

Gitennes Exploration Inc.

CONDENSED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Company's 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 condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these 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 auditor.

"Ken Booth"

Chief Executive Officer

"Kerry Spong"

Chief Financial Officer

November 19, 2021

Gitennes Exploration Inc.

Condensed Interim Balance Sheets

Canadian Funds

Unaudited

	September 30, 2021	December 31, 2020
ASSETS		
Current		
Cash	\$ 192,574	\$ 1,462,861
Accounts receivable	199,261	44,358
Prepaid expenses	3,060	40,950
	<u>394,895</u>	<u>1,548,169</u>
Reclamation Bonds	25,500	31,500
Equipment	<u>2,119</u>	<u>2,493</u>
	<u>\$ 422,514</u>	<u>\$ 1,582,162</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 5 and 6)	\$ 214,272	\$ 597,285
Derivative liability (Note 6)	-	75,000
Deferred flow-through premium liability (Note 3a)	10,166	38,417
	<u>224,438</u>	<u>710,702</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 3a)	36,595,290	35,833,981
Contributed Surplus	2,311,276	2,247,098
Deficit	<u>(38,708,490)</u>	<u>(37,209,619)</u>
	<u>198,076</u>	<u>871,460</u>
	<u>\$ 422,514</u>	<u>\$ 1,582,162</u>

Nature of Operations and Going Concern (Note 1)

Subsequent Event (Note 8)

ON BEHALF OF THE BOARD:

“Ken Booth”, Director

“Robert Matthews”, Director

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

**Condensed Interim Statements of Changes
In Shareholders' Equity (Deficiency)**

For the Nine Months Ended September 30

Canadian Funds

Unaudited

	Share Capital (Note 3a)	Contributed Surplus	Deficit	Total
Balance – December 31, 2019	\$ 33,967,305	\$ 1,869,922	\$ (36,008,757)	\$ (171,530)
Private placement - units	751,000	-	-	751,000
Private placement - flow-through units	644,600	-	-	644,600
Private placement - units	300,000	-	-	300,000
Share issuance costs	(156,454)	-	-	(156,454)
Finders' warrants issued	(94,673)	94,673	-	-
Shares issued in settlement of finder's fee payable	2,450	-	-	2,450
Shares issued for properties	224,700	-	-	224,700
Comprehensive loss for the period	-	-	(548,874)	(548,874)
Balance – September 30, 2020	\$ 35,638,928	\$ 1,964,595	\$ (36,557,631)	\$ 1,045,892
Balance – December 31, 2020	\$ 35,833,981	\$ 2,247,098	\$ (37,209,619)	\$ 871,460
Private placement - units	168,300	9,900	-	178,200
Private placement - flow-through units	566,105	26,449	-	592,554
Share issuance costs	(95,756)	-	-	(95,756)
Flow-through premium	(108,222)	-	-	(108,222)
Finders' warrants issued	(15,868)	15,868	-	-
Shares issued for properties	26,000	-	-	26,000
Shares issued in settlement of accounts payable (Note 6)	145,750	-	-	145,750
Shares issued in settlement of derivative liability (Note 6)	75,000	-	-	75,000
Share-based compensation (Note 3c)	-	11,961	-	11,961
Comprehensive loss for the period	-	-	(1,498,871)	(1,498,871)
Balance – September 30, 2021	\$ 36,595,290	\$ 2,311,276	\$ (38,708,490)	\$ 198,076

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Statements of Comprehensive Loss

