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**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

(Expressed in Canadian Dollars)

(Unaudited)

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**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor.

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

As at

	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 151,541	\$ 2,062,411
Amounts receivable and prepaid expenses (Note 6)	129,098	90,923
Total current assets	280,639	2,153,334
Investment (Note 7)	2,584	3,402
Property and equipment (Note 8)	96,243	71,580
<b>Total assets</b>	<b>\$ 379,466</b>	<b>\$ 2,228,316</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 117,553	\$ 100,439
Loan payable (Note 14)	10,578	-
Flow-through share premium liability	-	130,459
Total current liabilities	128,131	230,898
Loan payable (Note 14)	31,219	-
Total liabilities	159,350	230,898
<b>EQUITY</b>		
Share capital (Note 10)	32,949,283	32,305,495
Reserves (Notes 11 and 12)	1,090,272	1,019,705
Deficit	(33,819,439)	(31,327,782)
Total equity	220,116	1,997,418
<b>Total equity and liabilities</b>	<b>\$ 379,466</b>	<b>\$ 2,228,316</b>

Nature and Continuance of Operations (Note 1)

Commitments and Contingencies (Note 14)

Subsequent events (Note 15)

Approved on Behalf of the Board:

*"signed"*

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Jean-Charles Potvin  
Director

*"signed"*

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Denis Arsenault  
Director

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

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND**  
**COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
<b>EXPENSES</b>				
Exploration expenses (Note 9)	\$ 669,169	\$ 340,175	\$ 2,245,227	\$ 1,611,429
Professional fees	7,000	7,000	28,272	33,329
Management fees and salaries (Note 13)	79,988	46,512	227,688	165,500
Office and general	10,658	18,289	35,454	50,042
Regulatory and transfer agent	1,223	581	14,651	9,759
Investor relations	42,262	27,739	116,966	98,806
Share-based payments (Notes 12 and 13)	11,287	-	53,530	-
<b>Loss before the under noted</b>	<b>821,587</b>	<b>440,296</b>	<b>2,721,788</b>	<b>1,968,865</b>
Interest income	(308)	(320)	(3,170)	(2,941)
Flow-through shares premium	(10,848)	(67,784)	(130,459)	(398,133)
Unrealized loss (gain) on marketable securities (Note 7)	1,335	(517)	818	(1,981)
<b>Loss for the period</b>	<b>\$ 811,766</b>	<b>\$ 371,675</b>	<b>\$ 2,588,977</b>	<b>\$ 1,565,810</b>
Loss per share - basic and diluted	<b>0.01</b>	<b>0.00</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>
Weighted average number of common shares outstanding - basic and diluted	108,936,177	75,586,472	106,591,855	68,397,691

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

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

		<u>Reserves</u>			
	Share Capital	Equity settled share-based payments reserve	Warrants reserve	Deficit	Total
<b>Balance, December 31, 2019</b>	<b>\$ 29,934,685</b>	<b>\$ 532,660</b>	<b>\$ 212,475</b>	<b>\$ (29,434,152)</b>	<b>\$ 1,245,668</b>
Net loss for the period	-	-	-	(1,565,810)	(1,565,810)
Issuance of common shares (net of issue costs)	670,665	-	-	-	670,665
Issuance of warrants	-	-	173,020	-	173,020
<b>Balance, September 30, 2020</b>	<b>\$ 30,605,350</b>	<b>\$ 532,660</b>	<b>\$ 385,495</b>	<b>\$ (30,999,962)</b>	<b>\$ 523,543</b>
<b>Balance, December 31, 2020</b>	<b>\$ 32,305,495</b>	<b>\$ 833,830</b>	<b>\$ 185,875</b>	<b>\$ (31,327,782)</b>	<b>\$ 1,997,418</b>
Net loss for the period	-	-	-	(2,588,977)	(2,588,977)
Issuance of common shares (net of issue costs)	643,788	-	-	-	643,788
Issuance of stock options / share-based compensation	-	53,530	-	-	53,530
Expiry of stock options	-	(97,320)	-	97,320	-
Issuance of warrants	-	-	114,357	-	114,357
<b>Balance, September 30, 2021</b>	<b>\$ 32,949,283</b>	<b>\$ 790,040</b>	<b>\$ 300,232</b>	<b>\$ (33,819,439)</b>	<b>\$ 200,116</b>

