

Interim Condensed Consolidated Financial Statements of

Phenom Resources Corp. (formerly *First Vanadium Corp.*)

For the three and nine months ended August 31, 2021 and 2020

(Unaudited, Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the 'Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Financial Position
As at
(Unaudited - Expressed in Canadian dollars)

	Note	August 31, 2021	November 30, 2020
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		3,406,091	1,688,911
GST and other receivables		16,905	25,405
Prepaid expenses and deposits		237,246	104,316
		3,660,242	1,818,632
Equipment	5	1,099	4,391
Right-of-use asset	7	-	15,238
Reclamation bonds	6	95,736	86,637
Exploration and evaluation assets	6	13,066,330	8,310,241
TOTAL ASSETS		16,823,407	10,235,139
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	922,341	803,450
Lease liability	7	-	5,697
		922,341	809,147
SHAREHOLDERS' EQUITY			
Share capital	8	23,027,070	17,780,135
Reserves	8	8,751,519	5,578,525
Deficit		(15,877,523)	(13,932,668)
		15,901,066	9,425,992
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		16,823,407	10,235,139

Nature of operations and going concern (Note 1)
Commitments (Note 12)
Subsequent event (Note 13)

Approved on behalf of the Board:

"Michael Mracek"

Director – Michael Mracek

"Paul S. Cowley"

Director – Paul S. Cowley

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended August 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended August 31		Nine months ended August 31	
		2021 \$	2020 \$	2021 \$	2020 \$
Audit, accounting and legal	9	30,257	23,458	96,034	81,828
Consulting fees	9	118,000	70,950	390,667	181,650
Depreciation	5, 7	1,097	731	3,292	2,194
Foreign exchange gain/(loss)		(1,986)	8,430	8,884	196
Exploration	6	22,104	22,782	22,104	22,782
Investor relations and marketing		298,165	76,771	404,002	102,841
Office expenses	7	14,183	24,061	48,915	75,022
Stock based compensation	8(c),9	-	388,061	906,228	388,061
Transfer agent and filing fees		15,475	12,783	65,323	41,972
Travel and accommodation		1,055	284	1,688	6,554
		(498,350)	(628,311)	(1,947,137)	(903,100)
Interest income		486	1,311	2,282	16,957
Loss and comprehensive loss for the period		(497,864)	(627,000)	(1,944,855)	(886,143)
Basic and diluted loss per common share		(0.01)	(0.01)	(0.03)	(0.02)
Weighted average number of common shares outstanding – basic and diluted		75,391,799	48,765,263	65,268,748	44,553,151

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended August 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

=	August 31, 2021	August 31, 2020
	\$	\$
Cash flows provided by (used in):		
Operating activities		
Loss for the period	(1,944,855)	(886,143)
Items not involving cash:		
Lease asset depreciation	15,238	45,714
Equipment depreciation	3,292	2,194
Lease finance charges	87	6,392
Share-based compensation	906,228	388,061
Net changes in non-cash working capital items:		
GST and other receivables	8,500	(5,300)
Prepaid expenses	(132,930)	(103,640)
Accounts payable and accrued liabilities	(158,793)	(33,445)
Cash used in operating activities	(1,303,233)	(586,167)
Investing activities		
Exploration and evaluation asset expenditures	(3,682,562)	(750,111)
Reclamation bond	(9,099)	-
Cash used in investing activities	(3,691,661)	(750,111)
Financing activities		
Proceeds from private placement	6,000,000	1,600,000
Proceeds from exercise of options	71,625	-
Proceeds from exercise of warrants	745,459	76,800
Lease payments	(5,784)	(49,838)
Share issuance costs	(99,226)	(29,809)
Cash provided by financing activities	6,712,074	1,597,153
Change in cash and cash equivalents during the period	1,717,180	260,875
Cash and cash equivalents, beginning of period	1,688,911	1,263,901
Cash and cash equivalents, end of period	3,406,091	1,524,776
Cash	3,406,091	524,776
Cash equivalents	-	1,000,000

Supplemental disclosure with respect to cash flows (Note 11)

