



**BWR EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
THREE MONTHS ENDED FEBRUARY 28, 2021
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed consolidated interim financial statements of BWR Exploration Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

BWR Exploration Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at February 28, 2021	As at November 30, 2020
ASSETS		
Current assets		
Cash	\$ 262,015	\$ 336,066
Sales tax receivable	6,499	7,701
Total assets	\$ 268,514	\$ 343,767
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 465,509	\$ 429,987
Flow-through share liability (note 4(b))	-	15,356
Total liabilities	465,509	445,343
Shareholders' deficiency		
Share capital (note 4)	3,698,877	3,698,877
Reserves (notes 5 and 6)	511,951	511,951
Deficit	(4,407,823)	(4,312,404)
Total shareholders' deficiency	(196,995)	(101,576)
Total liabilities and shareholders' deficiency	\$ 268,514	\$ 343,767

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

Approved on behalf of the Board:

"Neil Novak", Director

"George Duguay", Director

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

BWR Exploration Inc.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Operating expenses		
Exploration and evaluation expenditures (note 3)	\$ 59,339	\$ 112,651
General and administrative (note 8)	51,436	80,634
Loss from operating expenses	(110,775)	(193,285)
Settlement of flow-through share premium (note 4)	15,356	-
Total loss and comprehensive loss for the period	\$ (95,419)	\$ (193,285)
Basic and diluted net loss per share (note 7)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	89,502,461	78,174,988

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

BWR Exploration Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Operating activities		
Net loss for the period	\$ (95,419)	\$ (193,285)
Adjustments for:		
Share-based payments	-	4,197
Settlement of flow-through share premium	(15,356)	-
Changes in non-cash operating capital:		
Sales tax receivable	1,202	(2,182)
Accounts payables and accrued liabilities	35,522	29,833
Net cash used in operating activities	(74,051)	(161,437)
Financing activities		
Private placement proceeds, net of issuance costs	-	302,000
Cost of issuing share capital	-	(7,600)
Net cash provided by financing activities	-	294,400
Net change in cash	(74,051)	132,963
Cash, beginning of period	336,066	138,094
Cash, end of period	\$ 262,015	\$ 271,057

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BWR Exploration Inc.**Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency****(Expressed in Canadian Dollars)****(Unaudited)**

	<u>Reserves</u>				
	Share Capital	Contributed surplus	Warrants reserve	Deficit	Total
Balance, November 30, 2019	\$ 3,177,777	\$ 293,235	\$ 204,007	\$ (3,848,853)	\$ (173,834)
Private placement	302,000	-	-	-	302,000
Cost of issue - cash	(7,600)	-	-	-	(7,600)
Cost of issue - broker warrants	(1,300)	-	1,300	-	-
Expiry of warrants	-	-	(154,107)	154,107	-
Flow-through premium	(120,800)	-	-	-	(120,800)
Share-based payments	-	4,197	-	-	4,197
Net loss for the period	-	-	-	(193,285)	(193,285)
Balance, February 29, 2020	\$ 3,350,077	\$ 297,432	\$ 51,200	\$ (3,888,031)	\$ (189,322)
Balance, November 30, 2020	\$ 3,698,877	\$ 326,751	\$ 185,200	\$ (4,312,404)	\$ (101,576)
Net loss for the period	-	-	-	(95,419)	(95,419)
Balance, February 28, 2021	\$ 3,698,877	\$ 326,751	\$ 185,200	\$ (4,407,823)	\$ (196,995)

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

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 28, 2021

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

BWR Exploration Inc. (the "Company" or "BWR"), was incorporated on January 20, 2011, and reincorporated under the laws of the Province of Ontario, Canada, by Articles of Incorporation dated March 1, 2021. BWR is engaged in the exploration of precious and base metal properties. BWR is a public company, quoted for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BWR". The Company's principal properties are the Shunsby Project, the Vendôme Sud Property and the Little Stull Lake Gold Project. The head office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1, Canada.

The unaudited condensed consolidated interim financial statements of BWR for the three months ended February 28, 2021 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2021.

As at February 28, 2021, the Company had a working capital deficit of \$196,995 (November 30, 2020 - \$101,576) and a deficit of \$4,407,823 (November 30, 2020 - \$4,312,404). In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. The Company is experiencing permitting delays, exasperated by Covid-19 restrictions on travel to the northern parts of Manitoba and also having the community meetings deemed necessary prior to issuing any permits. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. However, management of the Company believes that it will be able to pay its ongoing general and administrative expenses and meet its liabilities for the ensuing twelve months as they fall due through additional financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its exploration and evaluation expenditures is dependent on management's ability to generate cash and manage its cash resources.

Management believes the going concern assumption to be appropriate for these unaudited condensed consolidated interim financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the unaudited condensed consolidated interim financial statements. These adjustments could be material.

The recoverability of exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

2. Summary of significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 28, 2021

(Expressed in Canadian Dollars)

(Unaudited)

2. Summary of significant accounting policies (continued)

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2021 could result in restatement of these unaudited condensed consolidated interim financial statements.

