WILLESON METALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended November 30, 2020

(expressed in Canadian dollars)

WILLESON METALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)
(Expressed in Canadian dollars)

As at	Notes		November 30, 2020		August 31, 2020
ASSETS					
Current					
Cash and cash equivalents		**$**	**514,721**	$	873,486
Restricted cash			**378,100**		378,100
Amounts receivable			**42,994**		13,812
Prepaid expenses			**14,655**		5,001
TOTAL ASSETS		**$**	**950,470**	$	1,270,399
LIABILITIES					
Current					
Accounts payable and accrued liabilities	**8,17**	**$**	**171,595**	$	100,958
Short-term promissory note payable	**9**		**167,876**		164,593
Flow-through share premium liability	**10**		**182,545**		267,475
Total Current Liabilities		**$**	**522,016**	$	533,026
Non-Current					
Long-term promissory notes payable	**9**	**$**	**361,137**	$	354,075
TOTAL LIABILITIES		**$**	**883,153**	$	887,101
SHAREHOLDERS' EQUITY					
Share capital	**11(b)**	**$**	**1,333,799**	$	1,333,799
Contributed surplus	**11(c)**		**21,988**		16,809
Accumulated deficit			**(1,288,470)**		(967,310)
TOTAL SHAREHOLDERS' EQUITY			**67,317**		383,298
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**950,470**	$	1,270,399

Going concern (Note 2)
Commitments and contingencies (Note 6, 10, 16, 18)
Subsequent events (Note 18)

Approved on Behalf of the Board on January 29, 2021.

"Robert Dixon"
Robert Dixon - Director

"Karen Rees"
Karen Rees - Director

See accompanying notes to the condensed interim financial statements.

WILLESON METALS CORP.
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS (unaudited)
(Expressed in Canadian dollars)

	Notes		Quarter Ended November 30, 2020
Operating expenses			
General office and other expenses		$	48,891
Share-based compensation	11(c)		5,179
Professional fees			75,142
Exploration expenses	7		266,533
Total operating expenses		$	395,745
Interest expense	9		10,345
Flow-through premium recovery	10		(84,930)
Net loss		$	321,160
Weighted average shares outstanding			25,020,001
Basic and diluted			
(Loss) per share			
Basic and diluted			(0.01)

See accompanying notes to the condensed interim financial statements.

WILLESON METALS CORP.
CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)
(Expressed in Canadian dollars)

	Notes		Quarter Ended November 30, 2020
Operating Activities			
Net loss		$	**(321,160)**
Items not affecting cash:			
Share-based payments	**11(c)**		**5,179**
Flow-through premium recovery	**10**		**(84,930)**
Interest expense	**9**		**10,345**
Changes in non-cash operating working capital:			
Amounts receivable			**(29,182)**
Prepaid expenses			**(9,654)**
Accounts payable and accrued liabilities	**8,17**		**70,637**
Cash used in Operating Activities		$	**(358,765)**
Change in cash and cash equivalents		$	**(358,765)**
Cash and cash equivalents, beginning of quarter			**873,486**
Cash and Cash Equivalents, end of quarter		$	**514,721**

See accompanying notes to the condensed interim financial statements.

WILLESON METALS CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (unaudited)
(Expressed in Canadian dollars, except share information)

	Notes	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
At Incorporation on March 27, 2020		1	$ -			$ -
Shares issued under non-brokered private placements	11(b)	15,020,000	1,540,600			1,540,600
Shares issued for Purchase of Lynn Lake Properties	6	10,000,000	100,000			100,000
Flow-through share premium	10		(276,100)			(276,100)
Share issuance costs	11(b)		(30,701)			(30,701)
Share-based compensation	11(c)			$ 16,809		16,809
Net loss and comprehensive loss					$ (967,310)	(967,310)
At August 31, 2020		**25,020,001**	**$ 1,333,799**	**$ 16,809**	**$ (967,310)**	**$ 383,298**
Share-based compensation	**11(c)**			5,179		5,179
Net loss and comprehensive loss					(321,160)	(321,160)
At November 30, 2020		**25,020,001**	**$ 1,333,799**	**$ 21,988**	**$ (1,288,470)**	**$ 67,317**

See accompanying notes to the condensed interim financial statements.