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Changes in Equity
For the nine months ended August 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Common shares number	Share capital \$	Reserves \$	Deficit \$	Total \$
Balance – November 30, 2019	42,415,915	15,761,409	4,608,149	(12,785,050)	7,584,508
Shares issued for:					
cash pursuant to private placement	10,666,667	730,982	869,018	-	1,600,000
cash pursuant to exercise of warrants	320,000	97,978	(21,178)	-	76,800
Share issuance costs	-	(46,145)	16,336	-	(29,809)
Share-based compensation	-	-	388,061	-	388,061
Loss and comprehensive loss for the period	-	-	-	(886,143)	(886,143)
Balance – August 31, 2020	53,402,582	16,544,224	5,860,386	(13,671,193)	8,733,417
Shares issued for:					
cash pursuant to exercise of options	150,000	66,306	(28,056)	-	38,250
cash pursuant to exercise of warrants	3,805,000	1,169,605	(253,805)	-	915,800
Loss and comprehensive loss for the period	-	-	-	(261,475)	(261,475)
Balance – November 30, 2020	57,357,582	17,780,135	5,578,525	(13,932,668)	9,425,992
Shares issued for:					
cash pursuant to private placement	15,000,000	4,157,361	1,842,639	-	6,000,000
cash pursuant to exercise of options	220,000	138,383	(66,758)	-	71,625
cash pursuant to exercise of warrants	2,867,150	988,283	(242,824)	-	745,459
Shares issued for exploration and evaluation asset	250,000	115,000	-	-	115,000
Share issuance costs - cash	-	(152,092)	52,866	-	(99,226)
Warrants issued for exploration and evaluation asset	-	-	680,843	-	680,843
Share-based compensation	-	-	906,228	-	906,228
Loss and comprehensive loss for the period	-	-	-	(1,944,855)	(1,944,855)
Balance – August 31, 2021	75,694,732	23,027,070	8,751,519	(15,877,523)	15,901,066

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Phenom Resources Corp. (formerly First Vanadium Corp.) (the “Company” or “Phenom Resources”) is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company has an interest in properties located in Nevada and Arizona, USA. On September 20, 2018, the Company changed its name from Cornerstone Metals Inc. to First Vanadium Corp. On July 6, 2021, the Company changed its name from First Vanadium Corp. to Phenom Resources Corp. The Company is incorporated under the Business Corporations Act (British Columbia). The common shares of the Company trade on the TSX Venture Exchange (“TSX-V”) under the symbol “PHNM”. The Company’s corporate head office is located at 880-580 Hornby Street, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At August 31, 2021, the Company had not yet achieved profitable operations, had a deficit of \$15,877,523 (November 30, 2020 - \$13,932,668) since inception, a working capital of \$2,737,901 (November 30, 2020 - \$1,009,485), and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to explore its exploration property interests and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

In March 2020, the World Health Organization declared coronavirus (“COVID-19”) a global pandemic. The COVID-19 outbreak has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. However, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time and could have a material impact on the Company's future financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended November 30, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computations as in the annual consolidated financial statements for the year ended November 30, 2020.

These condensed interim consolidated financial statements were approved by the board of directors on November 1, 2021.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Phenom Resources Corp. (formerly First Vanadium Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
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3. FUTURE ACCOUNTING STANDARDS NOT YET EFFECTIVE

IAS 16 – Property, plant and equipment - proceeds before intended use (“IAS 16”)

IAS 16 has been amended to clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant or equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. These amendments are effective for periods beginning on or after January 1, 2022. The Company is currently assessing the impact of this amendment.

IAS 37–Provisions (“IAS 37”)

IAS 37 has been amended to clarify (i) the meaning of “costs to fulfil a contract”, and (ii) that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. These amendments are effective for periods beginning on or after January 1, 2022. The Company is currently assessing the impact of this amendment.

IAS 1 –Presentation of Financial Statements (“IAS 1”)

IAS 1 has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023. The Company is currently assessing the impact of this amendment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company uses the same accounting estimates and judgements as in the annual consolidated financial statements for the year ended November 30, 2020.

