



**WASECO**  
RESOURCES INC.

## **Condensed Interim Consolidated Financial Statements**

**As at and for the Three and Nine Months Ended  
November 30, 2021 and 2020**

Dated: January 26, 2022



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of Waseco Resources Inc. [the "Company"] are the responsibility of the management and have been approved by the Board of Directors of the Company.

The condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies as disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared fairly, in all material respects and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109.

"Richard Williams"  
President & CEO

"Jim O'Neill"  
Chief Financial Officer

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### NOTICE TO READERS REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated condensed financial statements of the Company have been prepared by and are the responsibility of management.

The Statements for the three and nine months ended November 30, 2021 and 2020 have not been reviewed by the Company's auditors.

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**Condensed Interim Consolidated Statements of  
Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	November 30, 2021	February 28, 2021
<b>Assets</b>		
<b>Current</b>		
Cash (Note 4)	\$ 868	\$ 46,479
HST recoverable	7,896	4,154
BLM exploration bond (Note 5)	22,693	22,522
<b>Total assets</b>	<b>\$ 31,457</b>	<b>\$ 73,155</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade payables and accruals	\$ 67,096	\$ 82,712
Advances payable (Note 6)	469,194	466,395
Shareholder loan (Note 7)	5,000	5,000
Provision for property restoration (Note 5)	22,693	22,522
<b>Total current liabilities</b>	<b>563,983</b>	<b>576,629</b>
<b>Exploration deposits</b> (Note 9)	<b>332,922</b>	<b>338,259</b>
<b>Total Liabilities</b>	<b>896,905</b>	<b>914,888</b>
<b>Shareholders' Equity (Deficiency in Assets)</b>		
Share capital (Note 10)	6,473,483	6,473,483
Contributed Surplus - Share payment reserve	73,418	59,920
Deficit	(7,412,349)	(7,375,136)
<b>Total Shareholders' Equity (Deficiency in Assets)</b>	<b>(865,448)</b>	<b>(841,733)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 31,457</b>	<b>\$ 73,155</b>

Nature of Operations and Going Concern (Note 1)

Approved by the Board:

"Derek Bartlett"  
Derek Bartlett, Director

"Richard Williams"  
Richard Williams, Director

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



**Condensed Interim Consolidated Statements of  
Comprehensive Income and Loss**  
(Unaudited - Expressed in Canadian dollars)

	<b>Three months ended</b>		Nine months ended	
	<b>November 30,</b>	November 30	November 30,	
	<b>2021</b>	2020	2021	November 30, 2020
<b>Revenues</b>				
Operator (note 9)	\$ 1,000	\$ -	\$ 1,723	\$ 130
Sale of option on Battle Mountain Ridge, Nevada	-	-	-	134,000
	<b>1,000</b>	-	<b>1,723</b>	134,130
<b>Expenses</b>				
General and administrative	347	85	1,529	356
Exploration and evaluation expenditures (Note 8)	-	736	3,614	(12,338)
Professional fees	2,855	6,218	9,110	69,336
Share based compensation	-	-	73,418	-
Shareholder relations and regulatory fees	523	1,296	9,783	20,921
Foreign exchange losses	557	-	1,402	-
	<b>4,282</b>	8,335	<b>98,856</b>	78,276
<b>Net Income (Loss) and Comprehensive Income (Loss)</b>	<b>\$ (3,282)</b>	<b>\$ (8,335)</b>	<b>\$ (97,133)</b>	<b>\$ 55,855</b>
Loss per share – basic and diluted	(0.000)	(0.000)	(0.001)	0.001
weighted average number of shares – basic and fully diluted	41,681,390	41,681,390	41,681,390	41,681,390