For the Three and Nine Months Ended September 30

Canadian Funds

Unaudited

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Expenses				
Accounting and audit	\$ 21,000	\$ 16,250	\$ 65,396	\$ 46,148
Consulting	12,500	22,200	53,988	22,200
Depreciation	125	156	374	468
Exploration and evaluation (Note 4)	188,801	357,059	1,243,628	269,430
General exploration	-	-	3,129	1,766
Interest income	-	-	-	(1,561)
Interest on long-term debt (Note 5)	-	857	-	2,552
Legal	7,642	19,372	30,556	34,301
Management fees	30,000	20,000	90,000	47,000
Office and miscellaneous	5,370	4,331	15,177	12,131
Promotion and public relations	18,000	31,742	78,000	79,429
Share-based compensation (Note 3c)	2,445	-	11,961	-
Shareholder information	755	5,080	8,798	5,729
Stock exchange and filing	1,872	12,625	11,618	20,574
Transfer agent	2,564	1,743	5,926	3,696
Travel	1,107	4,662	3,543	9,546
Loss Before Other Items	292,181	496,077	1,622,094	553,409
Loss on settlement of debt (Note 6)	-	-	13,250	-
Gain on settlement of debt (Note 6)	-	(3,675)	-	(3,675)
Loss Before Income Taxes	292,181	492,402	1,635,344	549,734
Deferred income tax recovery (Note 3a)	(29,733)	(157)	(136,473)	(860)
Comprehensive Loss for the Period	\$ 262,448	\$ 492,245	\$ 1,498,871	\$ 548,874
Loss Per Share – Basic and Diluted	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.04
Weighted-Average Number of Shares Outstanding – Basic and Diluted	42,403,952	20,628,956	37,300,030	13,967,011

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Statements of Cash Flows

For the Nine Months Ended September 30

Canadian Funds

Unaudited

	2021	2020
Cash Flows from Operating Activities		
Loss for the period	\$ (1,498,871)	\$ (548,874)
Items not involving cash		
Shares issued for properties	26,000	224,700
Loss on settlement of debt	13,250	-
Gain on settlement of debt	-	(3,675)
Deferred income tax recovery	(136,473)	(860)
Share-based compensation	11,961	-
Depreciation	374	468
Changes in non-cash working capital items		
Accounts receivable	(154,903)	9,237
Prepaid expenses	37,890	28,986
Accounts payable and accrued liabilities	(250,513)	198,288
	<u>(1,951,285)</u>	<u>(91,730)</u>
Cash Flows from Investing Activities		
Reclamation bonds	6,000	-
Cash Flows from Financing Activities		
Share capital issued for cash	770,754	1,695,600
Share issuance costs	(95,756)	(156,454)
Repayment of long-term debt – related parties	-	(42,500)
	<u>674,998</u>	<u>1,496,646</u>
Change in Cash Position	(1,270,287)	1,404,916
Cash Position - Beginning of Period	1,462,861	3,177
Cash Position - End of Period	\$ 192,574	\$ 1,408,093

Supplemental schedule of non-cash financing activities

Shares issued for properties	\$ 26,000	\$ 224,700
Shares issued for settlement of accounts payable	\$ 145,750	\$ -
Shares issued for settlement of finder's fee payable	\$ -	\$ 2,450
Shares issued for settlement of derivative liability	\$ 75,000	\$ -
Finders' warrants issued	\$ 15,868	\$ 94,673
Flow-through premium liability	\$ 108,222	\$ -

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

1. Nature of Operations and Going Concern

Gitennes Exploration Inc. (“the Company”) is incorporated in the province of British Columbia with its principal office located at 410 – 325 Howe Street, Vancouver, British Columbia. The Company is currently exploring one property in northern British Columbia, four properties in Quebec, and has a royalty interest in a property located in Peru. All of these properties are in the exploration stage and it has not yet been determined whether they contain mineral reserves.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company has no ongoing source of revenue and will require cash to maintain its mineral interests and meet its administrative overhead. As at September 30, 2021, the Company had an accumulated deficit of \$38,708,490 and working capital of \$170,457, which is considered insufficient to meet its overhead requirements and planned exploration programs for the ensuing twelve months (*Note 8*).

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing to complete the development of its mineral properties and fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future. In addition, the outbreak of the COVID-19 pandemic has introduced significant uncertainty into the capital markets, which may affect the ability of junior exploration companies to raise equity to fund exploration activities.

These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Significant Accounting Policies and Basis of Presentation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These interim financial statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

These condensed interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended December 31, 2020. All financial information presented herein is unaudited. The Company’s board of directors approved these financial statements for issue on November 19, 2021.

Gitennes Exploration Inc.

