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**BWR EXPLORATION INC.  
CONSOLIDATED  
FINANCIAL STATEMENTS  
YEARS ENDED NOVEMBER 30, 2022 AND 2021  
(EXPRESSED IN CANADIAN DOLLARS)**

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**DALE MATHESON CARR-HILTON LABONTE LLP**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

# Independent Auditor's Report

To the Shareholders of BWR Exploration Inc.,

## Opinion

We have audited the financial statements of BWR Exploration Inc. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' deficiency for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

## Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

### Vancouver

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### Victoria

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In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

A handwritten signature in black ink, appearing to read "DMCL." with a stylized initial "D" that loops around the "M".

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

March 30, 2023

**BWR Exploration Inc.**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	As at November 30, 2022	As at November 30, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash (note 4)	\$ 109,189	\$ 292,370
Sales tax receivable	10,419	10,295
<b>Total assets</b>	<b>\$ 119,608</b>	<b>\$ 302,665</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 11)	\$ 830,231	\$ 619,196
Flow-through share liability (note 13)	-	10,823
<b>Total liabilities</b>	<b>830,231</b>	<b>630,019</b>
<b>Shareholders' deficiency</b>		
Share capital (note 6)	4,068,461	4,068,461
Reserves (notes 7 and 8)	649,544	677,674
Deficit	(5,428,628)	(5,073,489)
<b>Total shareholders' deficiency</b>	<b>(710,623)</b>	<b>(327,354)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 119,608</b>	<b>\$ 302,665</b>

Nature of operations and going concern (note 1)  
Subsequent event (note 15)

**Approved on behalf of the Board:**

"Neil Novak", Director \_\_\_\_\_

"George Duguay", Director \_\_\_\_\_

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

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

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	Year Ended November 30, 2022	Year Ended November 30, 2021
<b>Operating expenses</b>		
Exploration and evaluation expenditures (note 5)	\$ 134,150	\$ 471,828
General and administrative (note 10)	292,422	353,766
Loss from operating expenses	(426,572)	(825,594)
Settlement of flow-through share premium (note 13)	10,823	62,209
<b>Total loss and comprehensive loss for the year</b>	<b>\$ (415,749)</b>	<b>\$ (763,385)</b>
<b>Basic and diluted net loss per share (note 9)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>101,442,461</b>	<b>96,769,091</b>

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

**BWR Exploration Inc.**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

	Year Ended November 30, 2022	Year Ended November 30, 2021
<b>Operating activities</b>		
Net loss for the year	\$ (415,749)	\$ (763,385)
Adjustments for:		
Share-based payments	32,480	71,283
Settlement of flow-through share premium	(10,823)	(62,209)
Shares issued for property purchase	-	80,000
Changes in non-cash operating capital:		
Sales tax receivable	(124)	(2,594)
Accounts payables and accrued liabilities	211,035	189,209
<b>Net cash used in operating activities</b>	<b>(183,181)</b>	<b>(487,696)</b>
<b>Financing activities</b>		
Private placement proceeds, net of issuance costs	-	444,000
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>444,000</b>
<b>Net change in cash</b>	<b>(183,181)</b>	<b>(43,696)</b>
<b>Cash, beginning of year</b>	<b>292,370</b>	<b>336,066</b>
<b>Cash, end of year</b>	<b>\$ 109,189</b>	<b>\$ 292,370</b>

