



**BWR EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
MAY 31, 2022
(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 May 31, 2022	As at November 30, 2021
ASSETS		
Current assets		
Cash	\$ 170,842	\$ 292,370
Sales tax receivable	3,930	10,295
Total assets	\$ 174,772	\$ 302,665
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 698,183	\$ 619,196
Flow-through share liability (note 11)	9,573	10,823
Total liabilities	707,756	630,019
Shareholders' deficiency		
Share capital (note 4)	4,068,461	4,068,461
Reserves (notes 5 and 6)	671,004	677,674
Deficit	(5,272,449)	(5,073,489)
Total shareholders' deficiency	(532,984)	(327,354)
Total liabilities and shareholders' deficiency	\$ 174,772	\$ 302,665

Nature of operations and going concern (note 1)
Subsequent event (note 12)

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 May 31, 2022	Three Months Ended May 31, 2021	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Operating expenses				
Exploration and evaluation expenditures (note 3)	\$ 35,369	\$ 125,291	\$ 71,211	\$ 184,630
General and administrative (note 8)	62,730	81,238	135,669	132,674
Loss from operating expenses	(98,099)	(206,529)	(206,880)	(317,304)
Settlement of flow-through share premium (note 11)	750	-	1,250	15,356
Total loss and comprehensive loss for the period	\$ (97,349)	\$ (206,529)	\$ (205,630)	\$ (301,948)
Basic and diluted net loss per share (note 7)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	101,442,461	94,581,809	101,442,461	90,782,735

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)**

	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Operating activities		
Net loss for the period	\$ (205,630)	\$ (301,948)
Adjustments for:		
Settlement of flow-through share premium	(1,250)	(15,356)
Shares issued for property purchase	-	80,000
Changes in non-cash operating capital:		
Sales tax receivable	6,365	563
Accounts payables and accrued liabilities	78,987	53,106
Net cash used in operating activities	(121,528)	(183,635)
Financing activities		
Private placement proceeds, net of issuance costs	-	497,000
Cost of issuing share capital	-	(28,000)
Net cash provided by financing activities	-	469,000
Net change in cash	(121,528)	285,365
Cash, beginning of period	292,370	336,066
Cash, end of period	\$ 170,842	\$ 621,431
Supplemental disclosure		
Shares issued for property purchase (note 4(b)(ii))	\$ -	\$ 80,000

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 Changes in Shareholders' Deficiency****(Expressed in Canadian Dollars)****(Unaudited)**

		<u>Reserves</u>			
	Share Capital	Contributed surplus	Warrants reserve	Deficit	Total
Balance, November 30, 2020	\$ 3,698,877	\$ 326,751	\$ 185,200	\$ (4,312,404)	\$ (101,576)
Common shares issued for property purchase	80,000	-	-	-	80,000
Private placement	497,000	-	-	-	497,000
Warrants issued	(91,370)	-	91,370	-	-
Cost of issue - cash	(28,000)	-	-	-	(28,000)
Cost of issue - broker warrants	(5,370)	-	5,370	-	-
Flow-through premium	(57,676)	-	-	-	(57,676)
Net loss for the period	-	-	-	(301,948)	(301,948)
Balance, May 31, 2021	\$ 4,093,461	\$ 326,751	\$ 281,940	\$ (4,614,352)	\$ 87,800
Balance, November 30, 2021	\$ 4,068,461	\$ 398,034	\$ 279,640	\$ (5,073,489)	\$ (327,354)
Expiry of warrants	-	-	(6,670)	6,670	-
Net loss for the period	-	-	-	(205,630)	(205,630)
Balance, May 31, 2022	\$ 4,068,461	\$ 398,034	\$ 272,970	\$ (5,272,449)	\$ (532,984)

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 and Six Months Ended May 31, 2022

(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 Shunby Property, the Vendôme Sud Property and the Little Stull Lake Gold Project. The registered office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1, Canada.

As at May 31, 2022, the Company had a working capital deficit of \$532,984 (November 30, 2021 - \$327,354) and a deficit of \$5,272,449 (November 30, 2021 - \$5,073,489). 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, exacerbated 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 ("Interpretations Committee"). 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 and Six Months Ended May 31, 2022

(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, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2022 could result in restatement of these unaudited condensed consolidated interim financial statements.

The unaudited condensed consolidated interim financial statements of BWR for the three and six months ended May 31, 2022 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 2, 2022.

New standards adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2021 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded as it had no impact on the unaudited condensed consolidated interim financial statements.

