CASCADERO COPPER CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED FEBRUARY 28, 2022 and 2021

(Unaudited – Expressed in Canadian dollars)

Index

NOTICE – No Auditor Review of the Interim Financial Statements.

The accompanying unaudited condensed interim consolidated financial statements of Cascadero Copper Corporation (the "Company"), for the three months ended February 28, 2022, have been prepared by management and have not been the subject of a review by the Company's external independent auditor.

CASCADERO COPPER CORPORATION

(An exploration stage company)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Expressed in Canadian dollars)

	Notes		**February 28, 2022**		November 30, 2021
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**1,126,172**	$	56,778
Taxes receivable			**1,309**		11,510
Prepaid expenses			**26,539**		69,560
		$	**1,154,020**	$	137,848
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**184,335**	$	480,612
Loans payable	6, 9(b),(c)		**150,000**		150,000
Share of net liabilities in joint venture	4		**125,143**		133,765
			459,478		764,377
SHAREHOLDERS' EQUITY					
Share capital	8		**24,297,082**		23,238,004
Contributed surplus			**5,619,915**		5,295,344
Accumulated other comprehensive income			**11,364**		11,337
Deficit			**(29,233,819)**		(29,171,214)
			694,542		(626,529)
		$	**1,154,020**	$	137,848

Nature of operations and going concern (Note 1)
Subsequent event (Note 11)

Approved by the Board of Directors

"Greg Andrews"
Director

"George H. Gale"
Director

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

CASCADERO COPPER CORPORATION

(An exploration stage company)
Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Unaudited – Expressed in Canadian dollars)

	Notes		For the three months ended February 28, 2022		For the three months ended February 28, 2021
Expenses					
Bank charges and interest expense		**$**	**2,004**	$	2,063
General and administrative			**33,479**		11,280
Management fees	9(d)		**7,895**		—
Professional fees	9(d)		**9,613**		30,000
Share-based compensation	8(c)		**—**		380,539
Share of loss of investment in joint venture	4		**18,229**		37,141
			71,220		461,023
Loss before the other items			**(71,220)**		(461,023)
Other items					
Accretion expense	9(c)		**—**		(41,792)
Foreign exchange gain			**8,615**		17,568
Gain on debt settlement	9(a), (b)		**—**		912,383
Gain on disposal of marketable securities			**—**		19,365
			8,615		907,524
Net (loss) income for the period		**$**	**(62,605)**	$	446,501
Other comprehensive income (loss)					
Foreign currency translation difference			**27**		(7,048)
Comprehensive (loss) income for the period		**$**	**(62,578)**	$	439,453
Basic and diluted (loss) income common share		**$**	(0.000)	$	0.002
Weighted average number of shares outstanding, basic and diluted			246,173,939		185,800,866

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

CASCADERO COPPER CORPORATION

(An exploration stage company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Unaudited – Expressed in Canadian dollars)

	Notes	Number of shares issued	Number of Shares outstanding	Share capital	Subscriptions received	Contributed surplus	Deficit	Accumulated other compre-hensive (loss) income	Total
Balance, November 30, 2020		185,800,866	185,800,866	$ 22,751,678	$ —	$ 4,914,805	$ (29,148,431)	$ (13,126)	$ (1,495,074)
Share-based compensation	8(c)	—	—	—	200,000	380,539	—	—	580,539
Foreign currency translation difference		—	—	—		—	—	(7,048)	(7,048)
Net loss for the period		—	—	—		—	446,501	—	446,501
Balance, February 28, 2021		**185,800,866**	**185,800,866**	**$ 22,751,678**	**$ 200,000**	**$ 5,295,344**	**$ (28,701,930)**	**$ (20,174)**	**$ (475,082)**
Shares issued pursuant to private placements	8(b)	14,285,714	14,285,714	500,000	(200,000)	—	—	—	300,000
less: share issue costs		—	—	(13,674)	—	—	—	—	(13,674)
Fair value adjustment loss realized		—	—	—	—	—	—	22,179	22,179
Foreign currency translation difference		—	—	—	—	—	—	9,332	9,332
Net loss for the period		—	—	—	—	—	(469,284)	—	(469,284)
Balance, November 30, 2021		**200,086,580**	**200,086,580**	**$ 23,238,004**	**$ —**	**$ 5,295,344**	**$ (29,171,214)**	**$ 11,337**	**$ (626,529)**
Shares issued pursuant to rights offering	8(b)	100,043,291	100,043,291	1,500,649	—	—	—	—	1,500,649
less: share issue costs		—	—	(441,571)	—	324,571	—	—	(117,000)
Foreign currency translation difference		—	—	—	—	—	—	27	27
Net loss for the period		—	—	—	—	—	(62,605)	—	(62,605)
Balance, February 28, 2022		**300,129,871**	**300,129,871**	**$ 24,297,082**	**$ —**	**$ 5,619,915**	**$ (29,233,819)**	**$ 11,364**	**$ 694,542**