New standards adopted

The Company adopted the following amendment to accounting standards, effective December 1, 2020. This change was made in accordance with the applicable transitional provision.

Amendments to IAS 1 - Presentation of financial statements ("IAS 1") and IAS 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8")

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The Company adopted the amendments to IAS 1 effective December 1, 2020, which did not have a material impact on the Company's financial statements.

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

The Company has adopted this policy on December 1, 2020, and there was no material impact to the financial statements.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 28, 2021

(Expressed in Canadian Dollars)

(Unaudited)

3. Mineral properties

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Travel, meals and accommodations	\$ -	\$ 2,893
Geological consultants (note 9)	58,081	108,500
Leases and taxes	1,258	1,258
	\$ 59,339	\$ 112,651

4. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance - November 30, 2019	73,462,461	\$ 3,177,777
Private placement (i)	6,040,000	302,000
Cost of issue - cash (i)	-	(7,600)
Cost of issue - broker warrants (i)	-	(1,300)
Premium on flow-through shares issued (i)	-	(120,800)
Balance - February 29, 2020	79,502,461	\$ 3,350,077
Balance - November 30, 2020 & February 28, 2021	89,502,461	\$ 3,698,877

(i) On December 20, 2019, the Company closed a non-brokered private placement for aggregate gross proceeds of \$302,000 through the purchase of 6,040,000 flow-through shares at a price of \$0.05 per share. In connection with the private placement, the Company paid finder's fees of \$7,600 cash and issued a total of 152,000 broker warrants. Each Broker Warrant will entitle the holder thereof to purchase one Common Share of the Company at the Exercise Price of \$0.075 for 24 months from the date of issue. Two directors participated in this financing, subscribing for 150,000 flow-through shares for net proceeds to the Company of \$30,000.

The fair value of the 152,000 broker warrants was estimated at \$1,300, using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.03, expected volatility - 101% (based on historical volatility), risk-free interest rate - 1.65%, exercise price of \$0.075 and an expected average life of 2 years.

The flow-through units issued were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$120,800.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements Three Months Ended February 28, 2021 (Expressed in Canadian Dollars) (Unaudited)

5. Warrants

The following summarizes the warrant activity for the three months ended February 28, 2021 and February 29, 2020:

	Number of warrants	Weighted average exercise price
Balance - November 30, 2019	6,295,250	\$ 0.110
Warrants issued (note 4(b)(i) and (ii))	152,000	0.075
Expired	(4,021,250)	(0.140)
Balance - February 29, 2020	2,426,000	\$ 0.070
Balance - November 30, 2020 & February 28, 2021	7,698,000	\$ 0.075

As of February 28, 2021, the following warrants were outstanding:

Expiry Date	Number of warrants	Exercise price (\$)	Fair value on grant (\$)
September 30, 2021	1,500,000	0.075	35,200
September 30, 2021	80,000	0.750	1,400
October 30, 2021	630,000	0.075	12,400
October 30, 2021	64,000	0.075	900
December 20, 2021	152,000	0.075	1,300
September 16, 2022	96,000	0.075	2,240
September 18, 2022	176,000	0.075	4,100
September 16, 2023 ⁽¹⁾	3,600,000	0.075	91,890
September 18, 2023 ⁽¹⁾	1,400,000	0.075	35,770
	7,698,000	0.075	185,200

⁽¹⁾ Exercisable at a price of \$0.075 per share for the first and second years and \$0.10 per share for the third year from the date of grant.

6. Stock options

The following summarizes the stock option activity for the three months ended February 28, 2021 and February 29, 2020:

	Number of stock options	Weighted average exercise price
Balance - November 30, 2019 & February 29, 2020	3,730,000	\$ 0.06
Balance - November 30, 2020	4,980,000	\$ 0.05
Expired	(855,000)	0.06
Balance - February 28, 2021	4,125,000	\$ 0.05

BWR Exploration Inc.**Notes to Condensed Consolidated Interim Financial Statements****Three Months Ended February 28, 2021****(Expressed in Canadian Dollars)****(Unaudited)**

6. Stock options (continued)

As of February 28, 2021, the following stock options were outstanding:

Expiry Date	Exercise price (\$)	Number of stock options	Number of exercisable stock options	Weighted average contractual life (years)	Fair value on Grant (\$)
May 29, 2021	0.05	500,000	500,000	0.25	10,200
May 29, 2022	0.075	875,000	875,000	1.25	50,798
May 29, 2024	0.05	1,300,000	1,300,000	3.25	52,000
April 13, 2025	0.05	1,450,000	1,450,000	4.12	31,400
	0.05	4,125,000	4,125,000	2.77	144,398

7. Loss per share

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Net loss per share:		
- basic	\$ (0.00)	\$ (0.00)
- diluted	\$ (0.00)	\$ (0.00)
Net loss for the period	\$ (95,419)	\$ (193,285)
Weighted average outstanding - basic and diluted	89,502,461	78,174,988

Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted loss per share, an adjustment is not made for the dilutive effect of outstanding warrants and outstanding stock options as they are anti-dilutive.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 28, 2021

(Expressed in Canadian Dollars)

(Unaudited)

8. General and administrative expenses

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Consulting fees (Note 9)	\$ 21,000	\$ 21,000
Accounting and corporate secretarial fees (Note 9)	9,379	12,044
Professional fees (Note 9)	6,000	9,250
Office and general (Note 9)	11,258	16,083
Travel and accommodation	-	165
Investor relations and shareholder information	3,799	17,895
Share-based payments (Notes 6 and 9)	-	4,197
	\$ 51,436	\$ 80,634

9. Related party transactions

During the three months ended February 28, 2021, the Company incurred \$nil (three months ended February 29, 2020 - \$4,197) in share-based payments to certain officers, directors and employees of the Company.