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

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

		<u>Reserves</u>			
	<u>Share Capital</u>	<u>Contributed surplus</u>	<u>Warrants reserve</u>	<u>Deficit</u>	<u>Total</u>
<b>Balance, November 30, 2020</b>	<b>\$ 3,698,877</b>	<b>\$ 326,751</b>	<b>\$ 185,200</b>	<b>\$ (4,312,404)</b>	<b>\$ (101,576)</b>
Private placement	497,000	-	-	-	497,000
Flow-through premium	(57,676)	-	-	-	(57,676)
Warrants issued	(91,370)	-	91,370	-	-
Cost of issue - cash	(53,000)	-	-	-	(53,000)
Cost of issue - broker warrants	(5,370)	-	5,370	-	-
Expiry of warrants	-	-	(2,300)	2,300	-
Common shares issued for property purchase	80,000	-	-	-	80,000
Share-based payments	-	71,283	-	-	71,283
Net loss for the year	-	-	-	(763,385)	(763,385)
<b>Balance, November 30, 2021</b>	<b>\$ 4,068,461</b>	<b>\$ 398,034</b>	<b>\$ 279,640</b>	<b>\$ (5,073,489)</b>	<b>\$ (327,354)</b>
Expiry of warrants	-	-	(60,610)	60,610	-
Share-based payments	-	32,480	-	-	32,480
Net loss for the year	-	-	-	(415,749)	(415,749)
<b>Balance, November 30, 2022</b>	<b>\$ 4,068,461</b>	<b>\$ 430,514</b>	<b>\$ 219,030</b>	<b>\$ (5,428,628)</b>	<b>\$ (710,623)</b>

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



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# **BWR Exploration Inc.**

## **Notes to Consolidated Financial Statements**

**Years Ended November 30, 2022 and 2021**

**(Expressed in Canadian Dollars)**

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### **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 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 November 30, 2022, the Company had a working capital deficit of \$710,623 (November 30, 2021 - \$327,354) and a deficit of \$5,428,628 (November 30, 2021 - \$5,073,489). 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 through equity financings and manage its cash resources.

Management believes the going concern assumption to be appropriate for these consolidated 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 consolidated 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**

#### **(a) Basis of presentation, consolidation and statement of compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as of November 30, 2022.

The consolidated financial statements include the financial statements of the Company and its wholly owned inactive subsidiary Hage Corporate Services Inc. Intercompany balances and transactions are eliminated on consolidation.

These audited consolidated financial statements have been prepared on a historical cost basis except for cash carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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**BWR Exploration Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended November 30, 2022 and 2021**  
**(Expressed in Canadian Dollars)**

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**2. Summary of significant accounting policies (continued)**

**(a) Basis of presentation, consolidation and statement of compliance (continued)**

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

The consolidated financial statements of BWR for the years ended November 30, 2022 and 2021 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 28, 2023.

**(b) Exploration and evaluation expenditures**

The Company expenses exploration and evaluation expenditures as incurred on mineral properties not commercially viable and technically feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

**(c) Finance income and finance costs**

Interest received and interest paid are classified under operating activities in the consolidated statements of cash flows.

**(d) Income taxes**

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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**BWR Exploration Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended November 30, 2022 and 2021**  
**(Expressed in Canadian Dollars)**

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**2. Summary of significant accounting policies (continued)**

**(e) Flow-through shares**

The Company has adopted a policy whereby proceeds from flow-through issuance are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting settlement of flow-through share premium on renunciation to the tax authorities when the Company has made the required expenditures.

**(f) Share issue costs**

All costs related to the issuance of the common shares are recorded as a reduction of share capital.

**(g) Loss per share**

The Company presents basic and diluted loss per share, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share, which is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares, only if the effect is antidilutive.

**(h) Financial instruments**

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial instruments consist of the following:

<u>Financial assets:</u>	<u>Classification:</u>
Cash	At fair value through profit or loss ("FVTPL")
<u>Financial liabilities:</u>	<u>Classification:</u>
Accounts payable and accrued liabilities	Amortized cost

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## **BWR Exploration Inc.**

### **Notes to Consolidated Financial Statements**

**Years Ended November 30, 2022 and 2021**

**(Expressed in Canadian Dollars)**

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## **2. Summary of significant accounting policies (continued)**

### **(h) Financial instruments (continued)**

#### Measurement

##### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the year in which they arise.

#### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### Derecognition

##### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

##### *Financial liabilities*

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

### **(i) Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows to present value using a pre-tax rate.

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## **BWR Exploration Inc.**

### **Notes to Consolidated Financial Statements**

**Years Ended November 30, 2022 and 2021**

**(Expressed in Canadian Dollars)**

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## **2. Summary of significant accounting policies (continued)**

### **(j) Share-based transactions**

Expected volatility is estimated using the historical volatility for a comparable period.