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Willeson Metals Corp. ("Willeson" or the "Company") is a corporation in the business of locating and exploring mineral properties, with a primary focus on gold exploration in the province of Manitoba, Canada.

The Company was incorporated on March 27, 2020, under the laws of Ontario. The Company is a Canadian Controlled Private Corporation ("CCPC"). The Company's head office is located at Suite 1400 - 25 Adelaide Street East, Toronto, Ontario, M5C 3A1.

2. BASIS OF PREPARATION AND GOING CONCERN

These condensed interim financial statements as at and for the three months ended November 30, 2020, have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRICs"). These condensed interim financial statements should be read in conjunction with the Company's annual audited financial statements as at and for the period ended August 31, 2020, which were prepared in accordance with IFRS.

The Company is in the exploration stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in tranches. The Company had a net loss of $321,160 during the three months ended November 30, 2020, and had an accumulated deficit of $1,288,470 (August 31, 2020 - $967,310), working capital of $610,999 (August 31, 2020 - $1,004,848), excluding the flow-through share premium liability and flow-through commitments of $514,443 as at November 30, 2020 (August 31, 2020 - $753,792).

The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due, the Company being able to obtain the necessary financing to complete the development of its mineral properties, the attainment of profitable mining operations, and/or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time. Although the Company has been successful in obtaining financing in the past (Note 18), there is no assurance that funds will be available on terms acceptable to the Company or at all in the future. These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material. The Company plans to raise additional capital to execute its business plan, however, the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment. These conditions indicate the existence of material uncertainties that cast significant doubt on the Company's abilities to continue as a going concern.

The principal activities of the Company are the locating and exploring of mineral properties, primarily for gold. Mineral projects are presently located in Manitoba. To date, the Company has not earned any revenues. The Company is considered to be in the exploration stage. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing

requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's mineral property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

The Company has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continued operations of the Company are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

The Company's Board of Directors authorized the issuance of the financial statements on January 29, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company had applied the same accounting policies in these condensed interim financial statements as those applied in the Company's annual audited financial statements as at and for the period ended August 31, 2020.

4. CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following were adopted by the Company effective September 1, 2020.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The Company has assessed that adoption of the pronouncements described above did not have a material impact on the financial statements.

5. CRITICAL JUDGMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed interim financial statements, the significant judgements and estimates were the same as those that applied to the annual financial statements as at and for the period ended August 31, 2020, as identified below.

a) ***Critical accounting estimates***

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

i. *Contingencies*

Refer to Notes 6, 10, 16 and 18.

ii. *Income taxes*

The Company is subject to income, value-added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value-added, withholding and other tax liabilities require interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax-related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

iii. *Share-based payments*

The fair value of the estimated number of stock options that will eventually vest is recognized as share-based compensation expense over the vesting period of the stock options with the corresponding increase in equity.

Determining the fair value of options requires the exercise of judgment related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Option pricing models require the input of highly subjective assumptions including the expected price volatility and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's options at the date of grant. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. See Note 11(c).

The fair value of the purchase of the Lynn Lake Properties (see Note 6) was based on Exiro Minerals Corp. ("Exiro")'s historical costs, which in management's opinion approximates the

fair value of the property interest acquired. Consideration for the purchase includes 10 million common shares of Willeson issued to Exiro and promissory notes.

iv. Interest on Promissory Notes

The promissory notes issued to Exiro as part of the purchase of the Lynn Lake Properties (see Note 6) are non-interest-bearing notes to a related party (see Note 17). The Company discounted the promissory notes at a rate of 8%, which is based on interest rates extended to other comparable entities on an arm's length basis, resulting in a lower promissory note payable on the statement of financial position. Interest will be recorded during the life of the promissory note to bring the promissory note payable amount to the face value on the due date. See Note 9.