5. EQUIPMENT

Cost	Computer Hardware
As at November 30, 2020	13,170
As at August 31, 2021	13,170
Accumulated Depreciation	
As at November 30, 2020	8,779
Depreciation	3,292
As at August 31, 2021	12,071
Net Book Value	
As at November 30, 2020	4,391
As at August 31, 2021	1,099

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6. EXPLORATION AND EVALUATION ASSETS

	Carlin Gold- Vanadium	AVP Property	South Carlin Section 22	Total
	\$	\$	\$	\$
Balance as at November 30, 2020	8,310,241	-	-	8,310,241
Acquisition costs	1,870,316	153,557	85,530	2,109,403
Deferred exploration expenditures				
Assaying	426,771	-	-	426,771
Consulting	50,986	-	916	51,902
Drilling	1,841,291	-	3,401	1,844,692
Licenses, permits and fees	57,051	8,827	8,414	74,292
Surveying	29,981	38,148	-	68,129
Other	165,495	12,498	2,907	180,900
	4,441,891	213,030	101,168	4,756,089
Balance as at August 31, 2021	12,752,132	213,030	101,168	13,066,330

Carlin Gold-Vanadium Property, Nevada

On September 22, 2017 the Company entered into an assignment agreement with America’s Gold Exploration Inc. (“AGEI”). Pursuant to the assignment agreement, AGEI assigned to the Company all of AGEI’s interest in an option agreement between AGEI and Golden Predator US Holding Corp. (“GPUS”) dated June 14, 2017 as amended September 12, 2017. The option agreement grants to Phenom Resources the option to acquire a 100% interest in the Carlin Gold-Vanadium Project (the “Property”) located in Elko Nevada.

During the nine months ended August 31, 2021, the Company amended the option agreement between AGEI and GPUS. The amendment focused on the extension of the NSR buy out. To compensate for the extension the Company paid part of the remaining \$1,910,000, earlier and was required to issue 1,000,000 common share purchase warrants within 3 business days of TSX Venture Exchange approval. Each warrant will be exercisable for one common share at a purchase price of CAD\$0.75 per share for a period of five years from the date of issuance (issued on July 9, 2021). The value of \$680,843 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.83; exercise price - \$0.75; risk-free rate – 0.96%; expected life – 5.0 years; expected volatility – 116%; and expected dividends – nil.

The Company under the new amendment has the right to purchase the total underlying royalty at any time on or before June 30, 2023 (the “Royalty Purchase Payment Deadline”) upon payment of \$4,000,000. The Royalty Purchase Payment Deadline may be extended in one year increments for up to four additional years upon the payment of \$250,000 per year due on or before each of June 30, 2023, 2024, 2025 and 2026.

The total consideration applicable to Phenom Resources’ acquisition of the Property under the assignment agreement with AGEI is as follows:

- US\$15,000 on execution of the LOI (paid on September 1, 2017)
- Pay US\$35,000 (paid on November 9, 2017) and issue 1,000,000 common shares (issued on November 8, 2017) on the Closing Date of the Agreement
- Issue 1,000,000 common shares on the date that is one year from the Closing Date (issued on October 15, 2018).

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The consideration applicable to Phenom Resources' acquisition of the Property under the option agreement with GPUS is as follows:

- Pay US\$15,000 on June 14, 2017 (paid by AGEI prior to the assignment agreement);
- Pay US\$25,000 by June 14, 2018 (paid on May 28, 2018);
- Pay US\$50,000 by June 14, 2019 (paid on May 22, 2019);
- Pay US\$955,000 by July 30, 2021 (paid on July 15, 2021); and
- Pay US\$955,000 by June 30, 2022.

In addition, the Company is required to incur \$1,022,000 in exploration expenditures on the property as follows:

- US\$50,000 on or before December 15, 2017 (completed);
- US\$125,000 on or before December 15, 2018 (completed);
- US\$225,000 on or before December 15, 2019 (completed);
- US\$250,000 on or before December 15, 2020 (completed);
- US\$250,000 on or before December 15, 2021 (completed); and
- US\$122,000 on or before June 14, 2022 (completed).

The Company purchased the 1.5% NSR from AGEI and adopted certain amendments to the assignment agreement for 1,300,000 common shares (issued on December 5, 2018 with a fair value of \$1,222,000).

On January 17, 2019, the Company entered into an Access and Mineral Lease Agreement which increased mineral rights adjacent to the Carlin Gold-Vanadium property (referred to as the "Cole Creek Property"). Under the terms of the Access and Mineral Lease Agreement the Company paid the lessor US\$50,000 on signing (paid) and is required to pay an additional US\$20,000 annually for the lease.