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



**Condensed Interim Consolidated Statements of  
Changes in Equity**  
(Unaudited - Expressed in Canadian dollars)

	Share Capital		Contributed Surplus			
	Number of Shares	Amount	Share Payment Reserve	Warrants	Deficit	Total
Balance at March 1, 2020	41,681,300	6,471,390	59,920	1,974	(7,441,944)	(908,541)
Expiry of warrants		1,974		(1,974)		-
Comprehensive loss for the year					66,808	66,808
Balance at March 1, 2021	41,681,300	6,473,483	59,920	-	(7,375,136)	(841,733)
Value of options expired			(59,920)		59,920	-
Value of options granted			73,418			73,418
Comprehensive loss for the period					(97,133)	(97,133)
<b>Balance at November 30, 2021</b>	<b>41,681,300</b>	<b>6,473,483</b>	<b>73,418</b>	<b>-</b>	<b>(7,412,349)</b>	<b>(865,448)</b>

*The accompanying notes are an integral part of these audited financial statements*



**Condensed Interim Consolidated Statements of  
Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Three months ended November 30, 2021	November 30, 2020	Nine months ended November 30, 2021	November 30, 2020
<b>Operations</b>				
Net comprehensive income (loss) for the period	\$ (3,282)	\$ (8,335)	\$ (97,133)	\$ 55,855
Adjustments to reconcile net loss to cash flow from operating activities:				
Share based compensation	-	-	73,418	-
	(3,282)	(8,335)	(23,715)	55,855
Net change in non-cash operating working capital items:				
Sales taxes recoverable	(477)	20,820	3,742	12,445
Exploration advances	(1,000)	-	-	(878)
Trade payables and accruals	(3,935)	(26,998)	(15,616)	(78,571)
<b>Cash Used in Operations</b>	(8,694)	(14,513)	(43,073)	(11,149)
<b>Financing</b>				
Loans and advances payable	(4,429)	-	2,799	70,100
Repayment of shareholder loan	-	(5,000)	-	(10,000)
Expenditures paid from exploration deposits	-	-	(5,337)	-
<b>Cash From Financing Activities</b>	(4,429)	(5,000)	(2,538)	60,100
<b>Increase (Decrease) in Cash</b>	(1,123)	(19,513)	(45,611)	48,951
Cash at beginning of period	13,991	73,721	46,479	5,257
<b>Cash at End of Period</b>	\$ 868	\$ 54,208	\$ 868	\$ 54,208

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Waseco Resources Inc. ("Waseco" or the "Company") is continued under the laws of Ontario. Its shares trade on the TSX Venture Exchange under the symbol WRI and on the Frankfurt Exchange under the symbol WSE. The Company's registered office is Suite 1500, 2 Queen Street East, Toronto, Ontario, MSC 3G5.

The Company is an exploration stage company. On July 13, 2020, the Company announced that it had optioned its Battle Mountain Ridge Project ("BMR"), in Nevada, to the Marigold Mining Company ("Marigold"), a subsidiary of SSR Mining Inc. Management believes that this project can now be developed in conjunction with the adjacent Trenton Canyon Mine, which is being brought forward by Marigold. Management also expects that the option will be exercised and that the Company will receive several million dollars at that time. Thereafter, it may continue to participate in the project through a royalty holding.

Management and the Technical Advisory Committee have now turned their attention to evaluating new projects. The Company also has interests in exploration prospects in Ontario and Quebec, Canada, and a Positive Bankable Feasibility Study ("Intellectual property") relating to a gold prospect in Indonesia. Substantially all the Company's efforts are devoted to identifying a new lead project. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

As at November 30, 2021, the Company had a working capital deficiency of \$532,526 (February 28, 2021 - \$503,474), has never had profitable operations, has accumulated losses at November 30, 2021 of \$7,412,348 (February 28, 2021 of \$7,375,136) and expects to incur future losses in the development of its business, all of which casts significant doubt on the Company's ability to continue as a going concern. Significant challenges in raising new capital through the equity and debt markets exist, which are compounded by the unprecedented business climate created by the COVID-19 pandemic. It is uncertain how long these events will continue to impact the economy and the Company's ability to secure financing. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments, if any, that may be required to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and discharge its liabilities as a going concern in the normal course of operations.