6. PURCHASE OF LYNN LAKE PROPERTIES

On June 19, 2020, Willeson purchased a 100% undivided legal and beneficial interest in mining claims comprising the Beaucage, Hatchet, Barrington-Tow, and Hughes properties in the Lynn Lake area of Manitoba (individually herein, (each a "Lynn Lake Property", and collectively, the "Lynn Lake Properties") from Exiro for the following considerations:

a) The issuance to Exiro of 10 million common shares of Willeson, valued at $100,000 ($0.01 per common share) (issued June 19, 2020);

b) The issuance of a promissory note in the amount of $150,000, maturing on the earlier of (i) the 3 month anniversary of the purchase date, or (ii) 5 days following the closing of a subsequent financing (paid during the period ended August 31, 2020);

c) The issuance of a promissory note in the amount of $175,000, maturing on June 19, 2021;

d) The issuance of a promissory note in the amount of $175,000, maturing on June 19, 2022; and

e) The issuance of a promissory note in the amount of $250,000, which may be fully satisfied at Willeson's election by a cash payment or through the issuance to Exiro of 2.5 million common shares of Willeson, maturing on June 19, 2023.

All promissory notes are non-interest bearing. After the payment due date, default or judgement, the principal amount outstanding bears interest at 5% per annum, and the note is payable on demand.

Exiro shall retain a 2% Net Smelter Return Royalty (the "**NSR**") on each Lynn Lake Property subject to a buy-back right whereby for each Lynn Lake Property, this can be reduced to a 1.5% NSR for a payment of $500,000.

As part of the agreement, Willeson is also granted a right of first look for any mineral interests Exiro may option, sell, or otherwise vend in the Province of Manitoba within a five (5) year period from the purchase date.

Exiro and Willeson also entered into a shareholder rights agreement pursuant to which Exiro, provided it owns at least a 5% interest in Willeson, shall be granted certain rights including:

a) The right to participate in future equity financings of Willeson and maintain its pro-rata ownership prior to the equity financing;
b) A one time right to participate in future equity financings with a greater amount than its pro-rata ownership to increase its ownership up to 19.99% of the Company's issued and outstanding common shares; and
c) The right to appoint one member to the Company's board of directors.

7. EXPLORATION EXPENSES

For the three months ended November 30, 2020

	Beaucage	Hatchet	Barrington-Tow	Hughes	Total
General	**$ 1,935**	**$ 7**	**$ 912**	**$ 783**	**$ 3,637**
Acquisition/Staking	**72**	**72**	**72**	**72**	**288**
Geology/Geochemistry	**45,822**	**517**	**27,724**	**15,417**	**89,480**
Geophysics	**67,494**	**-**	**52,317**	**53,317**	**173,128**
Total	**$ 115,323**	**$ 596**	**$ 81,025**	**$ 69,589**	**$ 266,533**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2020	August 31, 2020
Trade payables	**$ 83,312**	$ 32,527
Accrued liabilities	**88,283**	68,431
	$ 171,595	$ 100,958

9. PROMISSORY NOTES

	November 30, 2020	August 31, 2020
Promissory notes payable	**$ 529,013**	$ 518,668
Total Debt	**$ 529,013**	$ 518,668
Current	167,876	164,593
Non-Current	361,137	354,075

The Company purchased the Lynn Lake Properties from Exiro (see Note 6) which resulted in the issuance of four promissory notes for a total face value of $750,000. The amounts advanced bear no interest and are secured by the Lynn Lake Properties.

A promissory note of $150,000 was paid during the period ended August 31, 2020. The remaining notes were valued by discounting the future cash flows to its present value using an interest rate of 8%. The discounted value of $660,500 was recognized at the time of issue, on June 19, 2020. Interest expense was recorded for the three months ended November 30, 2020, of $10,345 on the statement of loss and comprehensive loss.

10. FLOW-THROUGH SHARE PREMIUM LIABILITY

The flow-through common shares issued in the private placement tranches completed on July 28, 2020, were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $276,100.

The flow-through premium is derecognized through income as eligible expenditures are incurred. As at November 30, 2020, the Company had satisfied $93,555 of the liability by incurring eligible flow-through expenditures of $239,349 for the three months ended November 30, 2020 (period from incorporation March 27, 2020 to August 31, 2020 - $24,308). As a result, the flow-through premium liability has been reduced to $182,545. The total remaining flow-through expenditure commitment as at November 30, 2020, is $514,443 (Refer to Note 16).