In addition, the Company is to incur an aggregate of US\$100,000 in expenditures before January 19, 2022. In the event the Company commences mining operations on the Cole Creek Property, the annual payments will be replaced with a 5% NSR royalty in favour of the lessor. The lessor also owns or has rights to certain lands containing roads which the Company wishes to use for access to the Cole Creek Property and the Carlin Gold-Vanadium property. The Access and Mineral Lease Agreement grants to the Company the right to access such lands and roads for a payment of US\$15,000 (paid) on signing and US\$5,000 annually which will terminate at the Company's start of development and mining operations. The Company has the right to terminate the lease portion of the agreement without termination of the road access portion of the agreement.

The Company has paid \$77,637 (US\$59,582) (November 30, 2020 - \$77,637 (US\$59,582)) into reclamation bonds for the Carlin Gold-Vanadium Property.

South Carlin Section 22 Property, Nevada

On July 12, 2021, the Company, through its wholly-owned subsidiary, Copper One USA, Inc., signed a property option agreement with two private vendors pursuant to acquire a 100% interest in 36 unpatented mining claims located one mile north of the Company's Carlin Gold-Vanadium Property on the Carlin Gold Trend of Nevada, commonly referred to as the South Carlin Section 22 Property.

This new property (Section 22) is located along the interpreted north-south trending structural corridor that is present within and passing through the Carlin Gold-Vanadium Property located to the south. With this acquisition, Phenom controls 3 of 4 square miles of the structural trend, with the one intervening square mile controlled by Nevada Gold Mines, the Barrick/Newmont Joint Venture.

Phenom Resources Corp. (formerly First Vanadium Corp.)
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Pursuant to the Option Agreement, in order to fully exercise its option and acquire the property, the Company will pay an aggregate of US\$920,000 as follows:

- US\$70,000 on signing (paid);
- US\$100,000 in Year 1;
- US\$200,000 in Year 2;
- US\$250,000 in Year 3; and
- US\$300,000 in Year 4

In addition, the Company is required to incur an aggregate of US\$1,000,000 in exploration expenditures on the property over the next four years as follows:

- US\$100,000 in Year 1;
- US\$200,000 in Year 2;
- US\$200,000 in Year 3; and
- US\$500,000 in Year 4

The vendors will also retain an aggregate 4% net smelter return royalty on any mineral products derived from the property.

AVP Property, Nevada

On January 14, 2021, the Company entered into an option agreement with Nevada Gold Ventures, LLC (“Nevada Gold”) whereby the Company has the option to acquire a 100% interest in the AVP Property located in Eureka, Nevada, by completing cash payments and share issuances to Nevada Gold and incurring the exploration expenditures on the property over a period of five years. The Company received TSX-V acceptance on January 20, 2021.

As consideration for the property, the Company will make cash payments of US\$50,000 and issue 1,500,000 common shares as follows:

- Pay US\$25,000 in cash (paid January 21, 2021) and issue 250,000 common shares within 5 days after the TSX-V approval date; (issued on January 21, 2021 and valued at \$115,000);
- Issue 250,000 common shares on or before January 20, 2022;
- Issue 250,000 common shares on or before January 20, 2023;
- Issue 250,000 common shares on or before January 20, 2024; and
- Pay US\$25,000 in cash and issue 500,000 common shares on or before January 20, 2025

In addition, the Company is required to incur \$2,000,000 in exploration expenditures on the property over the next five years as follows:

- US\$250,000 on or before January 20, 2022;
- US\$250,000 on or before January 20, 2023;
- US\$250,000 on or before January 20, 2024;
- US\$250,000 on or before January 20, 2025; and
- US\$1,000,000 on or before January 20, 2026

Nevada Gold will retain a 3% NSR on any mineral products derived from the AVP Property. The Company will have the right to purchase up to 2% of the NSR for US\$1.0 million per each 1% NSR prior to commencing commercial production, leaving Nevada Gold with a 1% NSR.

The Company has paid \$9,099 (US\$7,554) (November 30, 2020 - \$nil) into a reclamation bond for the AVP Property.

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West Jerome, Arizona

On August 22, 2013, the Company acquired all of the issued and outstanding shares of CO USA. The acquisition included an undivided 100% interest in West Jerome located in Arizona. The property is subject to a 1.5% NSR to one party and a 0.5% NSR to another party.

During the nine months ended August 31, 2021 the Company paid \$22,104 (2020 - \$22,782) in permitting fees to keep the West Jerome property in good standing. These costs have been expensed as exploration costs on the statement of loss and comprehensive loss as the costs that had been previously capitalized were written off.