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

CASCADERO COPPER CORPORATION

(An exploration stage company)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Expressed in Canadian dollars)

		For the three months ended February 28, 2022		For the three months ended February 28, 2021
Operating Activities				
Net (loss) income for the period	**$**	**(62,605)**	$	446,501
Adjustments for items not involving cash:				
Accretion expense		**—**		41,792
Share-based compensation		**—**		380,539
Foreign exchange		**67,365**		92,132
Gain on debt settlement		**—**		(912,383)
Gain on disposal of marketable securities		**—**		(19,365)
Share of loss of investment in joint venture		**18,229**		37,141
		22,989		66,357
Net changes in non-cash working capital items				
Taxes receivable		**10,201**		(1,897)
Prepaid expenses		**43,021**		2,003
Accounts payable and accrued liabilities		**(296,277)**		14,368
Cash (used in) provided by operating activities		**(220,066)**		80,831
Investing activities				
Investment in joint venture, net of cash received from joint		**(94,189)**		(160,815)
Proceeds from disposition of marketable securities		**—**		45,351
Cash used in investing activities		**(94,189)**		(115,464)
Financing activities				
Proceeds from shares and warrants issued, net of share issue cost		**1,383,649**		—
Due to related parties		**—**		(100,000)
Subscriptions received		**—**		200,000
Cash provided by financing activities		**1,383,649**		100,000
Increase in cash		**1,069,394**		65,367
Cash , beginning of the period		**56,778**		158,734
Cash , end of period	**$**	**1,126,172**	$	224,101

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Cascadero Copper Corporation ("Cascadero" or the "Company") was incorporated pursuant to the Alberta Business Corporations Act on October 30, 2003 and continued into the Province of British Columbia on June 3, 2004. The Company is engaged in the business of acquiring, exploring and developing mineral properties located primarily in Argentina. The Company is considered to be in the exploration stage. The Company's head office and principal address is located at #395, 901 West Third Street, North Vancouver, BC V7P 3P9.

The Company is in the process of exploring and developing mineral properties and has not yet determined whether these properties contain precious mineral reserves that are economically recoverable.

These condensed interim consolidated financial statements have been prepared on the basis of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These condensed interim consolidated financial statements 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 liquidate its liabilities and commitments in other than the normal course of business. Such adjustments could be material.

The Company has a history of losses with no operating revenue other than interest income. As at February 28, 2022, the Company has incurred cumulative losses of $29,233,819 (November 30, 2021 – $29,171,214) and had a working capital of $694,542 (November 30, 2021 – negative working capital of $626,529). The ability of the Company to continue operations and carry out its planned business objectives is dependent on its ability to raise adequate financing from shareholders and other investors, the continued support from its directors and creditors, and the successful development of mineral properties or alternatively upon the Company's ability to dispose of its interest in mineral properties on an advantageous basis in the future. The outcome of these matters cannot be predicted at this time. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The above factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and liabilities in the normal course of business.

Since February 2020, the coronavirus ("COVID-19) has threatened a slowdown in the global economy and caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financial position, results of operations and cash flows in future periods.

2. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC" and "SIC") adopted by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements of the Company were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on April 29, 2022.

(Unaudited – Expressed in Canadian dollars)

b) Basis of measurement

The condensed interim consolidated financial statements have been prepared under the historical cost basis except for financial instruments that are measured 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.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended November 30, 2021.

a) Principles of consolidation

These consolidated financial statements include the accounts of Cascadero and the accounts and operations of the following entities:

Entities	Jurisdiction of Incorporation	Ownership
SESA Holdings, LLC ("SHL")	United States	Control
Cascadero Minerals Corporation ("CMC")	Canada	Note 4 below
Cascadero Minerals S.A. ("CMSA")	Argentina	Note 4 below
Salta Geothermal S.A. ("SGSA")	Argentina	Note 4 below
Trumetals S.A. ("TSA")	Argentina	Note 4 below

Subsidiaries are entities controlled by the Company. The Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investees);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains controls over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the period are included in the consolidated statements of loss and comprehensive loss from the date the Company gains control until the date the Company ceases to control the subsidiary.