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

3. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

a) Issued and outstanding

	Shares	Amount
Balance – December 31, 2019	10,599,434	\$ 33,967,305
Private placement – units	9,387,500	751,000
Private placement – flow-through units	5,860,000	644,600
Private placement – units	2,500,000	300,000
Private placement – flow-through units	3,175,000	292,417
Share issuance costs	-	(209,277)
Flow-through premium	-	(38,417)
Finders' warrants issued	-	(100,797)
Shares issued for Snowbird property (Note 4)	200,000	28,000
Shares issued for Snowbird property finder's fee (Note 4)	17,500	2,450
Shares issued for JMW property (Note 4)	1,000,000	140,000
Shares issued for JMW property finder's fee (Note 4)	87,500	12,250
Shares issued for RAL property (Note 4)	150,000	21,000
Shares issued for New Mosher property (Note 4)	150,000	21,000
Shares issued in settlement of accounts payable (Note 6)	17,500	2,450
Balance – December 31, 2020	33,144,434	35,833,981
Private placement – units	1,980,000	168,300
Private placement – flow-through units	5,386,855	566,105
Share issuance costs	-	(95,756)
Flow-through premium	-	(108,222)
Finders' warrants issued	-	(15,868)
Shares issued for New Mosher property (Note 4)	150,000	7,500
Shares issued for Gaspé properties (Note 4)	250,000	12,500
Shares issued for JMW property finder's fee (Note 4)	75,000	6,000
Shares issued in settlement of derivative liability (Note 6)	937,500	75,000
Shares issued in settlement of accounts payable (Note 6)	1,325,000	145,750
Balance – September 30, 2021	43,248,789	\$ 36,595,290

In August 2020, the Company completed a private placement by issuing 9,387,500 units at a price of \$0.08 per unit for gross proceeds of \$751,000 and 5,860,000 flow-through units at a price of \$0.11 per flow-through unit for gross proceeds of \$644,600. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.15 per share for a period of two years. Each flow-through unit consisted of one common flow-through share and one-half of one non-flow-through share purchase warrant with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.20 per share for a period of two years. The Company paid finders' fees of \$79,808, a \$2,000 corporate finance fee, and \$55,617 in legal and filing fees in respect of the placement. The Company also issued 851,800 finders' warrants with each warrant entitling the holder to purchase one common share at prices of \$0.15 and \$0.20 per share for a period of two years. The fair value of the finders' warrants was estimated at \$94,673 using the Black-Scholes Option-Pricing Model. The unit price of this offering was less than the trading price of the shares on the date of issuance, therefore, no flow-through premium was recorded and no residual value was assigned to the warrants.

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

3. Share Capital - *continued*

a) Issued and outstanding - *continued*

In September 2020, the Company completed a private placement by issuing 2,500,000 units at a price of \$0.12 per unit for gross proceeds of \$300,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.18 per share for a period of three years. The Company paid \$20,840 in legal and filing fees in respect of the placement. The unit price of this offering was less than the trading price of the shares on the date of issuance, therefore, no residual value was assigned to the warrants.

In December 2020, the Company completed a private placement by issuing 3,175,000 flow-through units at a price of \$0.10 per unit for gross proceeds of \$317,500. Each unit consisted of one common flow-through share and one-half of one non-flow-through share purchase warrant with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.15 per share for a period of two years. The Company paid finders' fees of \$23,200 and paid \$27,812 in legal and filing fees in respect of the placement. The Company also issued 232,000 finders' warrants with each warrant entitling the holder to purchase one common share at prices of \$0.10 and \$0.15 per share for periods of one and two years. The fair value of the finders' warrants was estimated at \$6,124 using the Black-Scholes Option-Pricing Model. The unit price of this offering exceeded the trading price of the shares on the date of issuance, therefore, \$25,083 of the unit proceeds, being the estimated residual value, has been assigned to the warrants and classified as contributed surplus.

The value of the flow-through feature of the flow-through shares was estimated and resulted in a flow-through premium liability of \$38,417. During 2021, the Company incurred the required qualifying exploration expenditures and, accordingly, derecognized the flow-through premium liability and recorded a deferred income tax recovery of \$38,417.