3. Mineral properties

	Vendôme Sud Property	Shunsby Property	Little Stull Lake Gold Property	Total
Exploration and Evaluation Expenditures				
Ended May 31, 2021				
Acquisition cost	\$ -	\$ -	\$ 80,000	\$ 80,000
Leases and taxes	-	-	13,197	13,197
Geophysics	-	-	3,079	3,079
Equipment rental	-	-	18,920	18,920
Geological consultants	1,900	-	65,088	66,988
Travel	-	-	765	765
Project administration	-	-	1,681	1,681
Total May 31, 2021	\$ 1,900	\$ -	\$ 182,730	\$ 184,630

	Vendôme Sud Property	Shunsby Property	Little Stull Lake Gold Property	Total
Exploration and Evaluation Expenditures				
Ended May 31, 2022				
Leases and taxes	\$ -	\$ 1,257	\$ 13,702	\$ 14,959
Geological consultants	-	-	42,691	42,691
Travel, meals and accommodation	-	-	13,561	13,561
Total May 31, 2022	\$ -	\$ 1,257	\$ 69,954	\$ 71,211

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

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, 2020	89,502,461	\$ 3,698,877
Private placement	9,940,000	497,000
Warrants issued	-	(91,370)
Cost of issue - cash	-	(28,000)
Cost of issue - broker warrants	-	(5,370)
Shares issued - Property agreement (ii)	2,000,000	80,000
Premium on flow-through shares issued	-	(57,676)
Balance - May 31, 2021	101,442,461	\$ 4,093,461
Balance - November 30, 2021 and May 31, 2022	101,442,461	\$ 4,068,461

(i) On April 16, 2021, the Company closed two simultaneous non-brokered unit offering in Quebec and Manitoba for gross proceeds of \$497,000 through the issuance of 9,940,000 units consisting. Each unit consists of one flow-through share and one half of one common share purchase warrant of the Company. Each full warrant will expire in three years, and is exercisable at a price of \$0.075 per full warrant share within 24 months from the date of issue and at a price of \$0.10 per full warrant share for the period that is for 24 months plus one day from the date of issue until expiry. The fair value of the 4,970,000 warrants was estimated at \$91,370 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, share price of \$0.035, expected volatility - 119% (based on historical volatility), risk-free interest rate - 0.49%, exercise price of \$0.10 and an expected average life of 3 years.

In connection with the private placement, the Company paid finder's fees of \$28,000 and issued a total of 509,600 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 12 months from the date of issue. The fair value of the broker warrants was estimated at \$5,370, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, share price of \$0.035, expected volatility - 131.70% (based on historical volatility), risk-free interest rate - 0.29%, exercise price of \$0.075 and an expected average life of 1 year.

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 \$57,676 (note 11).

(ii) On May 21, 2021, the Company issued 2,000,000 common shares to Puma, in connection with its obligations under an agreement with Puma dated October 5, 2019, as amended October 9, 2019 and May 4, 2021 (note 3). Under the amended terms this final payment is considered the final payment for all remaining consideration payable under the agreement. Puma and Tanqueray Exploration Ltd. each retain a 1% net smelter royalty on the property. The fair value of the shares issued is \$80,000.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

5. Warrants

The following summarizes the warrant activity for the six months ended May 31, 2022 and May 31, 2021:

	Number of warrants	Weighted average exercise price
Balance - November 30, 2020	7,698,000	\$ 0.075
Warrants issued (Note 4(b))	4,970,000	0.075
Broker warrants issued (Note 4(b))	509,600	0.075
Balance - May 31, 2021	13,177,600	\$ 0.075
Balance - November 30, 2021	13,033,600	\$ 0.079
Expired	(661,600)	(0.075)
Balance - May 31, 2022	12,372,000	\$ 0.079

As of May 31, 2022, the following warrants were outstanding:

Date issued	Expiry Date	Number of warrants	Exercise price (\$)	Fair value on grant (\$)
September 30, 2019 ⁽¹⁾	September 30, 2022	1,500,000	0.100	35,200
October 30, 2019 ⁽¹⁾	October 30, 2022	630,000	0.100	12,400
September 16, 2020	September 16, 2022	96,000	0.075	2,240
September 18, 2020	September 18, 2022	176,000	0.075	4,100
September 16, 2020 ⁽¹⁾	September 16, 2023	3,600,000	0.075	91,890
September 18, 2020 ⁽¹⁾	September 18, 2023	1,400,000	0.075	35,770
April 16, 2021 ⁽¹⁾	April 16, 2024	4,970,000	0.075	91,370
		12,372,000	0.079	272,970

⁽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.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

6. Stock options

The following summarizes the stock option activity for the six months ended May 31, 2022 and May 31, 2021:

	Number of stock options	Weighted average exercise price
Balance - November 30, 2020 and May 31, 2021	4,980,000	\$ 0.05
Balance - November 30, 2021	5,975,000	\$ 0.05
Expired	(875,000)	0.08
Balance - May 31, 2022	5,100,000	\$ 0.05

