Cu-PGM's)

The company owns 100% interest in the Lockerby East property. The property consists of freehold patents located in the south range of the Sudbury Igneous Complex ("SIC"), Sudbury, Ontario including 100% of the Lockerby patents and 100% of the West Graham Property subject to a 1% NSR to the previous owner of the West Graham portion of the Property.

d) Janes Property

On July 5, 2020, the Company entered into an option agreement to acquire a 100% interest in the Janes Property in Ontario. Pursuant to the terms of the option agreement, the Company retains the right and option to earn a 100% interest in the property by issuing \$355,000 in cash (\$6,000 paid) and an additional \$155,000 in shares (\$2,500 paid) over a 5 year period and incurring work expenditures of \$227,000 over a 5 year period. If the Company vests its interest, the Vendors would retain a 1% NSR on certain claims with the Company retaining the right to buy back a 0.5% NSR for \$500,000 and the remaining 0.5% for an additional \$500,000 up to the point of commercial production. Certain other claims are subject to a 2% NSR with the Company retaining the right to buy back a 1.0% NSR for \$1,000,000 and the remaining 1% for an additional \$500,000 up to the point of commercial production.

e) Muskox Property

During the three month period ended November 30, 2021, the Company staked 11 mining claims and obtained 2 prospecting permits (collectively, the "Muskox Property") in respect of exploration properties located within the Muskox Intrusion in the Kugluktuk Region of Nunavut. Additionally, in a separate transaction, the Company acquired a 100% interest in a database related to the Muskox Intrusion in exchange for cash payment of \$94,600 (US\$75,000) and 100,000 warrants exercisable into common shares at an exercise price of \$0.20 per warrant for a period of three years from the effective date.

9. Capital Management

The Company manages its shareholders' equity as capital, making adjustments based on available funds to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration as well as satisfy administrative costs, the Company will spend its existing working capital and raise additional funds, primarily through new equity issuances as needed. The Company will continue to assess new properties should sufficient geological or economic potential be demonstrated.

9. Capital Management - continued

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the periods ended November 30, 2021 and 2020.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is dependent on the capital markets to finance exploration and development activities.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

10. Financial Instruments and Financial Risk Factors

The carrying amounts of the Company's current financial assets and liabilities approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no material changes in these risks, objectives, policies and procedures during the periods ended November 30, 2021 and August 31, 2021.

Credit Risk

The Company's credit risk is primarily attributable to its amounts receivable. Amounts receivable consists of sales taxes due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to financial instruments included in other assets is low.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2021, the Company has current assets totalling \$3,962,110 (August 31, 2021 – \$5,888,469) to settle current liabilities of \$426,588 (August 31, 2021 – \$1,185,881).

Price Risk

The Company is exposed to price risk with respect to commodity prices. The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Interest Rate Risk

The Company does not currently have any outstanding variable interest-bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

11. Commitments and Contingencies

Environmental Contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally are becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company, through its interest in the Aer Kidd property (Note 7(a)), may be subject to certain statutory rehabilitation and closure obligations imposed by the Ontario Mining Act related to historical reclamation, restoration and abandonment obligations. Management does not believe that the Company has a material obligation as at November 30, 2021 and August 31, 2021.

Flow-through Expenditures

The Company completes flow-through financings and indemnifies the subscribers of flow-through shares for any tax related amounts that become payable by the subscriber. In the ordinary course of business, the Company is subject to audits by tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, certain matters are reviewed and challenged by the tax authorities. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

The Company has indemnified subscribers for any tax related amounts that become payable by the subscriber in the event that the Company does not fulfill its expenditure commitments. As at November 30, 2021, the Company has fulfilled its entire expenditures commitments that otherwise were required to be incurred prior to December 2021.