Other

As at August 31, 2021, the Company holds a total of \$9,000 (November 30, 2020 - \$9,000) into a reclamation bond related to its previously held Spences Bridge prospect.

7. LEASE

The Company recognized a ROU asset and lease liability for office space leased by the Company. The Company is required to make monthly payments of approximately \$5,650, with the term of the lease expiring on February 28, 2021. The last two months of the lease were prepaid in fiscal 2019.

	Right-of-use asset
	\$
Balance, November 30, 2020	15,238
Depreciation	(15,238)
Balance, August 31, 2021	-

The following is a schedule of the Company's future minimum lease payments related to the lease obligations and the lease liability balance outstanding as at August 31, 2021. The outstanding liability balances as at August 31, 2021 was calculated using the Company's incremental borrowing rate of 20% per annum. Lease interest of \$87 (August 31, 2020 - \$6,392) and depreciation of \$15,238 (August 31, 2020 - \$45,714) is included within office expenses.

	Lease liability
	\$
Carrying value, November 30, 2020	5,697
Interest accrued	87
Lease payments	(5,784)
Carrying value, August 31, 2021	-

8. SHARE CAPITAL

- a) Authorized: Unlimited common shares without par value
- b) Financing:

For the nine months ended August 31, 2021

During the nine months ended August 31, 2021, the Company closed a non-brokered private placement by issuing 15,000,000 units at \$0.40 per unit for total gross proceeds of \$6,000,000. Each unit consists of one common share and one-half purchase warrant. Each purchase warrant is exercisable into one common share for a period of three years at an exercise price of \$0.55 per share. The value of \$1,842,639 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.55; exercise price - \$0.55; risk-free rate - 0.51%; expected life - 3.0 years; expected volatility - 105%; and expected dividends - nil.

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Additionally, in connection with the private placement, the Company incurred \$99,226 in cash share issuance costs and issued 150,325 finders' warrants. The value of \$52,866 attributed to the finders' warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.55; exercise price - \$0.55; risk-free rate - 0.51%; expected life - 3.0 years; expected volatility - 105%; and expected dividends - nil.

During the nine months ended August 31, 2021, a total of 2,867,150 warrants with an exercise price of \$0.26 per share were exercised for gross proceeds of \$745,459. The fair value of the warrants of \$242,824 was reclassified from reserves to share capital.

During the nine months ended August 31, 2021 a total of 220,000 options with a weighted average exercise price of \$0.33 per share were exercised for gross proceeds of \$71,625. The fair value of the stock options of \$66,758 was reclassified from reserves to share capital.

For the nine months ended August 31, 2020

During the nine months ended August 31, 2020, the Company closed a non-brokered private placement of 10,666,667 units at \$0.15 per unit for total gross proceeds of \$1,600,000. Each unit consists of one common share and one purchase warrant. Each purchase warrant is exercisable into one common share for a period of three years at an exercise price of \$0.26 per share. The value of \$869,018 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.28; exercise price - \$0.26; risk-free rate - 0.27%; expected life - 3.0 years; expected volatility - 109%; and expected dividends - nil. Additionally, in connection with the private placement, the Company incurred \$29,809 in cash share issuance costs and issued 87,150 finder warrants. The value of \$16,336 attributed to the finders warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.18; exercise price - \$0.26; risk-free rate - 0.27%; expected life - 3.0 years; expected volatility - 109%; and expected dividends - nil.

During the nine months ended August 31, 2020 a total of 320,000 warrants with an exercise price of \$0.24 per share were exercised for gross proceeds of \$76,800. The fair value assigned to the warrants of 21,178 was reclassified from reserves to share capital.

c) Stock options:

Stock option plan

The Company has adopted a stock option plan which authorizes the grant of up to 10% of the issued and outstanding shares as incentive stock options to directors, officers, insiders, employees and other service providers to the Company. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The options granted under the stock option plan vest immediately, unless otherwise elected by the Board of Directors.