11. SHARE CAPITAL

a) Authorized

Unlimited common shares with no par value.

b) Shares issued and outstanding

	Common Shares		Amount
At incorporation on March 27, 2020	**1**	**$**	**0**
Shares issued under non-brokered private placement	2,500,000		12,500
Shares issued for Purchase of Lynn Lake Properties	10,000,000		100,000
Shares issued under non-brokered private placement	7,500,000		750,000
Shares issued under non-brokered private placement	5,020,000		778,100
Flow-through share premium			(276,100)
Share issuance costs			(30,701)
As at August 31, 2020	**25,020,001**	**$**	**1,333,799**
	-		
As at November 30, 2020	**25,020,001**	**$**	**1,333,799**

On March 27, 2020, the Company issued one share at a price of $0.005 to Exiro.

On June 2, 2020, the Company completed a private placement, issuing 2,500,000 common shares at a price of $0.005 per share. The shares were issued to Exiro (1,250,000 shares) and officers of the Company.

On June 19, 2020, the Company issued 10,000,000 common shares at a price of $0.01 per share to Exiro as a part of the purchase price for the Lynn Lake Properties (see Note 5 (a)(iii) and 6).

On July 24, 2020, the Company completed a private placement, issuing 7,500,000 common shares at $0.10 per share for total proceeds of $750,000. Officers, directors, and their close family members of the Company subscribed for 1,162,500 shares.

On July 28, 2020, the Company completed a flow-through private placement, issuing 5,020,000 common shares at a price of $0.155 per share for total proceeds of $778,100, of which $502,000 was allocated to share capital and $276,100 to flow-through share premium liability. Board members of Exiro and their close family members subscribed for 525,000 shares.

c) Stock options

In July 2020, the Company adopted a rolling 10% stock option plan (the "Plan"), which provides that the directors of the Company may grant options to purchase common shares of the Company to directors, officers, employees and service providers, with the number of options being limited to 10% of the issued common shares at the time of granting of options. The Board in its sole discretion may determine any vesting provisions for options. The exercise price shall be determined by the directors of the Company at the time of grant in accordance with the provisions of the Plan. The expiry date for an option shall not be more than five years from the grant date.

Option transactions and the number of options outstanding are summarized as follows:

	Outstanding	Weighted Average Exercise Price
As at Incorporation on March 27, 2020	-	$ -
Options granted	525,000	0.10
Options forfeited or cancelled	-	-
As at August 31, 2020	**525,000**	**$ 0.10**
	-	-
As at November 30, 2020	**525,000**	**$ 0.10**

The share-based compensation expense for the three months ended November 30, 2020, was $5,179.

For options granted on July 10, 2020, one-third of the options vested immediately on the grant date, one-third will vest on the first anniversary of the grant date and one-third will vest on the second anniversary of the grant date.

As at November 30, 2020, the options outstanding and exercisable were as follows:

	Options Outstanding			Options Exercisable		
Exercise Price	**Number**	**Weighted average remaining life**	**Weighted average exercise price**	**Number**	**Weighted average remaining life**	**Weighted average exercise price**
$0.10	525,000	4.61 years	$0.10	175,000	4.61 years	$0.10

The fair value of each option grant has been estimated using the Black-Scholes option-pricing model with the following weighted-average assumption.

		November 30, 2020
Exercise price	**$**	**0.10**
Share price	**$**	**0.10**
Expected life (years)		**5**
Risk free interest rate		**0.36%**
Expected volatility		**112%**
Expected dividend yield		**0%**
Forfeiture rate		**0%**
Fair value	**$**	**0.079**

The Company's computation of expected volatility was based on an average volatility of comparable gold exploration companies in Manitoba.

The Company did not grant any options for the three months ended November 30, 2020.

12. CAPITAL MANAGEMENT

The Company defines capital as its shareholders' equity (comprised of issued share capital, contributed surplus and accumulated deficit). The Company's objectives when managing capital are to support the Company's main activities of identifying, defining and developing mineral deposits, thus creating shareholder value, as well as ensuring that the Company will be able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility to enable the Company to respond to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at November 30, 2020, the Company has $529,013 (August 31, 2020 - $518,668) of short and long-term promissory notes payable outstanding, relating to the purchase of the Lynn Lake Properties. The Company is not subject to any externally imposed capital requirements or debt covenants.