#### Warrants

The Company follows the residual value method of accounting for warrants attached to and issued with common shares of the Company. Under this method, the fair value of the warrants are measured at fair value by using the Black-Scholes Option Pricing Model at the date of the offering and presented as a separate component of shareholders' equity. When the warrants are exercised, the proceeds received together with the related amount allocated as a separate component of shareholders' equity are allocated to share capital. If the warrants expire unexercised, the related amount separately allocated to shareholders' equity is allocated to deficit.

#### Share-based payments

The fair value of stock options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. At each statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate.

The fair value of share-based payments to non-employees and other share-based payments are based on the fair value of the goods or services received. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted at the date the Company receives the goods or services.

### **(k) Restoration, rehabilitation and environmental obligations**

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no restoration, rehabilitation and environmental costs as at November 30, 2022 and November 30, 2021.

### **(l) Significant accounting judgments and estimates**

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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## **BWR Exploration Inc.**

### **Notes to Consolidated Financial Statements**

**Years Ended November 30, 2022 and 2021**

**(Expressed in Canadian Dollars)**

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## **2. Summary of significant accounting policies (continued)**

### ***(I) Significant accounting judgments and estimates (continued)***

#### Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- all inputs used in the Black-Scholes Option Pricing Model for determining the fair value of share-based payments;
- the assumptions used for determining the amount of deferred income taxes and deferred income tax assets and liabilities including future income tax rate;
- the recoverability of deferred income tax assets and liabilities;
- the allocation between share capital and flow-through share liability for the issuance of flow-through shares; and
- the inputs and assumptions used in the determination of the fair value of options and warrants.

#### Critical accounting judgments

- the Company's assumption of no material restoration, rehabilitation and environmental provisions, based on the facts and circumstances that existed during the year; and
- going concern presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

#### ***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 is expected to have no impact on the consolidated financial statements.

## **3. Capital risk management**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, reserves and deficit. At November 30, 2022, the Company had a working capital deficiency of \$710,623 (November 30, 2021 - deficiency of \$327,354).

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**BWR Exploration Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended November 30, 2022 and 2021**  
**(Expressed in Canadian Dollars)**

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**3. Capital risk management (continued)**

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended November 30, 2022.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of November 30, 2022, the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSX-V.

**4. Financial risk management**

**(a) Financial risk**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign currency risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. A significant decrease in commodity prices can have an adverse impact on the Company's ability to raise funds through the equity market. The Company generates cash flow primarily from its financing activities. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity price risk.

*Interest rate risk*

The Company currently does not have any short-term or long-term debt that is interest bearing at variable rates. As such, the Company's current exposure to interest rate risk is minimal.

*Foreign currency risk*

The Company does not hold balances in foreign currencies that gave rise to exposure to foreign exchange risk.

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## BWR Exploration Inc.

### Notes to Consolidated Financial Statements

Years Ended November 30, 2022 and 2021

(Expressed in Canadian Dollars)

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#### 4. Financial risk management (continued)

##### (a) Financial risk (continued)

###### Market risk (continued)

###### *Commodity and equity 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 and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them. As of November 30, 2022, the Company was not a precious and base metals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

###### Fair value hierarchy and liquidity risk disclosure

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at November 30, 2022:

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	Level 1	Level 2	Level 3	Total
Cash	\$ 109,189	\$ -	\$ -	\$ 109,189

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The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at November 30, 2021:

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	Level 1	Level 2	Level 3	Total
Cash	\$ 292,370	\$ -	\$ -	\$ 292,370

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The carrying value of financial assets and liabilities approximates their carrying amounts due to the relatively short period to maturity.