Up until November 29, 2016, Cascadero is the legal and beneficial holder of all of the issued and outstanding shares of CMSA, SGSA and TSA. These entities were duly formed under the laws of Argentina which holds certain mineral properties in Argentina. On November 30, 2016, the Company underwent a reorganization by transferring and assigning all legal and beneficial interests in CMSA, SGSA and TSA to CMC (the "Reorganization") and CMC became a vehicle holding all Argentina mineral properties. After the Reorganization, CMC, CMSA, SGSA and TSA are collectively referred to as the Argentina Entities. The Company lost control in the Argentina Entities effective November 30, 2016, and retained a joint control (see Note 5). The Argentina Entities' operating results are accounted for using the equity method effective November 30, 2016.

b) Presentation currency and foreign currency translation

The presentation currency of the Company is Canadian dollars.

Functional currency is the currency of the primary economic environment in which an entity operates. The functional currencies of the Company, CMC and SHL are Canadian dollars, and the functional currencies of the Argentina entities are the Argentine pesos. The assets and liabilities of foreign operations are translated to the presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rate of exchange during the year. All resulting exchange differences are recognized directly in other comprehensive income.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in other than the functional currency are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to the consolidated statements of loss.

c) Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Information about critical accounting estimates and judgements in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

i) Judgements

Valuation of exploration and evaluation expenditures
The application of the Company's accounting policy for exploration and evaluation expenditure (including those incurred in Argentina Entities) requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Significant judgement is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

Joint Arrangement
The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over the other companies. Management has used its judgement to determine which companies are controlled and require consolidation, and those which are significantly influenced or jointly controlled and require equity accounting. Determination of the date that the Company's interest in the Argentina Entities changed from control to joint control also required significant judgement. The Company has determined that effective November 30, 2016, the Company lost control in the Argentina Entities and retained joint control in these entities as the participating parties have joint control and a right to the net assets of the arrangement.

Significant judgements and estimates are also required to determine the fair value of the investments retained in the Argentina Entities that were former subsidiaries of the Company.

At each reporting date, the Company determines whether there is objective evidence that the investment in joint venture is impaired. Significant judgement is required when determining whether facts and circumstances suggest that the carrying amount of the investment in associate or joint venture may exceed its recoverable amount.

Provision
Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded, and it is only disclosed as a contingent liability.

ii) Estimates

Share-based payment transactions
Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option and warrant, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payments are disclosed in Note 8 (c).

4. INVESTMENT IN JOINT VENTURE

On December 21, 2015, the Company and Regberg Ltd. ("Regberg") signed an Amendment #2 Operating Agreement of SESA Holdings, LLC (the "Amendment #2 Agreement") in connection with the acquisition by Regberg of 25% of SHL for US$850,000. In April 2016, Regberg exercised an option to acquire a further 5% interest in SHL by paying US$175,000 (collectively referred as the "Regberg Transaction"). In connection with the Regberg Transaction, the Company also issued 5,824,600 treasury shares held by CMC to Regberg in November 2016, and the Company and Regberg entered into an Amendment #3 Operating Agreement of SESA Holdings, LLC (the "Amendment #3 Agreement"). The treasury shares were issued to Regberg at a deemed issue price of $0.095 per share, being the Company's stock trading price at date of issuance.

On November 30, 2016, the Company underwent a reorganization whereby the Company transferred and assigned all of its beneficial interests in CMSA, SGSA and TSA to CMC and has agreed that Regberg has 30% of direct interest in CMC pursuant to the Regberg Transaction. The Company, Regberg and CMC subsequently entered into a shareholders' agreement dated May 10, 2017 (the "CMC Shareholders Agreement") which provides that, among other things, for so long as Regberg owns at least 25% of CMC's outstanding common shares, CMC's board of directors shall consist of an even number of directors, and Regberg shall have the right to appoint one-half of CMC's directors. Further, the Company is given a right of first refusal that would apply if Regberg wishes to sell its CMC shares. The CMC Shareholders Agreement also provides for certain pre-emptive rights to each of the Company and Regberg that would apply if CMC proposes to allot any shares, "drag-along" rights (which would apply if the Company receives a bona fide offer from an arm's length third party to purchase all of the issued and outstanding shares of CMC that are approved by the Company's board of directors), and "tag-along" rights (which limits the Company's ability to effect any transaction which would result in a change of control of CMC, without first providing Regberg with an opportunity to sell to the purchaser(s) all of the CMC shares owned by Regberg at the same price per share being received by the Company).