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 for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

Management plans to secure necessary financing, as and when needed, through a combination of the issue of new equity or debt instruments and the entering of joint venture or option arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

For further comments on the Company's liquidity risk refer to Note 4 below.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These unaudited consolidated interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on January 26, 2021.

### **2.2 Basis of presentation and functional and presentation currency**

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for fair value through profit and loss assets, which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

The consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

### **2.3 Basis of consolidation**

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary: Waseco Resources US Inc., a Nevada corporation based in the United States. Control is achieved when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

All inter-company transactions, balances revenues and expenses are eliminated on consolidation.

## **3. CAPITAL MANAGEMENT**

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. 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.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. If, however, the joint venture decides to continue the exploration in Quebec then the Company would have a source of revenue. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The mining industry is cyclical in nature. For the past few years, raising equity capital for junior explorers, such as Waseco, has been challenging. These market conditions appear to be improving with price of gold around about US\$1,800 per ounce to start 2022. The Company has historically relied, beyond modest revenue amounts generated, on equity financing to raise capital and expects to be able to continue to do so. Management has considered how these conditions have impacted the Company's viability given its



### 3. CAPITAL MANAGEMENT (continued)

current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting. In the meantime, the Company has been fortunate in being the beneficiary of interest free advances by Directors but there is no assurance of the continuation of such support.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

The Company is not subject to any capital requirements imposed by regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As of November 30, 2021, the Company was not compliant with this policy of the TSXV.

There were no changes in the Company's approach to capital management during the nine-months ended November 30, 2021.

### 4. FINANCIAL INSTRUMENTS

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

#### **Interest-rate risk**

The Company's cash balances are in non-interest-bearing bank accounts at a major Canadian financial institution.

#### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and refunds of government taxes due and the risk is considered low.

#### **Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At November 30, 2021, the Company had a working capital deficiency of \$532,526 (February 29, 2021 – \$503,474). In order to meet its longer-term working capital and property exploration expenditures, the Company would, if necessary, attempt to secure further financing to ensure that those obligations were properly discharged. There can be no assurance that Waseco will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. In the meantime, Mr. Williams, the Chief Executive Officer and a Director of the Company, has been supporting the Company's operations by extending shareholder advances to the Company with neither interest nor fixed repayment terms. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Waseco may change and shareholders may suffer additional dilution.

#### **Sensitivity analysis**

The Company's investments are subject to fair value fluctuations. As at November 30, 2021 if the fair value of the investments had changed by 10%, with all other variables held constant, the change in net comprehensive loss for the year then ended would have been insignificant.

**4. FINANCIAL INSTRUMENTS (continued)**

**Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

**5. BLM EXPLORATION BOND**

Waseco provided a reclamation bond to the Bureau of Land Management of the State of Nevada ("BLM") in the amount US\$17,740 with respect to the lease claims on the Battle Mountain Gold Trend, in Larder County, Nevada (see note 9.1). Under the terms of an Option Agreement with the Marigold, Waseco's bond will be returned to it once Marigold provides the Nevada government with its own reclamation bond.

The Option Agreement requires that Marigold issue its reclamation bond to the BLM before commencing its work program on the property. Marigold advised Waseco that Marigold planned to issue their own BLM reclamation bond to the Nevada government in calendar 2021, thereby replacing the Company's reclamation bond. As such, the Company has disclosed the BLM reclamation bond and related provision for property restoration as a current asset and liability, respectively, in the consolidated financial statements for the year ended February 28, 2021, and in the condensed interim consolidated financial statements for the nine months ended November 30, 2021.

**6. ADVANCES PAYABLE**

Advances payable are due to Waseco's Chief Executive Officer and are unsecured, non-interest bearing, and with no fixed terms of repayment.

