Labrador Uranium Inc.

Condensed Interim Financial Statements

For the three months ended February 28, 2022

UNAUDITED
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR 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 interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

Labrador Uranium Inc.
Statement of Financial Position
Expressed in Canadian Dollars (unaudited)

As at:	Note	February 28, 2022 $	November 30, 2021 $
ASSETS			
Current			
Cash		7,392,428	1,857,440
Restricted cash	1,6	20,000	7,651,023
Amounts receivable		162,120	106,221
Prepaid expenses		26,667	30,000
Prepaid financing costs	1,6	-	721,366
Total assets		7,601,215	10,366,050
LIABILITIES			
Current			
Accounts payable and accrued liabilities		845,565	536,992
Promissory notes payable	5,9	-	500,000
Subscription receipt liability	1.6	-	8,000,000
Total liabilities		845,565	9,036,992
SHAREHOLDERS' EQUITY			
Share capital	6	24,169,286	2,144,824
Warrant reserve	6	2,054,375	279,389
Option reserve	6	820,643	-
Deficit		(20,288,654)	(1,095,155)
Total shareholders' equity		6,755,650	1,329,058
Total liabilities and shareholders' equity		7,601,215	10,366,050

Nature of operations and going concern (Note 1)
Commitments and contingenices (Notes 4 and 10)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors on April 27, 2022:

Signed: *"Philip Williams"*, Director

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

Labrador Uranium Inc.
Statement of Loss and Comprehensive Loss
Expressed in Canadian Dollars (unaudited)

	Note	Three months ended February 28, 2022 $
Expenses		
Exploration and evaluation expenses	4,6	17,689,382
Share-based compensation	6	820,643
Consulting and management fees	6,9	378,765
Advertising and promotion		76,085
Professional fees		103,704
Geological consulting		23,049
Listing and filing fees		9,104
Office and other expenses		35,672
Investor relations expenses		52,269
Travel expenses		3,543
Foreign exchange (gain)/loss		1,283
Net loss and comprehensive loss for the period		(19,193,499)
Basic and diluted loss per share		(1.31)
Weighted average number of common shares outstanding		
Basic and diluted		14,661,905

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

Labrador Uranium Inc.

Statement of Changes in Shareholders' Equity

Expressed in Canadian Dollars (unaudited)

	Number of Class A Common Shares #	Number of Class B Common Shares #	Share Capital $	Warrant Reserve $	Option Reserve $	Deficit $	Shareholders' Equity $
Balance, July 13, 2021	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Private placement financings (note 6)	-	9,300,000	1,920,000	-	-	-	1,920,000
Share issue costs (note 6)	-	-	(75,176)	-	-	-	(75,176)
Shares issued for services (note 6)	-	3,000,000	300,000	-	-	-	300,000
Warrants issued (note 6)	-	-	-	279,389	-	-	279,389
Stock option reserve	-	-	-	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	-	(1,095,155)	(1,095,155)
Balance, November 30, 2021	**1**	**12,300,000**	**2,144,824**	**279,389**	**-**	**(1,095,155)**	**1,329,058**
Subscription receipt financings (note 6)	-	11,428,571	8,000,000	(279,389)	-	-	7,720,611
Share issue costs (note 6)	-	-	(721,163)	-	-	-	(721,163)
Shares issued for acquisitions (note 4, 6)	(1)	24,000,000	16,800,000	-	-	-	16,800,000
Warrants issued (note 6)	-	-	(2,054,375)	2,054,375	-	-	-
Options granted (note 6)	-	-	-	-	820,643		820,643
Loss and comprehensive loss for the period	-	-	-	-	-	(19,193,499)	(19,193,499)
Balance, February 28, 2022	**-**	**47,728,571**	**24,169,286**	**2,054,375**	**820,643**	**(20,288,654)**	**6,755,650**

Labrador Uranium Inc.
Statement of Cash Flows
Expressed in Canadian Dollars (unaudited)