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The balance of fully exercisable options outstanding and related information for the nine months ended August 31, 2021 are as follows:

	Options Outstanding	Weighted Average Exercise Price Per Share	Weighted Average Life (Years)
Balance, November 30, 2019	3,385,000	\$0.37	3.42
Exercised	(150,000)	\$0.255	
Granted	1,225,000	\$0.32	
Balance, November 30, 2020	4,460,000	\$0.36	3.02
Granted	1,890,000	\$0.58	
Exercised	(220,000)	\$0.33	
Cancelled	(400,000)	\$0.68	
Balance, August 31, 2021	5,730,000	0.41	3.11

During the nine months ended August 31, 2021, the Company granted 1,890,000 stock options and recognized share-based payment compensation of \$906,228. All options vested immediately upon issuance. The weighted average fair value per option of the share options granted during the period was \$0.48. The fair value of the options was estimated on the date of grant using the Black-Scholes option valuation model with the following weighted average assumptions: share price - \$0.59; exercise price - \$0.58; dividend yield - nil; volatility - 118%; risk-free interest rate - 0.94%; expected life of options (years) - 5 years; forfeiture rate - nil.

During the nine months ended August 31, 2020, the Company granted 1,225,000 stock options and recognized share-based payment compensation of \$388,061. All options vested immediately upon issuance. The weighted average fair value per option of the share options granted during the period was \$0.32. The fair value of the options was estimated on the date of grant using the Black-Scholes option valuation model with the following weighted average assumptions: share price - \$0.38; exercise price - \$0.32; dividend yield - nil; volatility - 119%; risk-free interest rate - 0.32%; expected life of options (years) - 5 years; forfeiture rate - nil.

As at August 31, 2021, the Company had the following fully exercisable options outstanding:

Expiry Date	Exercise Price	Options outstanding and exercisable
October 11, 2021	\$0.10	350,000
October 25, 2022	\$0.30	395,000
November 9, 2022	\$0.31	200,000
January 22, 2023	\$0.30	10,000
April 6, 2023	\$0.26	100,000
April 6, 2023	\$0.56	720,000
July 30, 2023	\$0.26	150,000
October 23, 2023	\$0.26	100,000
October 30, 2023	\$0.26	100,000
March 18, 2024	\$0.26	245,000
March 18, 2024	\$0.60	45,000
November 8, 2024	\$0.25	100,000
November 18, 2024	\$0.25	100,000
August 5, 2025	\$0.32	1,225,000
March 18, 2026	\$0.40	50,000
May 13, 2026	\$0.59	1,840,000
		5,730,000

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Subsequent to August 31, 2021, all of the 350,000 options expiring October 11, 2021 were exercised for gross proceeds of \$35,000.

d) Warrants:

The balance of warrants outstanding and related information for the nine months ended August 31, 2021 were as follows:

	Warrants Outstanding	Weighted Average Exercise Price (per share)	Weighted Average Life (years)
Balance, November 30, 2019	10,816,500	\$0.43	1.24
Issued	10,753,817	\$0.26	
Exercised	(4,125,000)	\$0.24	
Expired	(3,384,000)	\$0.45	
Balance, November 30, 2020	14,061,317	\$0.36	2.35
Issued	8,650,325	\$0.57	
Exercised	(2,867,150)	\$0.26	
Balance, August 31, 2021	19,844,492	\$0.46	2.14

As at August 31, 2021, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Warrants outstanding
June 6, 2022	\$0.65	2,125,500
July 3, 2022	\$0.65	1,312,000
July 9, 2023	\$0.26	7,756,667
May 5, 2024	\$0.55	6,977,325
May 12, 2024	\$0.55	673,000
July 9, 2026	\$0.75	1,000,000
		19,844,492

Subsequent to August 31, 2021, a total of 50,000 warrants were exercised at an exercise price of \$0.26 for gross proceeds of \$13,000.

9. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company's key management personnel include all directors, officers and companies associated with them including the following:

- Buena Tierra Development Ltd ("Buena Tierra"), a company owned by Paul Cowley, the President, Chief Executive Officer and a director of the Company.

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Compensation paid or payable to key management personnel for services provided during the three and nine months ended August 31, 2021 and 2020 was as follows:

	Three months ended		Nine months ended	
	August 31,		August 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Accounting fees	5,467	1,619	18,611	13,141
Consulting fees	45,000	45,000	235,000	125,000
Deferred exploration expenditure - consulting	450	6,975	5,402	36,225
Share-based compensation	-	197,990	452,776	197,990
	50,917	251,584	711,789	372,356

As at August 31, 2021, accounts payable and accrued liabilities include \$171,080 (November 30, 2020 – \$176,268) due to officers of the Company and/or companies controlled by officers of the Company. The amounts are non-interest bearing, unsecured and have no specific terms of repayment. A total of \$153,010 owing to a related party balance relates to bonus payments earned by an officer and director of the Company. The payment will be deferred until such time as the Company's Board of Directors approves payment.