## BWR Exploration Inc.

Notes to Consolidated Financial Statements  
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### 5. Mineral properties

	Vendôme Sud Property	Shunsby Property	Little Stull Lake Gold Property	Total
<b>Exploration and Evaluation Expenditures</b>				
<b>Year Ended November 30, 2021</b>				
Acquisition cost	\$ -	\$ -	\$ 80,000	\$ 80,000
Leases and taxes	1,214	1,258	13,197	15,669
Camp and equipment	6,100	-	96,036	102,136
Drilling	141,321	-	-	141,321
Geological consultants	58,471	-	126,525	184,996
Geophysics	-	-	3,019	3,019
Travel, meals and accommodation	5,534	-	33,469	39,003
Project administration	-	-	5,684	5,684
Grant (i)	-	-	(100,000)	(100,000)
<b>Total November 30, 2021</b>	<b>\$ 212,640</b>	<b>\$ 1,258</b>	<b>\$ 257,930</b>	<b>\$ 471,828</b>

(i) The Company signed a "Contribution Agreement" dated October 25, 2021, with Manitoba Mineral Development Fund Corporation ("MMDF") and received the first \$100,000 tranche of the total \$300,000 grant from the MMDF. The first tranche has facilitated a baseline clean-up program at BWR's Little Stull Lake camp, located in Northeastern Manitoba.

	Vendôme Sud Property	Shunsby Property	Little Stull Lake Gold Property	Total
<b>Exploration and Evaluation Expenditures</b>				
<b>Year Ended November 30, 2022</b>				
Leases and taxes	\$ -	\$ 1,257	\$ 504	\$ 1,761
Camp and equipment	-	-	39,232	39,232
Geological consultants	1,135	-	106,483	107,618
Project administration	-	-	352	352
Travel, meals and accommodation	-	-	85,187	85,187
Grant (ii)	-	-	(100,000)	(100,000)
<b>Total November 30, 2022</b>	<b>\$ 1,135</b>	<b>\$ 1,257</b>	<b>\$ 131,758</b>	<b>\$ 134,150</b>

(ii) The Company received the second \$100,000 tranche of the total \$300,000 grant from the MMDF as per signed "Contribution Agreement" dated October 25, 2021, signed with the MMDF. The second tranche was for initiation of soil remediation as recommended by environmental consultant at BWR's Little Stull Lake camp, located in Northeastern Manitoba.

#### (a) Shunsby Property

On February 21, 2012, as amended in March 2013, BWR and Hage Corporate Services Inc. ("Hage"), entered into an agreement whereby BWR acquired from Hage, acting in trust, a 59.8% interest in 20 patented mineral claims located in Cunningham Township, Porcupine Mining Division, Province of Ontario of which the mineral claims remain in full force and effect (collectively, the "Shunsby Property").

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**BWR Exploration Inc.**  
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**5. Mineral properties (continued)**

**(a) Shunsby Property (continued)**

In consideration of the purchase, BWR agreed to provide to Hage:

- (1) the amount of \$50,000 representing the amount paid by Hage to date for lease payments, consulting fees and administrative services which shall be satisfied by the issuance to Hage of 500,000 common shares of BWR (issued in 2012) valued at \$0.10 per share;
- (2) the amount of \$450,000 representing the purchase price for the Hage's Ownership Interest in the Shunsby Property (paid); and
- (3) a 1.5% Net Smelter Royalty to be retained by Hage on the terms and conditions as outlined in a previous agreement of which 0.5% shall be reserved for Rally Energy Ltd. ("Rally"), the owner of the 35.3% of the Shunsby Property, in the event of a dilution of interest by Rally as anticipated to be provided for in an agreement to be settled in the future between BWR and Rally and, with respect to the remaining 1.0% Net Smelter Royalty, BWR shall have the right to buy 0.5% at the time of production for a net present value determination of the Net Smelter Royalty as provided for in a previous agreement and the other 0.5% shall remain with Hage.

Counsel for Rally has advised that Rally has determined not to remit their share of the 2014 expenditures on the Shunsby property and that they understand by electing not to remit their share, their interest will undergo dilution accordingly. Management of BWR will apply an industry standard dilution formula to Rally's shortfall and recalculate their respective interest.