	Note	Three months ended February 28, 2022 $
Cash (used in)/provided by:		
Operating activities		
Net loss		(19,193,499)
Items not involving cash:		
Share-based compensation	6	820,643
Shares issued for acquisitions	6	16,800,000
Changes in non-cash working capital		
Change in amounts receivable		(55,899)
Change in prepaid expenses		724,699
Change in accounts payable and accrued liabilities		308,573
Net cash flow (used in) operating activities		(595,483)
Investing activities		
Increase in restricted cash	6	7,631,023
Net cash flow provided by investing activities		7,631,023
Financing activities		
Promissory notes payable	5	(500,000)
Payment of share issue costs related to subscription receipts	6	(1,000,552)
Net cash flow (used in) financing activities		(1,500,552)
Net increase in cash during the period		5,534,988
Cash, beginning of period		1,857,440
Cash, end of period		7,392,428
Supplemental cash flow information		
Broker warrants issued	6	279,389

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Labrador Uranium Inc. (the "Company", or "LUR") was incorporated on July 13, 2021 under the laws of the Province of Ontario. The Company is currently engaged in the acquisition, exploration and development of mineral properties. The head office and principal address of the Company is 217 Queen Street West, 4th Floor, Toronto, Ontario, M5V 0R2.

The Company was formerly a majority-controlled subsidiary of Consolidated Uranium Inc. ("CUR"). On February 22, 2022, the Company closed its arrangement agreement with CUR of October 17, 2021 whereby the Company was spun-out from CUR and acquired certain mineral property rights from CUR in exchange for common shares of the Company. See Notes 4 and 6. The Company's common shares trade under the ticker symbol "LUR" on the Canadian Securities Exchange ("CSE").

During the three months ended February 28, 2022, the Company had a comprehensive loss of $19,193,499 and working capital as at February 28, 2022 of $6,755,650 (November 30, 2021 - $1,329,058). The Company believes that it will have sufficient capital to operate over the next 12 months, including carrying out the Company's planned exploration activities.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation expenditures is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company will have future needs for equity financing 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 upon 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.

These condensed interim financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. 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 liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim financial statements. Such adjustments could be material.

<u>Novel Coronavirus ("COVID-19")</u>

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements are in compliance with IAS 34, *Interim Financial Reporting*. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") have been omitted or condensed. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2021.

Basis of presentation

These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis. Furthermore, these financial statements are presented in Canadian dollars, which is the functional currency of the Company. All values are rounded to the nearest dollar.

Approval of the financial statements

These condensed interim financial statements of the Company for the three months period ended February 28, 2022 were reviewed, approved and authorized for issue by the Board of Directors of the Company on April 27, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Critical judgements and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

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 due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

Expressed in Canadian Dollars (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical judgements and estimation uncertainties (continued)

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 share awards is 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.

Contingencies (see Notes 1 and 10).

4. EXPLORATION AND EVALUATION PROPERTIES

Moran Lake Uranium and Vanadium Project

In November 2020, CUR entered into an option agreement with a private, arm's length party to acquire a 100% interest in the Moran Lake uranium project, located in the Central Mineral Belt of Labrador, Canada. On October 17, 2021, CUR exercised its option and completed the acquisition of the Moran Lake Project.

Pursuant to the arrangement with CUR (see Note 1), the Company acquired the Moran Lake Project in exchange for 16,000,000 of the Company's common shares, and the Company has assumed the obligations of CUR pursuant to the transaction, as described below.

The vendor is entitled to receive certain future payments contingent upon the attainment of certain milestones tied to the spot price of uranium as follows:

Uranium Spot Price (USD)	Vendor Payment (CDN in Cash)	Vendor Payment (CDN in Shares)
$ 50	$ 250,000	$ 250,000
$ 75	$ 375,000	$ 375,000

The spot price contingent payments will expire 10 years following the date the option is exercised. The vendor has been granted a 1.5% net smelter returns royalty from the sale of the mineral products extracted or derived from the property. CUR has retained the right to purchase 0.5% of the net smelter returns royalty for $500,000.