As of May 31, 2022, 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 (\$)
June 02, 2023	0.05	500,000	375,000	1.01	12,100
May 29, 2024	0.05	1,300,000	1,300,000	2.00	48,286
April 13, 2025	0.05	1,450,000	1,450,000	2.87	31,400
June 02, 2026	0.05	1,850,000	1,850,000	4.01	61,802
	0.05	5,100,000	4,975,000	2.88	153,588

7. Loss per share

	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Net loss per share:				
- basic	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
- diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Net loss for the period	\$ (97,349)	\$ (206,529)	\$ (205,630)	\$ (301,948)
Weighted average outstanding				
- basic and diluted	101,442,461	94,581,809	101,442,461	90,782,735

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 and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

8. General and administrative expenses

	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Consulting fees (note 9)	\$ 33,000	\$ 26,000	\$ 66,000	\$ 47,000
Accounting and corporate secretarial fees (note 9)	7,369	10,249	18,438	19,628
Professional fees (note 9)	17,500	19,413	35,673	25,413
Office and general (note 9)	2,860	17,052	12,996	28,310
Investor relations and shareholder information	2,001	8,524	2,562	12,323
	\$ 62,730	\$ 81,238	\$ 135,669	\$ 132,674

9. Related party transactions

During the three and six months ended May 31, 2022, the Company incurred \$nil (three and six months ended May 31, 2021 - \$nil) 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 and six months ended May 31, 2022, the Company incurred \$7,914 and \$17,142, respectively (three and six months ended May 31, 2021 - \$9,906 and \$18,770, respectively) for accounting services rendered by MSSI. As at May 31, 2022, MSSI was owed \$4,224 (November 30, 2021 - \$7,541) 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 and six months ended May 31, 2022, the Company incurred \$4,441 and \$4,941, respectively (three and six months ended May 31, 2021 - \$2,247 and \$6,667, respectively) for services rendered by DSA. As at May 31, 2022, DSA was owed \$335 (November 30, 2021 - \$942) 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 and \$30,000, respectively during the three and six months ended May 31, 2022 (three and six months ended May 31, 2021 - \$15,000 and \$30,000, respectively) for CEO services and exploration and evaluation expenditures of \$22,500 and \$45,000, during the three and six months ended May 31, 2022 (three and six months ended May 31, 2021 - \$22,500 and \$45,000) for geological consulting. As at May 31, 2022, Nominex was owed \$260,775 (November 30, 2021 - \$229,800) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from Diges Professional Corporation ("Diges"), a company controlled by the Company's Corporate Secretary. During the three and six months ended May 31, 2022, the Company incurred \$9,000 and \$18,000, respectively (three and six months ended May 31, 2021 - \$6,000 and \$12,000, respectively) for services rendered by Diges. As at May 31, 2022, Diges was owed \$64,000 (November 30, 2021 - \$46,000) and this amount was included in accounts payable and accrued liabilities.

BWR Exploration Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

9. Related party transactions (continued)

The Company received legal services from REVlaw, where the Company's Corporate Secretary is a partner. During the three and six months ended May 31, 2022, the Company incurred \$25,000 (three and six months ended May 31, 2021 - \$nil) for services rendered by REVlaw, of which \$25,000 was reflected as share issue costs (three and six months ended May 31, 2021 - \$nil). As at May 31, 2022, REVlaw was owed \$215,000 (November 30, 2021 - \$190,000) 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 and six months ended May 31, 2022, the Company incurred \$9,000 and \$18,000, respectively (three and six months ended May 31, 2021 - \$6,000 and \$12,000, respectively) for services rendered by G. Duguay Services Inc. As at May 31, 2022, G. Duguay Services Inc. was owed \$127,000 (November 30, 2021 - \$109,000) 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. Commitment

The Company was obligated to spend \$302,000 by December 31, 2021 as it raised flow-through funds on December 20, 2019 and \$497,000 by December 31, 2022 as it raised flow-through funds on April 16, 2021 (note 4(b)(i)). The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. As at May 31, 2022, the Company has a flow-through share liability of \$9,573 (November 30, 2021 - \$10,823) as it has incurred eligible expenditures of approximately \$475,000. During the three and six months ended May 31, 2022, the Company recognized a settlement of flow-through share premium of \$750 and \$1,250, respectively (three and six months ended May 31, 2021 - \$nil and \$15,356, respectively).

12. Subsequent event

Subsequent to May 31, 2022, the Company granted 1,700,000 stock options to the Officers, Directors and Consultants of the Company at an exercise price of \$0.05 per common share. The options are fully vested and expire five years from date of grant.