During the year ended November 30, 2019, the Company acquired Hage for \$2 from its shareholders which included directors of BWR. Accordingly, the acquisition has been accounted for as an asset acquisition. The vendors retained the 1.5% Net Smelter Royalty.

**(b) Vendôme Sud Property**

In August 2015, the Company acquired a 100% interest in 49 map designated cells ("claims") in Fiedmont township within the Abitibi region of Quebec, located north of the town of Val-D'Or near the town of Barraute.

The claims were acquired through the issuance of 6,000,000 common shares (fair valued \$120,000) to four separate arms length parties, one of which retained a 2% net smelter return production royalty of which 50% can be purchased by BWR for the payment of \$1 million within 20 years of signing the agreement.

In 2016, the Company allowed 34 of the 49 claims to expire. In addition, 2 claims were allowed to expire in 2017.

The property currently consists of 17 claims located in Fiedmont township.

**(c) Little Stull Lake Gold Project**

On July 12, 2016, the Company signed a non-binding Letter of Intent ("LOI") whereby the Company could acquire a 100% interest in the Little Stull Lake Gold project in Northern Manitoba from Puma Exploration Inc. ("Puma"). The Company made a \$50,000 deposit to Puma that provided it with an exclusive due diligence period during which the Company continued to evaluate the project and negotiate a definitive acquisition agreement.

On October 7, 2016, the Company signed a definitive acquisition agreement, whereby BWR could acquire a 100% interest in the Little Stull Lake Gold project. On December 2, 2016, the Company received TSX-V approval for the acquisition.

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## **BWR Exploration Inc.**

### **Notes to Consolidated Financial Statements**

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#### **5. Mineral properties (continued)**

##### **(c) Little Stull Lake Gold Project (continued)**

The main elements of the definitive agreement include:

- Cash payments of \$150,000 to Puma; the first \$50,000 was paid upon signing the LOI on July 11, 2016, with two additional milestone payments of \$50,000 each, payable within 30 days of Edmund Lake and Kistigan Mineral Exploration Licenses being granted and transferred to BWR by Manitoba Department of Natural Resources (licenses transferred and payments made during the year ended November 30, 2017).
- Puma will receive up to 10,000,000 BWR common shares, of which 4,750,000 are subject to escrow provisions. 4,750,000 of the first 5,000,000 securities were delivered to Puma upon execution and approval of the definitive agreement to be released in increments over a 36-month period, 250,000 shares were similarly delivered as directed by Puma to a finder (5,000,000 issued and valued at \$250,000). The remaining 5,000,000 common shares are to be delivered to Puma as directed by Puma, upon certain exploration and development milestones being met by BWR as follows:
  - i) 1,000,000 shares to be issued once 500,000 ounces of gold have been identified in the measured and indicated category;
  - ii) 1,000,000 additional shares to be issued once 1,000,000 ounces of gold have been identified in the measured and indicated category;
  - (iii) 1,000,000 additional shares to be issued once a positive preliminary economic analysis has been prepared;
  - (iv) 2,000,000 additional shares to be issued upon delivery of positive feasibility study.
- (v) Notwithstanding the above, with respect to the additional 5,000,000 securities, BWR must expend \$1,500,000 in exploration within the first 36 months of the effective date (October 5 2016). Failure on the part of BWR to do so will result in the issuance of 5,000,000 common shares being issued to Puma in accordance with provisions of the escrow agreement. This was extended to 48 months as the minimum \$1,500,000 had not been spent within 36 months. BWR issued 1,000,000 of the 5,000,000 remaining shares to Puma as a condition of the extension agreement. Due to various factors including changes to work permit issuance policies by the Crown in their ongoing and evolving consultation protocol process with Indigenous Communities, and exacerbated by the COVID-19 pandemic, the Company did not meet the \$1,500,000 spend requirement by October 5, 2020. Consequently, the remaining 4,000,000 common shares became payable to Puma as of October 5, 2020. Puma agreed to defer this payment until early 2021 and then reached a further agreement with BWR dated May 4, 2021 whereby the Company issued 2,000,000 common shares to Puma in full and final payment of all remaining consideration payable under the Agreement.
- BWR added Marcel Robillard, who was nominated by Puma as a representative in BWR, to its' Board of Directors upon closing of the agreement.
- Puma will have the right to maintain its' pro rata equity interest in BWR by investing in future financings of BWR for as long as it maintains greater than 10% equity. The pro rata equity interest calculation is as if Puma has received all 9,500,000 shares.
- If commercial production is attained at the Little Stull Lake Gold Project, Puma retains a non-buyable 1% NSR.