Subsequent to the period end, a payment and share issuance was made to the optionor of the Moran lake Project based on the spot price of uranium. See note 11.

Expressed in Canadian Dollars (unaudited)

4. EXPLORATION AND EVALUATION PROPERTIES (continued)

Altius Projects

On October 17, 2021, CUR and LUR entered into a purchase agreement (the “Altius Agreement”) with Altius Resources Inc. (“Altius”), a wholly-owned subsidiary of Altius Minerals Corporation (“Altius”), pursuant to which LUR agreed to acquire from Altius a 100% interest in (i) the Central Mineral Belt Uranium-Copper Project and, (ii) the Notakwanon project, both located in the CMB in Labrador (collectively, the “Altius Projects”).

On February 22, 2022, the Company completed the previously announced acquisition of the Altius Projects in exchange for 8,000,000 common shares of the Company and the grant of a 2% gross overriding royalty on the Altius Projects, with an “Area of Interest” clause whereby any property acquired by the Company within a specified area in proximity to the Altius Projects, subject to certain exclusions, will become subject to the 2% gross overriding royalty.

The Altius Agreement contains an “Area of Interest” clause which requires Altius to notify the Company of any interest that Altius acquires in certain minerals properties (the “Area of Interest Property”) located in Labrador in proximity to the Altius Projects. Upon providing such notice, the Company will have the right, for a period of 45 days thereafter, to acquire the Area of Interest Property from Altius for consideration equal to the consideration initially paid by Altius to acquire the Area of Interest Property. In addition, the Company has agreed to grant Altius a right of first offer on any proposed sale of any royalty on or in respect of certain identified mineral parties, to any third-party.

Mustang Lake Project

On November 3, 2021, CUR and LUR entered into an agreement (the “Mega Agreement”) with Mega Uranium Ltd. (“Mega”) and its wholly-owned subsidiary, Monster Copper Corporation, pursuant to which the Company has agreed to acquire Mega’s 66% participating interest in Mega’s joint venture (the “Joint Venture”) with Anthem Resources Inc. (formerly Santoy Resources Ltd.) (“Anthem”) that holds a 100% interest in the Mustang Lake Project, a prospective uranium project located in the CMB (the “Mega Transaction”).

Pursuant to the terms of the Mega Agreement, LUR has agreed to acquire Mega’s 66% interest in the Joint Venture in exchange for 3,000,000 common shares.

Completion of the Mega Transaction is subject to the satisfaction of certain closing conditions, including, among other things, completion of the Arrangement, the waiver or expiry of Anthem’s right of first refusal on the Joint Venture. There can be no assurance that the Mega Transaction will be completed as described or at all.

During the three months ended February 28, 2022, the Company incurred exploration and evaluation expenditures as follows:

	Moran Lake	Altius Projects	Total
Acquisition cost	11,700,000	5,600,000	17,300,000
Exploration and evaluation expenditures	81,654	307,728	389,382
Balance, February 28, 2022	**11,781,654**	**5,907,728**	**17,689,382**

Expressed in Canadian Dollars (unaudited)

5. PROMISSORY NOTES PAYABLE

On July 26, 2021, the Company entered into a $250,000 promissory note with CUR. The note was unsecured, non-interest bearing and payable within five days of the Company's listing on a Canadian exchange, or within twelve months, whichever is sooner. The proceeds from the note were transferred as an advance directly to Altius as per an executed term sheet dated July 20, 2021 that ultimately resulted in the property acquisition with Altius. See Note 4.

On September 16, 2021, the Company and CUR entered into a second $250,000 promissory note. The note was unsecured, non-interest bearing and payable within five days of the Company's listing on a Canadian exchange, or within twelve months, whichever is sooner.

The Company fully repaid the promissory notes with a cash payment of $500,000 to CUR on February 23, 2022.