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash, amounts receivable, promissory notes payable, accounts payable and accrued liabilities.

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their immediate and short-term nature. Financial liabilities such as promissory notes payable are classified and measured at amortized cost using the effective interest method.

The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

14. FINANCIAL RISK MANAGEMENT

The Company has exposure to certain risks resulting from its use of financial instruments.

a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2020, the Company had current assets of $950,470 (August 31, 2020 - $1,270,399) to settle current liabilities of $339,471 (August 31, 2020 - $265,551), excluding the flow-through share premium liability, and long-term debt of $361,137 (August 31, 2020 - $354,075). Other than the promissory notes owed to Exiro, the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

As at November 30, 2020, the Company has minimal sources of revenue to fund its operating expenditures. The Company will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital or debt financing. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company is currently exposed to a moderate level of liquidity risk.

The following table provides details on the Company's contractual maturities for its undiscounted financial liabilities as at November 30, 2020.

As at November 30, 2020	Face Value	0 to 12 months	12 to 24 months	After 24 months
Accounts payable and accrued liabilities	$ 171,595	$ 171,595	$ -	$ -
Promissory note payable	600,000	175,000	175,000	250,000
	$ 771,595	**$ 346,595**	**$ 175,000**	**$ 250,000**

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash and amounts receivable are exposed to credit risk. The Company has assessed the credit risk on its cash as low as its funds are held in a highly rated Canadian financial institution. The Company's restricted cash is held in escrow by a legal firm. The Company's accounts receivable consists of sales tax receivable. Sales tax receivable is with the Canadian government, which has a positive history of refunding balances owing. Management, therefore, deems the credit risk to be minimal.

The Company's maximum exposure to credit risk related to certain financial instruments, as identified below, approximates the carrying value of these assets on the Company's statements of financial position.

	November 30, 2020
Cash and cash equivalents	**$ 514,721**
Restricted cash	**378,100**
Amounts receivable	**42,994**
	$ 935,815

c) Market Risks

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

i. Interest rate risk

The Company has a low-interest bearing cash balance and no interest-bearing debt. The Company's short and long-term debt is not interest-bearing unless the Company is late in repaying its promissory notes for the Lynn Lake Properties. The Company regularly monitors its cash management policy. Management has determined interest rate risk to be low.

ii. Foreign currency risk

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company's functional currency is the Canadian dollar. As at November 30, 2020, the Company did not have any financial instruments denominated in foreign currencies and therefore had no foreign currency risk.

iii. 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 net income or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and movement in the price of individual equity securities and the stock market generally, to determine the appropriate course of action to be taken by the Company.

15. SEGMENTED INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has one operating segment in one geographic region, which involves the exploration of mineral deposits. Currently, all mineral properties are located in Canada.

16. COMMITMENTS AND CONTINGENCIES

General environmental contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming increasingly restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Maintenance of claims

The Company is required to keep the mineral claims on the Lynn Lake Properties in good standing by ensuring the assessment spending requirements are met. Currently, Beaucage, Hughes and Barrington-Tow and 16 of 48 Hatchet claims expire between February and March 2022 with the required spending being met. Expenditures of $58,222 must be filed on Hatchet by July 2021 in order to keep the remaining 32 of the 48 Hatchet claims in good standing until May 2022.

Flow-through expenditures

In connection with the flow-through financing undertaken during the period ended August 31, 2020, the Company has committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada) of a total of $778,100 by December 31, 2021. If the eligible expenditures are not renounced by the termination date, the Company shall indemnify and hold the

shareholders harmless. As at November 30, 2020, the Company had incurred $263,657 of qualifying exploration expenditures.

Subsequent to November 30, 2020, the Company completed a flow-through private placement for gross proceeds of $821,920 (Note 18).

The Company is committed to spend a total of $1,336,363 of eligible exploration expenditures by December 31, 2021.

COVID-19 Impact

In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Officer Contracts

The Company is party to certain officer contracts which include severance obligations (Note 18).

17. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The Company entered into the following transactions with related parties:

	Three months ended November 30, 2020
Chief Executive Officer (a)	$ 25,637
Palladium Place Consulting Professional Corporation (b)	19,425
Ram Jam Holdings Inc. (c)	10,000
Corporate Secretary (d)	8,016
Share-based compensation	4,439
	$ 67,517

a) As at November 30, 2020, no amounts were included in accounts payable and accrued liabilities with respect to CEO fees and reimbursable expenditures.

b) For the three months ended, the Company expensed $19,425 to Palladium Place Consulting Professional Corporation for Stephanie Hart to act as Chief Financial Officer of the Company. As at November 30, 2020, Palladium Place Consulting Professional Corporation was owed $10,141.

c) For the three months ended, $10,000 was expensed to Ram Jam Holdings Inc. for consulting services rendered by a director. As at November 30, 2020, Ram Jam Holdings Inc. was owed $3,766.

d) For the three months ended, the Company expensed $8,016 to Orest Zajcew for corporate secretarial services. As at November 30, 2020, $3,390 was included in accounts payable and accrued liabilities.

As at November 30, 2020, a total of 4,327,210 shares of the Company were held by directors and officers of the Company and Exiro and their close family members. Of these shares, 2,937,500 shares were subscribed through private placements (see Note 11(b)) and 1,389,710 shares were acquired/transferred from Exiro.

The Company's officers and board members were granted 450,000 options during the period ended August 31, 2020. For the three months ended November 30, 2020, $4,439 was expensed relating to these options. Directors did not receive any cash compensation for their services to date as at November 30, 2020.

Orix Geoscience 2018 Inc. ("Orix"), a company of which a director and shareholder is a beneficial owner, provides certain geological, exploration and administrative services to the Company and has made certain payments on behalf of the Company on an as-needed basis. Transactions with Orix are conducted on normal market terms via a services agreement.

A total of $83,444 in expenses in the statement of loss and comprehensive loss were invoiced by Orix ($82,301 of exploration expense, and $1,143 in other operating expenses) for services for the three months ended November 30, 2020. The Company had $53,134 in accounts payable to Orix as at November 30, 2020.

As at November 30, 2020, Exiro owned approximately 28% (6,920,001 shares) of Willeson's common shares outstanding. Therefore, any transactions with Exiro are related party transactions, including the Purchase of the Lynn Lake Properties and the consideration for the purchase described in Note 6 and the shares subscribed as part of the private placements in Note 11 (b)).

Exiro charged $9,737 for exploration services, professional fees and general, office and other expenses in the statement of loss and comprehensive loss during the three months ended November 30, 2020. An amount of $9,737 was recorded as accrued liabilities as at November 30, 2020 (August 31, 2020 - $2,712). Transactions with Exiro are conducted based on market terms via a services agreement.

A senior executive of Exiro was granted 25,000 options during the period ended August 31, 2020. For the three months ended November 30, 2020, $246 was expensed as share-based compensation relating to these options.

Amounts payable to related parties are unsecured, with the exception of the promissory notes (Note 9), and non-interest bearing.

18. SUBSEQUENT EVENTS

In December 2020, the Company completed a flow-through private placement, issuing 2,417,412 common shares at a price of $0.34 per share for total proceeds of $821,920. Directors and officers of the Company and Exiro subscribed for 33,000 shares.

In January 2021, the Company granted 100,000 stock options at an exercise price of $0.34 per share and expiring in January 2026, of which 75,000 options were granted to an officer of the Company. For these 75,000 options granted, one-third of the options vested immediately on the grant date, one-third will vest on the first anniversary of the grant date and one-third will vest on the second anniversary of the grant date. For the remaining 25,000 options granted, one-quarter of the options will vest on the three-month anniversary of the grant date, one-quarter will vest on the six-month anniversary of the grant date, one-quarter will vest on the nine-month anniversary of the grant date, and one-quarter will vest on the twelve-month anniversary of the grant date.

In January 2021, the Company signed officer contracts which include severance obligations. These contracts contain clauses requiring additional payments of up to $541,400 to be made to the officers of the Company upon the occurrence of certain events such as termination or change of control. In the event of a change in control, any unvested options shall vest immediately. As the triggering event has not taken place, the contingent payments have not been reflected in these financial statements.