The Amendment #3 Agreement does not give each party the right to the assets and obligations for the liabilities relating to the arrangement, rather they split the net value. Pursuant to the same agreement, each party is responsible for funding its respective share of exploration costs. Failing to provide its pro rata share of the funds required would cause an adjustment to its interests in the Argentina Entities based on the formula defined in the Amendment #3 Agreement. No profits can be distributed without consent by the majority of the managers.

Effective March 13, 2020, Regberg, with the consent of the Company, transferred all of its shares in CMC to NB Projects Asia Pte. Ltd. ("NB Projects Asia"). CMC, the Company, Regberg and NB Projects Asia entered into an Assignment and Assumption Agreement dated March 13, 2020 pursuant to which NB Projects Asia has agreed to assume, be bound by, and discharge the obligations of Regberg under the CMC Shareholders' Agreement.

The interest in Argentina Entities is accounted using the equity method. Summarized financial information of the Argentina Entities and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

(Unaudited – Expressed in Canadian dollars)

	February 28, 2022 $	November 30, 2021 $
Current assets	**12,088**	13,135
Current liabilities	**(189,519)**	(202,791)
Non-current liabilities	**(1,345)**	(1,437)
Net liabilities	**(178,776)**	(191,093)
Ownership interest	**70%**	70%
Proportion of the Company's ownership interest	**(125,143)**	(133,765)

	Three months ended February 28, 2022 $	Three months ended February 28, 2021 $
Revenue	**—**	—
Expense	**18,229**	46,634
Net loss and total comprehensive loss	**(18,229)**	(46,634)

The Argentina Entities had no material contingent liabilities and no capital commitments as at February 28, 2022 and November 30, 2021. (Also see Notes 5 and 7)

5. EXPLORATION AND EVALUATION ASSETS

Argentina Mineral Properties
The Company, through CMSA, SGSA and TSA holds certain mineral properties in Argentina (also see Note 4). The exploration costs incurred have been written off as at February 28, 2022 and November 30, 2021. There was no expenditure incurred for the three months ended February 28, 2022 and the year ended November 30, 2021.

On December 2, 2019, the Company, through the joint venture CMC and its subsidiary SGSA, entered into an Exploration and Development Earn-In Agreement (the "Earn-In Agreement") with Golden Minerals Company ("Golden"). Pursuant to the Earn-In Agreement, SGSA has granted Golden the exclusive right to acquire a 51% ownership in the Sarita Este Concession, subject to a non-refundable cash payment of $197,881 (US$150,000) (received) and incurring a total of US$2.5 million of minimum work requirements for exploration and development expenditures on the concession. Golden may make cash payments in lieu of annual work commitment as follows: (i) US$300,000 in the second year, plus a 2,000 meters core drilling program on the concession; (ii) US$500,000 in the third year; and (iii) the remaining balance of US$1.7 million by the end of fourth year (also see Note 7).

6. LOAN PAYABLE

On July 7, 2021, the Company entered into a promissory note ("Promissory Note") with Springhill Investments Ltd. ("Springhill"), a company wholly-owned by Mr. Lorne Harder, a Director and former Chief Financial Officer and Corporate Secretary of the Company, for proceeds of $150,000. The Promissory Note is non-interest bearing, matures on the earlier of the Company raising $500,000 in a financing or July 7, 2022, can be repaid at any time without penalty and is unsecured (Note 11).

7. CONTINGENT LIABILITY

The Company entered into an agreement dated September 3, 2015 (the "Contingent Agreement") with an Argentine drilling contractor, pursuant to which the Company agreed to pay up to a maximum amount of US$1 million in the event of a sale of part, or whole, of any of the mining concessions in the Company's Taca Taca Group. The Taca Taca Group, for the purposes of this agreement, consists primarily of (a) Sarita Sur, (b) Sarita Este, (c) La Sarita I, (d) La Sarita II, (e) the 50% interest over Francisco 1, (f) the 50% interest over Francisco 2, (g) the 33.3% interest over Desierto I, and (h) the 33.3% interest over Desierto II.