6. SHARE CAPITAL

Authorized

On November 30, 2021, the authorized share capital of the Company consisted of an unlimited number of Class A common shares, each carrying 20 million votes, and an unlimited number of Class B common shares without par value, each carrying one vote. Pursuant to the completion of the spin-out transaction on February 22, 2022 (see Note 1), the Company's 1 Class A common share, issued to CUR upon incorporation of the Company, was cancelled, and the Company's Class B shares became the common shares of the Company.

Issued and Outstanding

Common shares outstanding as at February 28, 2022 are as follows:

	Number of shares outstanding		Amount
Balance, July 13, 2021 (incorporation)	**-**	**$**	**-**
Private placements (iii,v)	9,300,000		1,920,000
Share issue costs	-		(75,176)
Shares issued for services (iv)	3,000,000		300,000
Balance, November 30, 2021	**12,300,000**		**2,144,824**
Subcription receipts (ii)	11,428,571		8,000,000
Share issue costs	-		(721,163)
Warrants issued (ii)	-		(2,054,375)
Shares issued for acquisitions (i)	24,000,000		16,800,000
Balance. February 28, 2022	**47,728,571**		**24,169,286**

(i) On February 22, 2022, the Company issued 16,000,000 common shares to CUR to acquire the Moran Lane Project. See Note 4.

On February 22, 2022, the Company issued 8,000,000 common shares to Altius to acquire the Altius Projects. See Note 4.

6. SHARE CAPITAL (continued)

Issued and Outstanding (continued)

(ii) On November 12, 2021, the Company closed a private placement (the "Subscription Receipt Financing") by issuing 11,428,571 subscription receipts ("Subscription Receipts") at a price of $0.70 per Subscription Receipt, for gross proceeds to the Company of $8,000,000. Directors and officers of the Company subscribed for 101,058 Subscription Receipts for gross proceeds of $70,741.

Each Subscription Receipt entitled the holder thereof to automatically receive, upon satisfaction of the escrow release conditions, one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one common share at a price of $1.05 for a period of 24 months following the date that the escrow release conditions are satisfied. The fair value of the 5,714,285 warrants was estimated at $1,774,986 using the Black-Scholes option pricing model with the following assumptions: stock price $0.55; exercise price $1.05; risk-free interest rate 1.00%; annualized volatility 140.3% based on volatilities of comparable companies; expected dividend yield 0%; and expected life of 2 years.

The gross proceeds from the sale of the Subscription Receipts, less 50% of the agents' commission and expenses paid at the closing of the Subscription Receipt Financing were held in escrow by Computershare Trust Company of Canada in accordance with a subscription receipt agreement dated November 12, 2021 and was released to the Company upon satisfaction of the escrow release conditions on February 22, 2022.

A total of 799,999 broker warrants, each exercisable to acquire one common share at a price of $0.70 for a period of 24 months, were issued in connection with the Subscription Receipt Financing. The fair value of the broker warrants issued was estimated at $278,389 using the Black-Scholes option pricing model with the following assumptions: stock price $0.55; exercise price $0.70; risk-free interest rate 1.00%; annualized volatility of 140.3% based on volatilities of comparable companies; expected dividend yield 0%; and expected life of 2 years.

(iii) On November 3, 2021, the Company completed a private placement financing by issuing 3,300,000 common shares at a price of $0.40 per share for gross proceeds of $1,320,000. In connection with the financing, cash commissions of $23,600 were paid. An officer of the Company subscribed for 62,500 common shares, generating gross proceeds of $25,000.

(iv) On October 4, 2021, the Company issued 3,000,000 common shares to a consultant for advisory services. The shares were valued at $300,000 based on the price of the September 2021 private placement.

(v) On September 17, 2021, the Company completed a private placement financing by issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000. An officer of the Company subscribed for 500,000 common shares, generating gross proceeds of $50,000.