The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three months ended February 28, 2021, the Company incurred \$8,864 (three months ended February 29, 2020 - \$10,870) for accounting services rendered by MSSI. As at February 28, 2021, MSSI was owed \$6,788 (November 30, 2020 - \$2,187) and this amount was included in accounts payable and accrued liabilities.

DSA Corporate Services Inc. ("DSA"), a firm providing corporate secretarial and filing services, is affiliated with MSSI through a common officer. During the three months ended February 28, 2021, the Company incurred \$4,420 (three months ended February 29, 2020 - \$4,563) for services rendered by DSA. As at February 28, 2021, DSA was owed \$4,633 (November 30, 2020 - \$768) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from Nominex Ltd. ("Nominex"), a company controlled by the President and Chief Executive Officer ("CEO"). The fees consisted of consulting fees of \$15,000 during the three months ended February 28, 2021 (three months ended February 29, 2020 - \$15,000) for CEO services and exploration and evaluation expenditures of \$22,500, during the three months ended February 28, 2021 (three months ended February 29, 2020 - \$30,000) for geological consulting. As at February 28, 2021, Nominex was owed \$183,631 (November 30, 2020 - \$168,475) and this amount was included in accounts payable and accrued liabilities.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 28, 2021

(Expressed in Canadian Dollars)

(Unaudited)

9. Related party transactions (continued)

The Company received consulting services from Diges Professional Corporation ("Diges"), a company controlled by the Company's Corporate Secretary. During the three months ended February 28, 2021, the Company incurred \$6,000 (three months ended February 29, 2020 - \$6,000) for services rendered by Diges. As at February 28, 2021, Diges was owed \$28,000 (November 30, 2020 - \$22,000) and this amount was included in accounts payable and accrued liabilities.

The Company received legal services from REVlaw, where the Company's Corporate Secretary is a partner. As at February 28, 2021, REVlaw was owed \$128,000 (November 30, 2020 - \$128,000) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from G. Duguay Services Inc., a company controlled by a director of the Company. During the three months ended February 28, 2021, the Company incurred \$6,000 (three months ended February 29, 2020 - \$6,000) for services rendered by G. Duguay Services Inc. As at February 28, 2021, G. Duguay Services Inc. was owed \$91,000 (November 30, 2020 - \$85,000) and this amount was included in accounts payable and accrued liabilities.

10. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties located in Canada.

11. Subsequent event

On April 16, 2021, the Company closed the two simultaneous non-brokered unit offerings, including an offering in Quebec (the "Quebec Unit Offering") for aggregate gross proceeds of \$207,000, on April 16, 2021, through the purchase of 4,140,000 Units, and an offering in Manitoba (the "Manitoba Unit Offering", together with the Quebec Unit Offering, the "Offerings") for aggregate gross proceeds of \$290,000, on April 16, 2021, through the purchase of 5,800,000 Units, together with the Quebec Unit Offering, for a total aggregate gross proceeds of \$497,000 through the purchase of 9,940,000 Units consisting of 9,940,000 common shares ("Common Shares") plus 4,970,000 warrants, issued in connection with the Closing.

Each Full Warrant will expire 36 months from the date of issue (the "Full Warrant Expiry Date") and will entitle the holder thereof to purchase one Common Share (a "Full Warrant Share") at a price of \$0.075 per Full Warrant Share within 24 months from the closing of the Unit Offering and for the period that is for 24 months plus one day from closing of the Unit Offering until the Full Warrant Expiry Date at a price of \$0.10 per Full Warrant Share. The Manitoba Unit Offering is for aggregate proceeds of up to \$300,000. The Quebec Unit Offering is for aggregate proceeds of up to \$200,000, resulting in aggregate proceeds of up to \$500,000 from the Offerings.

While the Unit Offering was effected by the Company on a non-brokered basis, the Company paid finder's fees to arm's-length third parties, Fortification Capital Inc., iA Private Wealth Inc., and Integral Wealth Securities Ltd. (the "Brokers"), consisting of: (i) \$28,000 cash commission representing 8% of the gross proceeds of the Unit Offering raised by the Brokers; and (ii) 509,600 broker warrants ("Broker Warrants") representing an amount up to 8% of the total number of Units of the Unit Offering raised by the Brokers. Each Broker Warrant will entitle the holder thereof to purchase one Common Share of the Company at the Exercise Price of \$0.075 for 12 months from the date of issue.