In June 2021, the Company completed a private placement by issuing 1,980,000 units at a price of \$0.09 per unit for gross proceeds of \$178,200 and 5,386,855 flow-through units at a price of \$0.11 per unit for gross proceeds of \$592,554. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.15 per share for a period of two years. Each flow-through unit consisted of one common flow-through share and one-half of one non-flow-through share purchase warrant with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.20 per share for a period of one year. The Company paid finders' fees of \$46,050, a corporate finance fee of \$10,000, and \$39,706 in legal and filing fees in respect of the placement. The Company also issued 440,654 finders' warrants with each warrant entitling the holder to purchase one common share at a price of \$0.15 per share for a period of two years. The fair value of the finders' warrants was estimated at \$15,868 using the Black-Scholes Option-Pricing Model. The unit price of this offering exceeded the trading price of the shares on the date of issuance, therefore, \$36,349 of the unit proceeds, being the estimated residual value, has been assigned to the warrants and classified as contributed surplus.

The value of the flow-through feature of the flow-through shares was estimated at \$108,222 resulting in a flow-through premium liability, which, upon incurring the required qualifying exploration expenditures, will be derecognized and a deferred income tax recovery recorded. During the period, the Company derecognized \$98,056 of the flow-through premium liability.

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

3. Share Capital - continued

b) Stock options

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. Details of stock option activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2019	635,000	\$ 0.54
Granted	1,875,000	\$ 0.17
Balance – December 31, 2020	2,510,000	\$ 0.26
Granted	100,000	\$ 0.12
Balance – September 30, 2021	2,610,000	\$ 0.26

As at September 30, 2021, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
240,000	\$ 0.50	October 28, 2021
150,000	\$ 0.50	February 15, 2022
60,000	\$ 0.50	June 22, 2022
40,000	\$ 1.20	October 25, 2022
145,000	\$ 0.50	August 21, 2023
200,000	\$ 0.165	October 14, 2021
1,675,000	\$ 0.165	October 14, 2025
100,000	\$ 0.115	March 4, 2026
<u>2,610,000</u>		

As at September 30, 2021, the outstanding options had a weighted-average remaining life of 2.93 years; 2,560,000 outstanding options with a weighted-average exercise price of \$0.26 had vested and were exercisable.

c) Share-based compensation

During the period, the Company granted stock options to service providers and estimated related share-based compensation as follows:

	2021	2020
Total options granted	100,000	-
Weighted-average exercise price	\$ 0.115	\$ -
Estimated fair value of compensation	\$ 9,990	\$ -
Estimated fair value per option	\$ 0.10	\$ -

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

3. Share Capital - continued

c) Share-based compensation - continued

The fair value of the related share-based compensation recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2021	2020
Risk-free interest rate	0.83%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	144%	-
Expected forfeiture rate	0.00%	-
Expected option life in years	5.00	-

During the period, 200,000 (2020 - nil) options vested and the Company recognized \$11,961 (2020 - \$nil) in share-based compensation.

d) Warrants

Details of share purchase warrant activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2019	2,510,431	\$ 0.64
Issued	17,488,800	\$ 0.16
Expired	(808,863)	\$ 0.92
Balance – December 31, 2020	19,190,368	\$ 0.20
Issued	5,114,082	\$ 0.18
Expired	(1,124,176)	\$ 0.59
Balance – September 30, 2021	23,180,274	\$ 0.17

As at September 30, 2021, the Company had share purchase warrants outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
174,000	\$ 0.50	September 12, 2022
403,392	\$ 0.50	September 18, 2022
9,969,780	\$ 0.15	August 6, 2022
2,953,200	\$ 0.20	August 6, 2022
246,320	\$ 0.15	August 7, 2022
2,500,000	\$ 0.18	September 14, 2023
80,000	\$ 0.10	December 23, 2021
1,739,500	\$ 0.15	December 23, 2022
1,313,700	\$ 0.20	June 14, 2022
1,379,728	\$ 0.20	June 15, 2022
1,780,000	\$ 0.15	June 14, 2022
200,000	\$ 0.15	June 15, 2022
156,100	\$ 0.15	June 14, 2023
284,554	\$ 0.15	June 15, 2023
<u>23,180,274</u>		

As at September 30, 2021, the outstanding warrants had a weighted-average remaining life of 0.97 years.