Expressed in Canadian Dollars (unaudited)

6. SHARE CAPITAL (continued)

Warrants

The changes in warrants issued during the three months ended February 28, 2022 are as follows:

	Number of warrants	Weighted average exercise price	Value of warrants
Balance, November 30, 2021	**-**	**$ -**	**$ -**
Granted, February 2022	5,714,285	1.05	1,774,986
Granted, February 2022	799,999	0.70	279,389
Balance, February 28, 2022	**6,514,284**	**$ 1.01**	**$ 2,054,375**

The following table summarizes the warrants outstanding as at February 28, 2022:

Number outstanding #	Number exercisable #	Grant date	Expiry date	Exercise price $	Estimated grant date fair value $	Volatility	Risk-free interest rate	Expected life (Yrs) #	Expected dividend yield
5,714,285	5,714,285	22-Feb-22	22-Feb-24	1.05	1,774,986	140%	1.00%	2.00	0%
799,999	799,999	22-Feb-22	22-Feb-24	0.70	279,389	140%	1.00%	2.00	0%
6,514,284	**6,514,284**				**2,054,375**				

The weighted-average remaining contractual life of the warrants at February 28, 2022 is 1.98 years.

Stock Options

The Company adopted a long term incentive plan (the “LUR LTIP”) on November 10, 2021.

The purpose of the LUR LTIP is, among other things, to advance the interests of LUR by providing eligible participants in the LUR LTIP with additional incentives, encouraging stock ownership by such participants and increasing the proprietary interest of participants in the success of LUR. The LUR Board (as defined below) has administration over the LUR LTIP and is authorized to provide for the granting, exercise and method of exercise of awards.

The LUR LTIP is a “rolling” plan which sets the total number of LUR Common Shares reserved and available for grant and issuance pursuant to awards granted under the LUR LTIP at an amount not to exceed 10% of the LUR Common Shares from time to time, or such other number as may be approved by the CSE and LUR shareholders from time to time. The LUR LTIP provides for a variety of equity-based awards that may be granted to certain LUR participants, including stock options, performance share units and restricted share units. Each stock option granted under the LTIP will represent the right to receive LUR Common Shares and each share unit will represent the right to receive LUR Common Shares, or the market value of such LUR Common Shares in cash, or a combination of the two, in accordance with the terms of the LUR LTIP. The maximum number of LUR Common Shares that may be: (i) issued to insiders of LUR within any one-year period; or (ii) issuable to insiders of LUR at any time, in each case, under the LUR LTIP alone, or when combined with any other proposed or established security-based compensation arrangement of LUR cannot exceed 10% of the aggregate number of LUR Common Shares issued and outstanding from time to time determined on a non-diluted basis.

Expressed in Canadian Dollars (unaudited)

6. SHARE CAPITAL (continued)

Stock Options (continued)

The changes in stock options granted during the three months ended February 28, 2022 are as follows:

	Number of options	Weighted average exercise price	Value of options
Balance, November 30, 2021	**-**	**$ -**	**$ -**
Granted, January 2022	1,225,000	0.70	251,609
Granted, February 2022	3,100,000	0.70	1,818,881
Balance, February 28, 2022	**4,325,000**	**$ 0.70**	**$ 2,070,490**

On January 30, 2022, the Company granted a total of 1,225,000 stock options to directors, management and consultants of the Company pursuant to the LUR LTIP. The options vested immediately and may be exercised at a price of $0.70 per option until November 30, 2022. The fair value of the stock options was estimated at $251,609 using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield 0%; stock price $0.70; expected annual volatility 81%; risk-free interest rate 1.45% and expected average life 0.83 years. Directors and officers were granted 600,000 options, with a fair value of $123,237.