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

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>CASH (USED IN) PROVIDED BY:</b>				
<b>OPERATING ACTIVITIES</b>				
Loss for the period	\$ (811,766)	\$ (371,675)	\$ (2,588,977)	\$ (1,565,810)
Share-based payments	11,287	-	53,530	-
Flow-through shares premium	(10,848)	(67,784)	(130,459)	(398,133)
Unrealized loss (gain) on marketable securities	1,335	(517)	818	(1,981)
Amortization	7,582	4,113	16,964	12,050
	(802,410)	(435,863)	(2,648,124)	(1,953,874)
Net change in non-cash working capital items:				
Amounts receivable and prepaid expenses	49,907	112,575	(38,175)	54,233
Accounts payable and accrued liabilities	(198,170)	111,334	17,114	234,545
<b>Net cash flows used by operating activities</b>	<b>(950,673)</b>	<b>(211,954)</b>	<b>(2,669,185)</b>	<b>(1,665,096)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of property and equipment	-	-	(41,627)	(76,687)
<b>Net cash flows used by investing activities</b>	<b>-</b>	<b>-</b>	<b>(41,627)</b>	<b>(76,687)</b>
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares	-	859,092	800,000	1,041,949
Issue costs	-	(40,101)	(41,855)	(52,951)
Loan payable	-	-	43,586	-
Loan repayments	(1,789)	-	(1,789)	-
Issuance of promissory note	-	-	-	200,000
Repayment of promissory note	-	(200,000)	-	(200,000)
<b>Net cash flows provided by financing activities</b>	<b>(1,789)</b>	<b>618,991</b>	<b>799,942</b>	<b>988,998</b>
<b>NET CHANGE IN CASH</b>	<b>(952,462)</b>	<b>407,037</b>	<b>(1,910,870)</b>	<b>(752,785)</b>
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>1,104,003</b>	<b>274,525</b>	<b>2,062,411</b>	<b>1,434,347</b>
<b>CASH, END OF THE PERIOD</b>	<b>\$ 151,541</b>	<b>\$ 681,562</b>	<b>\$ 151,541</b>	<b>\$ 681,562</b>

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

**MURCHISON MINERALS LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**September 30, 2021 and 2020**  
(Expressed in Canadian Dollars)  
(Unaudited)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Murchison Minerals Ltd. (the "Company" or "Murchison") was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The condensed interim consolidated financial statements were approved by the Board of Directors on November 15, 2021.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at September 30, 2021, the Company has a cumulative deficit of \$33,819,439 (December 31, 2020 - \$31,327,782), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue its operations as a going concern.

These condensed interim consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These condensed interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Statement of compliance*

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Exploration and evaluation properties*

The acquisition costs of exploration and evaluation properties are expensed the condensed interim consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

#### *Property and equipment*

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line
Buildings	20 years	Straight-line

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**Notes to the Condensed Interim Consolidated Financial Statements**  
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**3. CAPITAL MANAGEMENT**

The Company manages its capital with the following objectives:

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

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

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at September 30, 2021 totalled \$220,116 (December 31, 2020 - \$1,997,418). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended September 30, 2021. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

**4. FINANCIAL RISK FACTORS**

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

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the period ended September 30, 2021.

***Credit risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

***Liquidity risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Company had a cash balance of \$151,541 (December 31, 2020 - \$2,062,411) to settle accounts payable and accrued liabilities of \$128,131 (December 31, 2020 - \$100,439). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loan payable as disclosed in note 14.

***Market risk***

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

**MURCHISON MINERALS LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**4. FINANCIAL RISK FACTORS (Continued)**

*Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal as cash and cash equivalents investments have maturities of three months or less.

*Commodity price risk*

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at September 30, 2021, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

*Sensitivity analysis*

Based on management's knowledge and experience, the Company believes the following movements are "reasonably possible" over a one-year period:

- (i) Based on cash balances earning interest at September 30, 2021, a 1% change in interest rates would result in a corresponding interest income change of approximately \$1,500 for the one-year period.