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

4. Exploration and Evaluation

Details of the Company's mineral interests are as follows:

Snowbird, Canada

In February 2017, the Company entered into an option agreement granting it the right to earn a 100% interest in the Snowbird property located near Fort St. James, British Columbia. The Company earned its interest by issuing shares to the optionor and completing minimum exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval	600,000	\$ -
On or before September 30, 2018	200,000	500,000
On or before September 30, 2019	200,000	-
On or before December 31, 2019	-	500,000
On or before September 30, 2020	200,000	-
On or before September 30, 2021	-	500,000
	1,200,000	\$ 1,500,000

During 2020, the Company issued 200,000 shares with a fair value of \$28,000 to the optionors and 17,500 shares with a fair value of \$2,450 to the finders in respect of the 2020 finder's fee payable; the Company also issued 17,500 shares with a fair value of \$2,450 in respect of the 2019 finder's fee payable (*Note 6*). The option agreement provides for a 2% net smelter returns royalty ("NSR") that, upon payment of royalty payments totalling \$1,300,000, reverts to an uncapped 1% NSR.

In February 2021, the Company signed an option agreement on the Snowbird project providing the optionee with the right to acquire a 100% interest in the Company's underlying option agreement with the original owners of the Snowbird property. The optionee is a private company and is currently seeking a listing on a Canadian stock exchange. Upon signing the agreement, the optionee paid the Company \$25,000 and issued special warrants entitling the Company to receive that number of shares in the optionee with a value of \$2.2 million, based on a 10-day volume-weighted average trading price of the optionee's shares. Should the optionee not obtain a listing of its shares by February 4, 2022, the Company will receive 22 million shares of the optionee. In addition, the optionee must incur \$500,000 in exploration expenditures on the property by June 30, 2021 (incurred) and a total of \$1,500,000 in expenditures by June 30, 2022. Upon earning its interest in the project, the optionee will own a 100% interest, subject to the NSR due to the original owners, and the Company will cease to have any direct interest in the Snowbird project.

Maroon, Canada

In May 2018, the Company entered into an option agreement to acquire a 100% interest in the Maroon gold property located 35 kilometres north of Terrace, British Columbia. The Company returned the property to the optionor in May 2020. During 2021, the Company received a refund of its reclamation bond of \$6,000.

Urumalqui, Peru

In December 2014, AndeanGold Ltd. earned a 100% interest in the Company's Urumalqui project situated in north-central Peru. The Company retained an uncapped NSR of 1.5% on all metals produced at Urumalqui, with no buy-out or other provisions attached.

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

4. Exploration and Evaluation - *continued*

Rivière-à-l'Aigle ("RAL"), Quebec, Canada

In June 2020, the Company entered into an option agreement granting it the right to earn up to an 85% interest in the RAL property located in the Lac Windfall region of northern Quebec. The Company could earn a 70% interest by issuing shares and incurring exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval (<i>issued</i>)	150,000	\$ -
On or before September 30, 2021	250,000	150,000
On or before September 30, 2022	300,000	250,000
On or before September 30, 2023	300,000	400,000
On or before September 30, 2024	500,000	700,000
	1,500,000	\$ 1,500,000

During 2020, the Company issued 150,000 shares with a fair value of \$21,000 to the optionor. During the period of the option, the Company incurred approximately \$158,000 on the property and in September 2021, abandoned the project and returned the property to the optionor.

New Mosher, Quebec, Canada

In June 2020, the Company entered into an option agreement granting it the right to earn up to an 85% interest in the New Mosher property located in the James Bay region of northern Quebec. To earn a 70% interest, the Company, at its option, must issue shares and incur exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval (<i>issued</i>)	150,000	\$ -
On or before September 30, 2021 (<i>issued/incurred</i>)	150,000	150,000
On or before September 30, 2022 (<i>i</i>)	150,000	250,000
On or before September 30, 2023 (<i>i</i>)	150,000	300,000
On or before September 30, 2024 (<i>i</i>)	400,000	300,000
	1,000,000	\$ 1,000,000

(i) Expenditures have been incurred; shares have not been issued.