On February 22, 2022, the Company granted a total of 3,100,000 stock options to directors, management, employees and consultants of the Company pursuant to the LUR LTIP. The options may be exercised at a price of $0.70 per option until November 30, 2022. The fair value of the stock options was estimated at $1,818,881 using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield 0%; stock price $0.70; expected annual volatility 123%; risk-free interest rate 1.74% and expected average life 5 years. Directors and officers were granted 1,600,000 options, with a fair value of $938,777. For 2,850,000 of the stock options, 1/3 vested immediately, 1/3 vests on the first anniversary date of the grant, and 1/3 vests on the second anniversary of the grant. For the remaining 250,000 stock options, 1/4 vests in 3-month intervals until February 22, 2023. Directors and officers were granted 1,600,000 options, with a fair value of $938,777.

Stock options outstanding as of February 28, 2022 are as follows:

Number outstanding #	Number exercisable #	Grant date	Expiry date	Exercise price $	Estimated grant date fair value $	Volatility	Risk-free interest rate	Expected life (Yrs) #	Expected dividend yield
1,225,000	1,225,000	30-Jan-22	30-Nov-22	$0.70	251,609	81%	1.45%	0.83	0%
3,100,000	950,000	22-Feb-22	22-Feb-27	$0.70	1,818,881	123%	1.74%	5.00	0%
4,325,000	**2,175,000**				**2,070,490**				

The weighted average remaining contractual life of the options at February 28, 2022 is 3.78 years.

7. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board 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 Company considers its capital to consist of common shares and warrants.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation and pay for administrative costs, the Company must raise additional amounts. The Company may continue to assess new properties and may 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the three months ended February 28, 2022.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body.

8. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash, restricted cash, amounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at February 28, 2022, the Company had no instruments to classify in the fair value hierarchy.

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

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

a. *Trade credit risk*
The Company is not exposed to significant trade credit risk.

Expressed in Canadian Dollars (unaudited)

8. FINANCIAL INSTRUMENTS (continued)

b. *Cash*
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At February 28, 2022, the Company had a cash balance of $7,392,428 (November 30, 2021- $1,857,440) to settle current liabilities of $845,565 (November 30, 2021- $1,036,992). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to uranium. Commodity price risk is remote as the Company is not a producing entity.

9. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons 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. During the three months ended February 28, 2022, the remuneration of key management personnel was as follows:

	Three months ended February 28, 2022	Three months ended February 28, 2021
Management fees	$ 221,250	$ -
Share-based compensation	472,116	-
Total	**$ 693,366**	**$ -**

As at February 28, 2022, a bonus of $150,000 in relation to the successful completion of a qualifying financing was owed to a member of the Company's management. These amounts have been recorded in accounts payable and accrued liabilities and were paid subsequent to February 28, 2022.

See also Notes 5 and 10.

10. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $495,000 (November 30, 2021- $37,500) and additional contingent payments of up to approximately $540,000 (November 30, 2021- $nil) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

11. SUBSEQUENT EVENTS

On April 8, 2022, the Company made a payment to satisfy amounts owed to the vendor of the Moran Lake Project in relation to the spot price of uranium. The Company issued $250,000 in cash and 209,907 common shares at a price of $1.19 per share based on the Company's share price on the date of issuance.

On April 11, 2022, the Company announced a flow-through "bought deal" private placement financing of 5,715,000 flow-through units of the Company to be sold to charitable purchasers (each, a "Charity FT Unit") at a price of $1.40 per Charity FT Unit (the "Unit Price") for gross proceeds of $8,001,000 (the "Offering"). Each Charity FT Unit will consist of one common share of the Company to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant") that is not being issued on a flow-through basis. Each Warrant shall entitle the holder to purchase one common share of the Company at a price of $1.40 per share at any time on or before the date which is 24 months after the closing date of the Offering.

The Company has granted the underwriters of the Offering an option to purchase for resale up to 1,429,000 additional Charity FT Units at the Unit Price to raise additional gross proceeds of up to $2,000,600 (the "Over-Allotment Option"). The Over-Allotment Option will be exercisable in whole or in part, up to 48 hours prior to the closing date of the Offering.