BWR has assumed Puma's right of first refusal regarding an underlying 1% net smelter royalty that is payable to Tanqueray Resources Inc. ("Tanqueray"). This underlying royalty is buyable in its entirety at anytime for \$3,000,000 by BWR, Tanqueray has consented to this assignment.

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**6. 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
<b>Balance - November 30, 2020</b>	<b>89,502,461</b>	<b>\$ 3,698,877</b>
Private placement (i)	9,940,000	497,000
Warrants issued (i)	-	(91,370)
Cost of issue - cash (i)	-	(53,000)
Cost of issue - broker warrants (i)	-	(5,370)
Shares issued - Property agreement (ii)	2,000,000	80,000
Premium on flow-through shares issued (i)	-	(57,676)
<b>Balance - November 30, 2021 and November 30, 2022</b>	<b>101,442,461</b>	<b>\$ 4,068,461</b>

(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 for legal fees of \$25,000, 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 13).

(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 5). 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.**  
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**7. Warrants**

The following summarizes the warrant activity for the year ended November 30, 2022 and November 30, 2021:

	Number of warrants	Weighted average exercise price
<b>Balance - November 30, 2020</b>	<b>7,698,000</b>	<b>\$ 0.075</b>
Warrants issued (Note 6(b))	4,970,000	0.075
Broker warrants issued (Note 6(b))	509,600	0.075
Expired	(144,000)	(0.075)
<b>Balance - November 30, 2021</b>	<b>13,033,600</b>	<b>\$ 0.079</b>
Expired	(3,063,600)	(0.092)
<b>Balance - November 30, 2022</b>	<b>9,970,000</b>	<b>\$ 0.088</b>

As of November 30, 2022, the following warrants were outstanding:

Date issued	Expiry Date	Number of warrants	Exercise price (\$)	Fair value on grant (\$)
September 16, 2020 <sup>(1)</sup>	September 16, 2023	3,600,000	0.100	91,890
September 18, 2020 <sup>(1)</sup>	September 18, 2023	1,400,000	0.100	35,770
April 16, 2021 <sup>(1)</sup>	April 16, 2024	4,970,000	0.075	91,370
		<b>9,970,000</b>	<b>0.088</b>	<b>219,030</b>

<sup>(1)</sup> 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.

**8. Stock options**

The following summarizes the stock option activity for the year ended November 30, 2022 and November 30, 2021:

	Number of stock options	Weighted average exercise price
<b>Balance - November 30, 2020</b>	<b>4,980,000</b>	<b>\$ 0.05</b>
Granted (i)(ii)	2,350,000	0.05
Expired	(1,355,000)	0.05
<b>Balance - November 30, 2021</b>	<b>5,975,000</b>	<b>\$ 0.05</b>
Granted (iii)	1,700,000	0.05
Expired	(875,000)	0.08
<b>Balance - November 30, 2022</b>	<b>6,800,000</b>	<b>\$ 0.05</b>

The weighted average grant date fair value of options granted during the year ended November 30, 2022 is \$0.02 (November 30, 2021 - \$0.03).

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## BWR Exploration Inc.

### Notes to Consolidated Financial Statements

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#### 8. Stock options (continued)

(i) On June 2, 2021, the Company granted 1,850,000 stock options to certain officers, directors and consultants with an exercise price of \$0.05, fully vested on issuance and with an expiry date of June 2, 2026. The fair value of these stock options was estimated at \$61,802 using the Black-Scholes Option Pricing Model with the following assumptions: expected dividend yield - 0%, expected volatility - 128% (based on historical volatility), risk-free interest rate - 0.90% and an expected average life of 5 years. The full amount was recognised as stock based compensation in the year ended November 30, 2021.