Upon earning a 70% interest, the Company can elect to increase its interest in the property to 85% either by producing an inferred resource or completing a preliminary economic assessment ("PEA") within 12 months of making such election. The Company will pay the optionor \$250,000 in cash or shares, at the Company's option, upon producing an inferred resource or \$750,000 in cash upon delivering a PEA. The property is subject to a 1.5% NSR, which can be reduced to 0.5% upon payment of \$1,000,000 to the optionor. Upon earning either a 70% or 85% interest, the Company and the optionor will form a joint venture to further develop the property.

During 2021, the Company issued 150,000 shares (2020 - 150,000 shares) with a fair value of \$7,500 (2020 - \$21,000) to the optionor.

Gaspe, Quebec, Canada

In August 2021, the Company acquired a 100% interest in two gold properties and one copper property in the Gaspe Region of Quebec by issuing 250,000 shares with a fair value of \$12,500 to the seller.

Notes to Condensed Interim Financial Statements

September 30, 2021

Canadian Funds

Unaudited

4. Exploration and Evaluation - continued

JMW, Quebec, Canada

In June 2020, the Company entered into an agreement to purchase a 100% interest in the JMW property located in northern Quebec and a ten-claim property located in the Val-d'Or region of Quebec. In September 2020, the Company paid \$25,000 and issued 1,000,000 shares with a fair value of \$140,000 to the vendors of the properties. The Company also issued 87,500 shares with a fair value of \$12,250 as a finder's fee.

The Company agreed to issue a further 750,000 shares to the vendors after twelve months, subject to an adjustment in the shares issuable to provide a minimum fair value of \$75,000 to the vendors. This derivative liability was initially measured at \$105,000 and was carried at fair value through profit or loss. In September 2021, the Company issued 937,500 shares with a fair value of \$75,000 to settle this obligation.

The properties are subject to an NSR of 2%, one-half of which can be purchased for \$1,000,000. The Company has granted the vendors of the properties a further 1.5% NSR, which can be reduced to 0.5% upon payment of \$1,000,000 to the vendors.

Maxwell, Quebec, Canada

The Company has staked the Maxwell property located in northern Quebec. The property is approximately 18 kilometres northeast of the JMW property and comprises 169 claims totalling 9,112 hectares.

Expenditures

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. Expenditures for the periods ended September 30 and cumulative expenditures as at September 30, 2021 are as follows:

Canada	Expenditures 2021	Expenditures 2020	Cumulative 2021
Snowbird, British Columbia			
Option payments, finder's fees, and staking	\$ -	\$ 30,450	\$ 553,010
Assays	-	-	68,773
Camp and general	1,900	-	27,778
Consulting	-	-	20,598
Drilling	-	-	505,716
Geological	-	7,930	237,801
Geophysical	-	-	26,966
Mapping and survey	-	935	22,467
Transportation	-	-	118,886
Option payments received	(25,000)	-	(25,000)
Expense recoveries	-	(89,543)	(138,795)
	<u>(23,100)</u>	<u>(50,228)</u>	<u>1,418,200</u>
Maroon, British Columbia			
Option payments and finder's fees	-	-	45,969
Assays	-	-	744
Camp and general	-	-	193
Geological	-	-	2,500
Mapping and survey	-	-	1,773
Transportation	-	-	6,460
Expense recoveries	-	(6,951)	(6,951)
	<u>-</u>	<u>(6,951)</u>	<u>50,688</u>
Balances carried forward	\$ (23,100)	\$ (57,179)	\$ 1,468,888

Gitennes Exploration Inc.