**7. SHAREHOLDER LOAN**

Shareholder loan payable consists of the following:

As at	November 30, 2021	February 28, 2021
Unsecured loan – non-interest bearing	\$ 5,000	\$ 5,000

**8. EXPLORATION AND EVALUATION EXPENDITURES**

The exploration and evaluation expenses for the Company are broken down as follows:

<b>Property's Location</b>	James Bay Lowland Ontario	Labrador Trough Quebec	Battle Mountain Nevada, USA	<b>Total</b>
Balance at February 29, 2020	\$170,324	\$102,753	\$1,593,762	\$1,866,839
Property expenditures	-	182	(16,315)	(16,133)
Balance at February 28, 2021	170,324	102,935	1,593,944	1,850,706
Property expenditures	-	-	3,614	3,614
<b>Balance at November 30, 2021</b>	<b>\$ 170,324</b>	<b>\$ 102,935</b>	<b>\$ 1,597,558</b>	<b>\$ 1,854,320</b>

**8. EXPLORATION AND EVALUATION EXPENDITURES** *(continued)*

**8.1 Battle Mountain, Nevada:** The Company leases 29 unpatented mining claims on the Battle Mountain Gold Trend, in Lander County, Nevada (the "Battle Mountain Ridge Project" or "BMR"). This lease is held in the name of Waseco Resources US Inc., a wholly owned subsidiary the Company. The property is subject to a 5% NSR royalty of which 2.5% NSR can be acquired at any time for US\$1.5 Million. The NSR Agreement initially called for advance royalty payments of US\$75,000 per year, which was reduced to US\$50,000 commencing in fiscal 2018. In addition, the Property has quarterly lease payments of US\$5,000. These payments include an inflation adjustment, to be calculated quarterly.

On July 1, 2020, the Company's wholly owned subsidiary entered into an Option Agreement (the "Agreement") with the Marigold Mining Company ("Marigold"), a wholly owned subsidiary of SSR Mining Inc. Under the terms of the Agreement, Marigold has an exclusive option to acquire all the rights, title, and interest in BMR within the Agreement's five-year term, which commenced on the date the Agreement was executed. On closing Waseco received cash consideration of US\$100,000 as an advance towards the option purchase price plus US\$22,660 as a reimbursement of advance royalty, lease payments and core shack fees paid by Waseco. Marigold also assumed Waseco's obligation to pay the annual royalty and quarterly lease payments and to issue a BLM reclamation bond to replace the Company's BLM reclamation bond.

Under the terms of the Agreement, Marigold has the option, at its sole discretion, to complete minimum earn-in work requirements, which are as follows:

- No later than July 1, 2023, either complete 10,000 feet of drilling or incur \$500,000 in qualifying exploration expenditures; and
- No later than July 1, 2025, either complete an additional 20,000 feet of drilling or incur an additional \$1.0 million in qualifying exploration expenditures.

If Marigold does not complete the minimum earn-in work requirements, it has the option to pay Waseco an amount equal to the qualifying exploration expenditures for the applicable earn-in period less the qualifying exploration expenditures actually incurred by Marigold for the applicable earn-in period.

When Marigold fulfills its exclusive option obligations discussed above, Marigold will have the right to exercise its option by providing Waseco with written notice within sixty days from July 1, 2025 to purchase the existing data owned by Waseco, as well as the contracts, water rights, permits, lease for the unpatented mining claims and existing royalty agreement, at the rate of US\$25 multiplied by the number of Measured, Indicated and Inferred mineral resource reported in Marigold's resource statement, which is required to conform to the standards of National Instrument 43-101. The purchase price is subject to a maximum option price of US\$6.0 million and a minimum option price of US\$1.0 million.

Marigold will also pay Waseco a 1% Net Smelter Return on the production and sale of minerals from the property in excess of 300,000 ounces produced. At Marigold's sole option and discretion, it may exercise the right to reduce the existing royalty from 5% to 2.5% in accordance with the terms of the existing lease agreement.

Both Waseco and Marigold have the right to terminate this agreement in writing, at any time, with either mutual consent or unilaterally.