(ii) On June 2, 2021, the Company granted 500,000 stock options to a consultant with an exercise price of \$0.05, which vest over 3, 6, 9, and 12 months after the grant date and with an expiry date of June 2, 2023. The fair value of these stock options was estimated at \$12,100 using the Black-Scholes Option Pricing Model with the following assumptions: expected dividend yield - 0%, expected volatility - 131% (based on historical volatility), risk-free interest rate - 0.32% and an expected average life of 2 years. During the year ended November 30, 2022, the Company recognized \$nil of stock based compensation (year ended November 30, 2021 - \$9,481).

(iii) On June 2, 2022, the Company granted 1,700,000 stock options to certain officers, directors and consultants with an exercise price of \$0.05, fully vested on issuance and with an expiry date of June 2, 2027. The fair value of these stock options was estimated at \$32,480 using the Black-Scholes Option Pricing Model with the following assumptions: expected dividend yield - 0%, expected volatility - 120% (based on historical volatility), risk-free interest rate - 2.89% and an expected average life of 5 years. The full amount was recognised as stock based compensation in the year ended November 30, 2022.

As of November 30, 2022, the following stock options were outstanding:

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<b>Expiry Date</b>	<b>Exercise price (\$)</b>	<b>Number of stock options</b>	<b>Number of exercisable stock options</b>	<b>Weighted average contractual life (years)</b>	<b>Fair value on Grant (\$)</b>
June 02, 2023	0.05	500,000	500,000	0.50	12,100
May 29, 2024	0.05	1,300,000	1,300,000	1.50	48,286
April 13, 2025	0.05	1,450,000	1,450,000	2.37	31,400
June 02, 2026	0.05	1,850,000	1,850,000	3.51	61,802
June 02, 2027	0.05	1,700,000	1,700,000	4.51	32,480
	<b>0.05</b>	<b>6,800,000</b>	<b>6,800,000</b>	<b>2.91</b>	<b>186,068</b>

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**BWR Exploration Inc.**  
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**9. Loss per share**

	Year Ended November 30, 2022	Year Ended November 30, 2021
Net loss per share:		
- basic	\$ (0.00)	\$ (0.01)
- diluted	\$ (0.00)	\$ (0.01)
Net loss for the year	\$ (415,749)	\$ (763,385)
Weighted average outstanding - basic and diluted	101,442,461	96,769,091

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.

**10. General and administrative expenses**

	Year Ended November 30, 2022	Year Ended November 30, 2021
Consulting fees (note 11)	\$ 108,000	\$ 116,000
Accounting and corporate secretarial fees (note 11)	42,823	46,574
Professional fees (note 11)	72,155	61,863
Office and general (note 11)	25,530	37,183
Investor relations and shareholder information	11,434	20,863
Share-based payments (notes 8 and 11)	32,480	71,283
	\$ 292,422	\$ 353,766

**11. Related party transactions**

During the year ended November 30, 2022, the Company incurred \$32,482 (year ended November 30, 2021 - \$56,791) 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 year ended November 30, 2022, the Company incurred \$48,468 (year ended November 30, 2021 - \$43,128) for accounting services rendered by MSSI. As at November 30, 2022, MSSI was owed \$9,358 (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 year ended November 30, 2022, the Company incurred \$8,644 (year ended November 30, 2021 - \$5,821) for services rendered by DSA. As at November 30, 2022, DSA was owed \$791 (November 30, 2021 - \$1,196) and this amount was included in accounts payable and accrued liabilities.