**5. CATEGORIES OF FINANCIAL INSTRUMENTS**

	<b>September 2021</b>	<b>December 2020</b>
<b>Financial assets:</b>		
Amortized cost		
Cash	\$ 151,541	\$ 2,062,411
Amounts receivable	-	-
FVPL		
Investment	2,584	3,402
<b>Financial liabilities:</b>		
Amortized cost		
Accounts payable and accrued liabilities	\$ 117,553	\$ 100,439
Loan payable	41,797	-

As of September 30, 2021 and December 31, 2020, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	September 2021	December 2020
Sales tax receivable	\$ 67,300	\$ 81,703
Prepaid expenses and advances	61,798	9,220
	\$ 129,098	\$ 90,923

### 7. INVESTMENT

The Company's investment is classified as fair value through profit and loss ("FVPL") and is carried at fair value. The balance is comprised of the following:

	Number of shares	September 2021	December 2020
First Mining Gold Corp.	8,612	\$ 2,584	\$ 3,402

The Company holds 8,612 (2020 – 8,612) common shares of First Mining Gold Corp. The unrealized loss of \$818 for the nine-month period ended September 30, 2021 (September 30, 2020 – unrealized gain of \$1,981) was recognized on the condensed interim consolidated statement of loss.

### 8. PROPERTY AND EQUIPMENT

	Buildings	Exploration equipment	Total
<b>Period ended September 30, 2020</b>			
Opening net book amount	\$ -	\$ 11,056	\$ 11,056
Acquisition	48,866	27,821	76,687
Amortization for the period	(1,541)	(10,509)	(12,050)
<b>Closing net book amount</b>	<b>\$ 47,325</b>	<b>\$ 28,368</b>	<b>\$ 75,693</b>
<b>At September 30, 2020</b>			
Cost	\$ 48,866	\$ 42,037	\$ 90,903
Accumulated amortization	(1,541)	(13,669)	(15,210)
<b>Net book amount</b>	<b>\$ 47,325</b>	<b>\$ 28,368</b>	<b>\$ 75,693</b>
<b>Period ended September 30, 2021</b>			
Opening net book amount	\$ 46,715	\$ 24,865	\$ 71,580
Additions	-	41,627	41,627
Amortization for the period	(1,830)	(15,134)	(16,964)
<b>Closing net book amount</b>	<b>\$ 44,885</b>	<b>\$ 51,358</b>	<b>\$ 96,243</b>
<b>At September 30, 2021</b>			
Cost	\$ 48,866	\$ 83,664	\$ 132,530
Accumulated amortization	(3,981)	(32,306)	(36,287)
<b>Net book amount</b>	<b>\$ 44,885</b>	<b>\$ 51,358</b>	<b>\$ 96,243</b>

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 9. EXPLORATION AND EVALUATION PROPERTIES

#### Brabant Lake Property – Saskatchewan

As at September 30, 2021, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

#### HPM Property - Quebec

As at September 30, 2021, the Company holds a 100% interest in certain claims forming the HPM property in Quebec.

#### Barraute-Landrienne Property - Quebec

On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. (“GAL”) granting Murchison an option to earn 100% in 75 mineral claims covering 2,377 hectares, by making payments totaling \$500,000 and property expenditures of \$1.0 million over a 6-year period. The first payment of \$20,000 is due on April 28, 2022. GAL will retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR can be acquired anytime by the Company for \$1.0 million.

The claims, split into 4 blocks are located in the Barraute-Landrienne mining camp, approximately 60 km north of Val-d'Or, and about 4 km northwest of the municipality of Barraute in Québec and were selected targeting new zinc-silver-gold deposits. These four blocks of claims are believed to host some of the best untested geological/geophysical base-metal targets in the area and are considered ready for drilling.

The following table details the payments and exploration commitments on an annual basis.

	<b>Timeline</b>	<b>Cash Payments or Number of Consideration Shares</b>	<b>Expenditures</b>
1.	on or before April 28, 2022	\$20,000 cash	\$200,000
2.	on or before April 28, 2023	\$20,000 cash	\$200,000 (\$400,000 cumulative)
3.	on or before April 28, 2024	\$30,000 cash	\$200,000 (\$600,000 cumulative)
4.	on or before April 28, 2025	\$30,000 cash	\$200,000 (\$800,000 cumulative)
5.	on or before April 28, 2026	\$200,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both, at the option of Murchison	\$200,000 (\$1,000,000 cumulative)
6.	on or before April 28, 2027	\$200,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both at the option of Murchison	Nil
<b>TOTAL</b>		\$100,000 cash and \$400,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both at the option of Murchison	\$1,000,000

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 9. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The following table sets out the exploration expenses for the nine months ended September 30, 2021 and 2020.