The Company and contractor have agreed that the Earn-in Agreement with Golden (Note 6) constitutes a sales transaction as described in the Contingent Agreement and the contractor is entitled to 50% of the US$150,000 payment received, creating an obligation of US$75,000 to the contractor. This amount has been fully paid as at February 28, 2022.

The US$75,000 payment has been credited towards the maximum contingent liability amount of US$1,000,000, which has reduced the contingent liability to a maximum amount of US$925,000.

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares with no par value.

b) Issued and outstanding

At February 28, 2022, 300,129,871 common shares were issued and outstanding (November 30, 2021 – 200,086,580 common shares).

On April 1, 2021, the Company closed a non-brokered private placement of 14,285,714 units (a "Unit") at a price of $0.035 per Unit for gross proceeds of $500,000. Each Unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.05 for a period of 24 months from the date of closing. The Company has adopted the residual approach to allocate the proceeds between the share capital and share purchase warrants whereby 100% of proceeds was allocated to the share capital and $nil was allocated to share purchase warrants. Share issue costs of $13,674 were incurred with respect to the private placement.

On January 17, 2022, the Company closed its rights offering (the "Rights Offering") and issued 100,043,291 common shares of the Company at a price of $0.015 per share for total gross proceeds of $1,500,649. In addition, the Company issued 9,663,482 non-transferable compensation warrants to each of the two subscribers in consideration for providing a stand-by commitment for the Rights Offering. Each such non-transferable compensation warrant is exercisable for one share at a price of $0.05 per share expiring on January 17, 2027. Cash share issue costs of $117,000 were incurred with respect to the rights offering. The fair value of the compensation warrants was determined to be $324,571 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of $nil, risk free interest rate of 1.61%, expected life of 5 years and expected volatility of 144%.

c) Stock Option Plan

The Company has a stock option plan for the benefit of directors, management and certain consultants of the Company. An updated stock option plan was approved in January 2020 (the "2019 Stock Option Plan"). Under the 2019 Stock Option Plan, the maximum aggregate number reserved for optioned shares at any point in time is 21,173,922 shares. The exercise price of each option may be discounted up to the discounted market price as defined by policy 1.1 of the TSX Venture Polices. Each option's vesting period shall be at the discretion of the board of directors and its maximum term is ten years.

On February 18, 2021, the Company granted 15,000,000 stock options to certain directors, officers, and consultants of the Company at an exercise price of $0.05 per share. These options vest immediately and will expire on February 18, 2026.

For the three months ended February 28, 2022, $nil (2021 - $380,539) was recorded as share-based compensation expense relating to management and general consulting services. The fair value of the options granted in 2021 was estimated using the Black-Scholes options pricing model with the following assumptions:

(Unaudited – Expressed in Canadian dollars)

	2021 Grants
Weighted average fair value	$0.05
Risk-free interest rate	0.45%
Dividend yield	$0.00
Expected volatility	138.31%
Weighted average expected life of options	5 years

Option pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the company's stock options. The Company's expected volatility is based on the historical volatility of the Company's share price.

The continuity schedule of stock options as at February 28, 2022 and November 30, 2021 is as follows:

	Outstanding
Balance - November 30, 2020	1,000,000
Stock options expired	(1,000,000)
Stock options granted	15,000,000
Balance - February 28, 2022 and November 30, 2021	**15,000,000**
Stock options exercisable - February 28, 2022 and November 30, 2021	**15,000,000**

The following table summarizes information about stock options outstanding as at February 28, 2022:

Number of Options Outstanding	Expiry Date	Number of Options Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life Years
15,000,000	18-Feb-26	15,000,000	$0.05	3.98
15,000,000		15,000,000	$0.05	3.98

d) Share Purchase Warrants

The following summarizes the share purchase warrants' activities:

	Three months ended February 28, 2022		Year ended November 30, 2021	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
Outstanding, beginning of period/year	**18,035,714**	**$0.06**	3,750,000	$0.08
Issued	**19,326,964**	**0.05**	14,285,714	0.05
Outstanding, end of period/year	**37,362,678**	**$0.05**	18,035,714	$0.06

(Unaudited – Expressed in Canadian dollars)

The following table summarizes information about share purchase warrants outstanding as at February 28, 2022:

Number of Warrants Outstanding	Expiration Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life Years
3,750,000	03-Oct-22	$0.08	0.59
14,285,714	01-Apr-23	$0.05	1.09
19,326,964	17-Jan-27	$0.05	4.89
37,362,678		$0.05	3.00

9. RELATED PARTY TRANSACTIONS

The related party balances and transactions not disclosed elsewhere in these consolidated financial statements are listed below. Related party transactions in normal course of operations are measured at the exchange amount. Due to the related parties are unsecured and non-interest bearing.

a) The Company has the following balances owed to related entities as at February 28, 2022:

(i) $3,516 (November 30, 2021 - $67,105) included accounts payable and accrued liabilities owing to a corporation controlled by a director of the Company.