Notes to Condensed Interim Financial Statements

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Canadian Funds

Unaudited

4. Exploration and Evaluation - continued

Expenditures - continued

Canada	Expenditures 2021	Expenditures 2020	Cumulative 2021
Balances brought forward	\$ (23,100)	\$ (57,179)	\$ 1,468,888
JMW, Quebec			
Acquisition payments and finder's fee	6,000	282,250	289,152
Administration	287	-	1,615
Assays	-	-	7,766
Camp and general	-	-	320
Field supplies	338	-	3,458
Geological	7,750	-	66,752
Geophysical	222,223	-	222,223
Mapping and survey	560	2,359	3,153
Transportation	-	-	6,865
	<u>237,158</u>	<u>284,609</u>	<u>601,304</u>
RAL, Quebec			
Option payments	-	21,000	21,000
Administration	4,981	-	14,053
Camp and general	-	-	3,334
Field supplies	-	-	619
Geological	4,173	-	20,934
Geophysical	46,639	-	116,639
Transportation	-	-	2,753
	<u>55,793</u>	<u>21,000</u>	<u>179,332</u>
New Mosher, Quebec			
Option payments	7,500	21,000	28,500
Administration	74,533	-	83,049
Assays	39,790	-	47,636
Camp and general	56,979	-	62,338
Drilling	376,345	-	376,345
Environmental and permitting	5,466	-	5,466
Field supplies	26,377	-	27,426
Geological	172,422	-	207,853
Geophysical	106,386	-	142,211
Mapping and survey	2,750	-	2,750
Transportation	60,938	-	64,838
	<u>929,486</u>	<u>21,000</u>	<u>1,048,412</u>
Maxwell, Quebec			
Staking	-	-	7,884
Geological	17,000	-	23,750
Mapping and survey	560	-	560
Transportation	5,890	-	5,890
	<u>23,450</u>	<u>-</u>	<u>38,084</u>
Gaspe, Quebec			
Acquisition payments	12,500	-	12,501
Geological	7,500	-	7,500
Mapping and survey	841	-	840
	<u>20,841</u>	<u>-</u>	<u>20,841</u>
	<u>\$ 1,243,628</u>	<u>\$ 269,430</u>	<u>\$ 3,356,861</u>

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Canadian Funds

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5. Related Party Transactions and Key Management Compensation

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations and were measured at the amounts agreed to by the parties. Key management personnel include executive and non-executive directors and executive officers. The compensation paid or payable to key management for the periods ended September 30 is as follows:

	2021		2020	
Administrative consulting fees	\$	90,000	\$	47,000
Geological consulting fees		3,129		3,000
Accounting fees		49,500		33,500
	\$	142,629	\$	83,500

Accounts payable includes \$95,400 (December 31, 2020 - \$264,150) in accrued management and geological consulting and accounting fees due to the chief executive officer and the chief financial officer (Note 6).

During 2020, the Company repaid \$42,500 in accrued administrative consulting and accounting fees due to the chief executive officer and the chief financial officer. This balance had been classified as long-term debt bearing interest at 8% per annum. Interest totalling \$2,552 was paid on these amounts during 2020.

6. Accounts Payable and Derivative Liability

During the period, the Company agreed to issue 1,325,000 common shares in settlement of outstanding accounts payable of \$132,500 due to the chief executive officer and the chief financial officer. In March 2021, at the time the shares were issued, the fair value of the shares was \$145,750 resulting in the recognition of a loss on settlement of debt of \$13,250.

Pursuant to its September 2020 purchase of the JMW property (Note 4), the Company agreed to issue 750,000 shares to the vendors in September 2021, subject to an adjustment in the shares issuable to provide a minimum fair value of \$75,000 to the vendors. This derivative liability was carried at fair value through profit or loss until September 2021 when the Company issued 937,500 shares with a fair value of \$75,000 to settle this obligation.

During 2020, the Company settled an amount accrued in 2019 in respect of a finder's fee payable on the Snowbird project (Note 4) by issuing 17,500 shares with a fair value of \$2,450 resulting in a gain of \$3,675.

7. Segmented Information

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company currently has one exploration project in British Columbia, Canada, four projects in Quebec, Canada, and a royalty interest in a property located in Peru that is owned by AndeanGold Ltd.

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Notes to Condensed Interim Financial Statements

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8. Subsequent Event

Subsequent to September 30, 2021, the Company completed a private placement by issuing 2,950,000 units at a price of \$0.05 per unit for gross proceeds of \$147,500 and 4,370,000 flow-through shares at a price of \$0.06 per share for gross proceeds of \$262,200. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.10 per share for a period of two years. The Company paid finders' fees of \$18,316 and issued 318,600 two-year finder warrants with an exercise price of \$0.10 per share in respect of the placement.