## 8. EXPLORATION AND EVALUATION EXPENDITURES (continued)

**8.2 Quebec-Labrador Trough:** The Company controls these uranium prospects which consist of multiple blocks. The Company has a joint venture agreement with ORANO Canada Inc. (formerly Areva Canada Inc.) (the "ORANO Agreement") and to date the Company's monetary contribution has been \$105,770 in addition to the underlying properties. The Company's joint venture partner advanced the Company funds to be used to pay for exploration expenditures, of which \$332,922 in advances is unspent at November 30, 2021 (\$338,259 - February 28, 2021). Waseco, pursuant to the ORANO Agreement earns a 10% fee on exploration expenditures incurred and charges ORANO for 50% of the exploration expenses incurred. During the nine months ended November 30, 2021, the Company recorded \$1,723 in operator fees (year ended February 28, 2021 - \$15,508).

**8.3** In 2013 the government for the Province of Quebec proposed legislation to ban the exploration of uranium within its provincial boundaries. As a result, uranium exploration activities in Quebec were stopped, preventing Waseco from advancing the exploration of its Quebec-Labrador Trough uranium property. Since this temporary ban has been in place, Waseco has paid the required fees to the Quebec government to ensure that the Company maintains its uranium claims in good standing with the province. More recently, there has been an industry wide resurgence of interest, and uranium exploration has resumed subject to local acceptance.

**8.3 James Bay Lowlands:** In 2003 Waseco acquired a 5% interest in a 2,440-acre claim block in proximity to the DeBeers Victor mine in the Attawapiskat Region in Northern Ontario. The property is subject to a 2% net smelter return ("NSR"), with the Company and its joint venture partners having a right of first refusal to buy out 1%.

## 9. EXPLORATION DEPOSITS

The exploration deposits were received pursuant to terms of the ORANO Agreement (see note 8), which are applied to exploration expenditures as incurred.

## 10. CAPITAL STOCK

**Share Capital:** Waseco is authorized to issue an unlimited number of common shares. The issued and outstanding share capital consists of common shares.

**Share-Based Payment Plan:** Waseco established a stock option plan to provide additional incentive to its directors, officers, employees, service providers, or consultants in their efforts on behalf of the Company in the conduct of its affairs. The total number of shares which may be issued thereunder shall not exceed 10% of the then issued and outstanding shares of the Company. Under the terms of the plan, options shall vest immediately except those options granted to consultants or persons employed in investor relations activities, which are to vest over a twelve-month period. All options expire on the fifth anniversary from the grant date, unless specified otherwise in a Director's Resolution. The exercise price of each option issued shall not be less than the closing market price of the Company's stock on the day immediately preceding the date of grant.

**10. CAPITAL STOCK** (continued)

The following table summarizes stock options issued and outstanding:

<i>Period ended</i>	November 30, 2021	November 30, 2021	February 28, 2021	February 28, 2021
	<b>Weighted Average Exercise Price</b>	<b>No. of Options</b>	<b>Weighted Average Exercise Price</b>	<b>No. of Options</b>
Outstanding at beginning of period:	<b>\$0.075</b>	<b>2,200,000</b>	\$0.075	2,200,000
Transactions during the year				
Granted - April	<b>\$0.075</b>	<b>2,400,000</b>		
Granted - August	<b>\$0.050</b>	<b>400,000</b>		
Exercised	-	-		
Expired	<b>\$0.075</b>	<b>(2,200,000)</b>		
<b>Outstanding at end of the</b>	<b>\$0.071</b>	<b>2,800,000</b>	\$0.075	2,200,000
<b>Exercisable at end of the period</b>	<b>\$0.071</b>	<b>2,800,000</b>	\$0.075	2,200,000

On April 13, 2021, the Company issued 2.4 million options, including 1.6 million options to its Directors and 800,000 options to its consultants. These options are exercisable upon the grant date at \$0.075 per share and expire on April 9, 2024.

On August 30, 2021, the Company issued 400,000 options to its CFO. These options are exercisable upon the grant date at \$0.05 per share and expire on August 18, 2024.