On February 17, 2021, the Company entered into debt settlement agreements with creditors to settle all of the amounts due to the estate of Mr. McWilliam, the estate of Ms. Harder (including the loan discussed in the note b) below) (together the "Estate") and AFRI (collectively, the "Debt"). Upon payment of $100,000 to each of the Estates (paid), the Debt has been fully satisfied and extinguished resulting a gain of $905,536. In connection with settlement of the Debt, the Company will also enter into a share transfer agreement with the Estates pursuant to which the Company will acquire from the Estates all of their shares in the capital of Cosmos Minerals Corporation for a nominal amount.

b) Effective October 3, 2017, the Company entered into a loan agreement with Ms. Harder and Mr. McWilliam (the "Lenders") whereby the Lenders agreed to advance up to $300,000 in readily available funds to the Company. The loan bore an interest rate of 6% per annum. The loan had a minimum term of one year and could be repaid by the Company at any time after one year.

During the year ended November 30, 2017, the Company received $200,000 from the Lenders and issued as a loan bonus 3,750,000 share purchase warrants at $0.08 per share exercisable over a term of five years (the "Loan Bonus Warrants 1"). The Company allocated $160,654 to the loan and $139,346 to the Loan Bonus Warrants 1 using the relative fair value method.

On February 17, 2021, the Company entered into a debt settlement agreement to settle the loan principal of $200,000 and accrued interest of $25,000 due to the Estate.

c) On July 7, 2020, the Company obtained a loan of $200,000 (the "Loan") from Mr. Lorne Harder, a Director and former Chief Financial Officer and Corporate Secretary of the Company, through his wholly-owned company, Springhill. The Loan was non-interest bearing, was payable at the end of one year, could be repaid at any time without penalty and was unsecured. As a condition of the Loan, the Company issued to Springhill 8,000,000 warrants, with each warrant being exercisable for one common share of the Company at an exercise price of $0.025 per share for one year (the "Loan Bonus Warrants 2").

The fair value of the Loan Bonus Warrants 2 were estimated using the Black-Scholes options pricing model with the following assumptions:

(Unaudited – Expressed in Canadian dollars)

	2020
Fair value	$0.02
Risk-free interest rate	0.23%
Dividend yield	$0.00
Expected volatility	100.00%
Expected life of warrants	1 year

The fair value of the Loan Bonus Warrants 2 of $169,490 has been treated as financing charges to the loan proceeds of $200,000. The loan was repaid in full during year ended November 30, 2021 and had a carrying value of $nil as at November 30, 2021. Accretion expense of $108,195 was recorded during the year ended November 30, 2021 in relation to the Loan. The Loan Bonus Warrants 2 were exercised on September 10, 2020.

On July 29, 2021, the Company entered into a Promissory Note with Springhill for proceeds of $150,000 (see Notes 6 and 11).

d) During the three months ended February 28, 2022, the Company had the following transactions with related parties:

(i) Incurred $3,613 (2021 - $5,651) in accounting fees paid to a company in which the CFO is an owner; and
(ii) Incurred $7,895 (2021 - $nil) in management consulting fee to a corporation controlled by a director of the Company.

e) Key management compensation

Key management includes the directors of the Company, CEO and CFO. The compensation paid or payable to key management for services during the three months ended February 28, 2022 and 2021 is identical to the disclosure above other than share-based payments. During the three months ended February 28, 2022, key management received share-based payment of $nil (2021 - $329,800). Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the three months ended February 28, 2022 and 2021.

10. SEGMENTED INFORMATION

The Company operates in one segment, being the operation of acquisition and exploration of mineral properties. Substantial all of the Company's carrying value of long-term assets as at February 28, 2022 and for the three months ended February 28, 2022 are located in Argentina.

11. SUBSEQUENT EVENT

On March 7, 2022, the Promissory Note with Springhill, a company wholly-owned by Mr. Lorne Harder, a Director and former Chief Financial Officer and Corporate Secretary of the Company, was repaid in the amount of $150,000.