10. SEGMENTED INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive management in assessing performance and in determining the allocation of resources. The Company considers the business from a geographic perspective and assesses the performance of the operating segments based on measures such as net property and equipment as well as operational results.

Operating Segment

The Company's operations are limited to a single industry segment, being the acquisition, exploration and development of mineral properties.

Geographic Segments

As at August 31, 2021, the Company's operations and assets are located in Canada and the USA. By geographic areas, the Company's losses for the three and nine months ended August 31, 2021 and 2020 are as follows:

	Three months ended		Nine months ended	
	August 31,		August 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Canada	471,545	603,481	1,898,725	862,344
USA	26,319	23,519	46,130	23,799
	497,864	627,000	1,944,855	886,143

By geographic areas, the Company's non-current assets as at August 31, 2021 and November 30, 2020 are as follows:

	August 31, 2021	November 30, 2020
	\$	\$
Canada	232,228	28,629
USA	12,930,937	8,387,878
	13,163,165	8,416,507

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11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the nine months ended August 31, 2021 and 2020, non-cash financing and investing activities included:

- \$1,842,639 (August 31, 2020 - \$869,018) was allocated from share capital to reserves to record the relative fair value of the warrants issued in private placements;
- \$242,823 (August 31, 2020 - \$21,178) was reclassified from reserves to share capital on the exercise of warrants;
- \$66,758 (August 31, 2020 - \$nil) was reclassified from reserves to share capital on the exercise of options;
- \$52,866 (August 31, 2020 - \$16,336) in finders' warrants was recorded as share issuance costs;
- \$721,175 (November 30, 2020 - \$443,491) in accounts payable and accrued liabilities related to exploration and evaluation assets; and
- \$115,000 (August 31, 2020 - \$nil) in common shares were issued for the acquisition of exploration and evaluation assets.
- \$680,843 (August 31, 2020 - \$nil) in warrants were issued for the acquisition of exploration and evaluation assets.

12. COMMITMENTS

The following table summarizes the contractual maturities of the Company's significant financial liabilities and capital commitments, including contractual obligations for the years ended November 30 indicated:

	2021	2022	2023	2024	2025	Total
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	922,341	-	-	-	-	922,341
Consulting agreement obligations	45,000	180,000	180,000	180,000	180,000	765,000
Exploration obligations ⁽¹⁾	-	1,930,401	851,648	914,733	1,387,870	5,084,652
	967,341	2,110,401	1,031,648	1,094,733	1,567,870	6,771,993

⁽¹⁾ Exploration obligations include all option payments, mineral access, mineral lease, and exploration expenditure obligations for the Company's mineral properties.

13. SUBSEQUENT EVENT

Subsequent to August 31, 2021, the Company signed a three-year option agreement with Nevada Gold Ventures, LLC ("Nevada Gold"), whereby the Company has the option to acquire a 100% interest in the SMOKE Property. As consideration for the property, the Company will make cash payments of US\$10,000 and issue 600,000 common shares to Nevada Gold as follows:

- Pay US\$10,000 on signing of the Option Agreement;
- Issue 150,000 Phenom common shares on receipt of approval from TSX Venture Exchange ("TSX-V");
- Issue an additional 150,000 common shares on or before the first anniversary of TSX-V approval;
- Issue an additional 150,000 common shares on or before the second anniversary of TSX-V approval; and
- Issue an additional 150,000 common shares on or before the third anniversary of TSX-V approval

In addition, the Company is required to incur US\$500,000 in exploration expenditures on the property over the next three years as follows:

- US\$100,000 on or before the first anniversary of TSX-V approval;
- US\$200,000 on or before the second anniversary of TSX-V approval; and
- US\$200,000 on or before the third anniversary of TSX-V approval

Nevada Gold will retain a 3% Net Smelter Return Royalty ("NSR") on any mineral products derived from the SMOKE

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Property. Phenom will have the right to purchase up to a 2% NSR for US\$1.0 million for each 1% NSR prior to commencing commercial production, leaving Nevada Gold with a 1% NSR. The proposed transaction is subject to the acceptance of the TSX-V.