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## **BWR Exploration Inc.**

### **Notes to Consolidated Financial Statements**

**Years Ended November 30, 2022 and 2021**

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#### **11. Related party transactions (continued)**

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 \$60,000 during the year ended November 30, 2022 (year ended November 30, 2021 - \$60,000) for CEO services and exploration and evaluation expenditures of \$90,000, during the year ended November 30, 2022 (year ended November 30, 2021 - \$92,266) for geological consulting. As at November 30, 2022, Nominex was owed \$289,323 (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 year ended November 30, 2022, the Company incurred \$24,000 (year ended November 30, 2021 - \$24,000) for services rendered by Diges. As at November 30, 2022, Diges was owed \$70,000 (November 30, 2021 - \$46,000) 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. During the year ended November 30, 2022, the Company incurred \$45,000 (year ended November 30, 2021 - \$66,492) for services rendered by REVlaw, of which \$nil was reflected as share issue costs (year ended November 30, 2021 - \$25,000). As at November 30, 2022, REVlaw was owed \$235,000 (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 year ended November 30, 2022, the Company incurred \$24,000 (year ended November 30, 2021 - \$24,000) for services rendered by G. Duguay Services Inc. As at November 30, 2022, G. Duguay Services Inc. was owed \$133,000 (November 30, 2021 - \$109,000) and this amount was included in accounts payable and accrued liabilities.

#### **12. Segmented information**

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

#### **13. 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 6(b)(i)) and recorded a flow-through liability of \$57,676. 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 November 30, 2022, the Company has a flow-through share liability of \$nil (November 30, 2021 - \$10,823) as it has incurred eligible expenditures of approximately \$115,000. During the year ended November 30, 2022, the Company recognized a settlement of flow-through share premium of \$10,823 (year ended November 30, 2021 - \$62,209).



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**14. Income taxes**

The income tax expense differs from the amount resulting from the application of the combined Canadian income tax rate as follows:

	<b>Year Ended November 30,</b>	
	<b>2022</b>	<b>2021</b>
Loss before income taxes	\$ (415,749)	\$ (763,385)
Combined statutory income tax rate	<b>26.50%</b>	26.50%
Income tax (recovery), resulting from:		
Income tax at the statutory income tax rate	(110,173)	(202,297)
Share issue costs and other	-	(14,046)
Permanent differences	<b>5,740</b>	2,405
Adjustment to prior year provision versus statutory tax returns	<b>112,082</b>	70,249
Change in unrecognized tax assets	<b>(7,649)</b>	143,689
Deferred income tax recovery	\$ -	\$ -

The significant components of the deferred tax assets and liabilities not recognized are as follows:

	<b>November 30, 2022</b>	<b>November 30, 2021</b>
<b>Deferred tax assets</b>		
Non-capital loss carry forwards	\$ 1,001,843	\$ 925,798
Share issue costs	<b>11,382</b>	17,827
Mineral resource expenditures	<b>477,198</b>	554,447
Other	<b>401</b>	401
	<b>1,490,824</b>	1,498,473
Valuation allowance	<b>(1,490,824)</b>	(1,498,473)
Net deferred income tax assets	\$ -	\$ -

The Company has the following Canadian non-capital losses available to apply against future taxable income and expire as follows:

2031	\$ 98,500
2032	389,900
2033	481,200
2034	280,400
2035	223,200
2036	250,400
2037	399,800
2038	285,600
2039	306,700
2040	455,900
2041	325,000
2042	<u>284,000</u>
	<u>\$ 3,780,600</u>

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**BWR Exploration Inc.**  
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**15. Subsequent event**

Subsequent to November 30, 2022, the Company closed the first and second tranches of the non-brokered, unit offering comprising of a first tranche of 1,868,000 units, and a second tranche of 2,700,000 units for a total of 4,568,000 units (the "Units") set out below at a price of \$0.03 per Unit for aggregate gross proceeds of \$137,040. Each Unit will consist of one common share (a "Common Share") of the Company and one-half Common Share purchase warrant (a "Half Warrant"). Two Half Warrants comprise one Common Share purchase warrant (a "Full Warrant") of the Company. 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 \$0.06 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. No finders' fees were paid as part of this Unit Offering.

The proceeds from the Unit Offering will be used for general corporate purposes including advancing the exploration programs on the Company's projects in Canada with a focus on the Little Stull Lake Gold project located in Northeastern Manitoba.