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the options granted during the period.

Grant Date	<b>April 13, 2021</b>	<b>August 30, 2021</b>
Number of options granted	2,400,000	400,000
Weighted average information		
Exercise price	\$0.075	\$0.050
Risk-free interest rate	0.30%	0.04%
Life	3 years	3 years
Expected volatility	80%	80%
Expected dividends	-	-

**11. INCOME TAXES**

At November 30, 2021, the Company has approximately \$1,056,900 (February 28, 2021 - \$1,056,900) in non-capital losses carried forward for which no benefit has been recognized in the accounts. If these losses are not utilized, they will expire between 2028 and 2042.

## 11. INCOME TAXES (continued)

At November 30, 2021, the Company has \$5,900,000 (February 28, 2021- \$5,900,000) of unused CCEE, CCDE, FEDE and CFRE expenses and capital losses of \$312,400 (2019 - \$312,400). The tax benefits pertaining to these expenses are available to be carried forward indefinitely and similarly no benefit has been recognized in the accounts owing to the uncertainty of the Company's ever achieving taxable income against which these amounts might be utilized.

The tax effect of temporary differences at the statutory Canadian income tax rate of 26.5%, at November 30, 2021 and February 28, 2021, that gave rise to the unrecorded deferred tax assets are exploration expenditures of \$1,575,000 and loss carry-forwards of \$322,000.

## 12. SEGMENTED INFORMATION

The Company has identified its reportable operating segments based on the information used by the President and Chief Financial Officer (considered to be the chief decision makers) to manage the business. The Company primarily manages its business by looking at the geographical location that separates its operations.

	<b>November 30, 2021</b>	<b>November 30, 2021</b>	February 28, 2021	February 28, 2021
As at	<b>Current Assets</b>	<b>Total Assets</b>	Current Assets	Total Assets
Canada	<b>8,764</b>	<b>8,764</b>	50,633	50,633
U.S.A.	<b>22,693</b>	<b>22,693</b>	22,522	22,522
	<b>\$ 31,457</b>	<b>\$ 31,457</b>	\$ 73,155	\$ 73,155

	<b>November 30, 2021</b>	<b>November 30, 2021</b>	February 28, 2021	February 28, 2021
As at	<b>Current Liabilities</b>	<b>Total Liabilities</b>	Current Liabilities	Total Liabilities
Canada	<b>541,29</b>	<b>871,598</b>	554,107	892,366
U.S.A.	<b>22,693</b>	<b>22,693</b>	22,522	22,522
	<b>563,983</b>	<b>\$ 896,905</b>	\$ 576,629	\$ 914,888

	<b>9-months ended November 30 2021</b>	<b>9-months ended November 30, 2021</b>	Year ended February 28, 2021	Year ended February 28, 2021
<b>Operating segment</b>	<b>Canada</b>	<b>USA</b>	Canada	USA
Revenues	<b>1,722</b>	-	15,508	\$ 126,730
Expenses:				
Exploration and evaluation expenditures (recovery)	<b>3,614</b>	-	182	(16,315)
Other expenditures	<b>95,241</b>	-	91,563	-
	<b>98,855</b>	-	91,745	(16,315)
Comprehensive Loss	<b>\$ (97,133)</b>	-	\$ (76,237)	\$ 143,045

**13. SUBSEQUENT EVENT**

On December 30, 2021, the Bureau of Land Management, Battle Mountain, Nevada, notified the Company of a decision that granted Marigold Mining Co. an expanded mine plan boundary for the Trenton Canyon Mine. Furthermore, since Marigold Mine Co. is currently bonded for all authorized exploration activities, an update to the reclamation cost estimate is not necessary for this minor modification. This decision reduces the estimated reclamation cost (provision for property restoration) for Waseco Resources US Inc. to zero (\$0), which will result in the Company receiving a refund of US\$17,740 (CA\$22,693). The refund of the BLM exploration bond is expected to be received in late January 2022.