	September 30, 2021	September 30, 2020
<b>Brabant Lake</b>		
Amortization	\$ 16,964	\$ 12,050
Drilling	1,489,041	868,116
General Administrative	4,084	-
Geology	72,461	228,647
Geophysics	71,277	361,400
Metallurgy	66,451	-
Mineral Property and Staking	300	4,421
<b>Total Brabant Lake</b>	<b>\$ 1,720,578</b>	<b>\$ 1,474,634</b>
<b>HPM</b>		
Drilling	10,830	-
Geology	156,052	131,014
Geophysics	214,607	700
Mineral Property and Staking	11,524	5,081
<b>Total HPM</b>	<b>\$ 393,013</b>	<b>\$ 136,795</b>
<b>Barraute-Landrienne</b>		
Geology	33,202	-
Geophysics	95,934	-
Mineral Property and Staking	2,500	-
<b>Total Barraute-Landrienne</b>	<b>\$ 131,636</b>	<b>\$ -</b>
<b>Total exploration expenses</b>	<b>\$ 2,245,227</b>	<b>\$ 1,611,429</b>

### 10. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number	Amount
<b>Balance - December 31, 2019</b>	<b>64,688,449</b>	<b>\$ 29,934,685</b>
Issuance of common shares <sup>(ii)</sup>	6,614,600	429,949
Issuance of flow-through common shares <sup>(i) (ii)</sup>	7,435,714	612,000
Issue costs <sup>(i) (ii)</sup>	-	(43,211)
Warrants <sup>(ii)</sup>	-	(182,760)
Flow-through premiums <sup>(i) (ii)</sup>	-	(145,313)
<b>Balance - September 30, 2020</b>	<b>78,738,763</b>	<b>\$ 30,605,350</b>

<sup>(i)</sup> On June 24, 2020, the Company completed a non-brokered flow-through private placement and issued 2,285,714 flow-through common shares priced at \$0.0875 per share for gross proceeds of \$200,000 of which, \$17,143 was allocated to the flow-through premium. Finders' fees of \$12,000 were also paid.

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**Notes to the Condensed Interim Consolidated Financial Statements**  
**September 30, 2021 and 2020**

(Expressed in Canadian Dollars)  
(Unaudited)

**10. SHARE CAPITAL (Continued)**

(ii) On July 23 and August 13, 2020, the Company completed two tranches of a non-brokered private placement for gross proceeds of \$841,949. The Company issued 6,614,600 common share units at a price of \$0.065 per unit and issued 5,150,000 flow-through units at a price of \$0.08 per FT unit. Each common share unit consisted of one common share of the Company and one full common share purchase warrant. Each warrant entitles the holder to acquire one additional common share for a period of eighteen months at an exercise price of \$0.12 per warrant. Each FT unit consisted of one flow-through common share and one-half non flow-through common share purchase warrant with each full warrant being exercisable under the same terms. Finders' fees of \$29,910 were paid in relation to the private placement and \$128,170 was allocated to the flow-through premium.

The fair value of the warrants was estimated at \$182,760 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 147% based on historical trading of the Company's shares, risk-free interest rate of 0.26%, expected life of 1.5 years and share price of \$0.045.

An officer and a director of the Company acquired, in aggregate, 4,000,000 units and 500,000 flow-through units for gross proceeds of \$300,000 (see Note 13(c)).

	Number		Amount
<b>Balance - December 31, 2020</b>	<b>98,936,177</b>	<b>\$</b>	<b>32,305,495</b>
Issuance of common shares (iii)	10,000,000		800,000
Issue costs	-		(41,855)
Warrants	-		(114,357)
<b>Balance – September 30, 2021</b>	<b>108,936,177</b>	<b>\$</b>	<b>32,949,283</b>

(iii) On March 5, 2021, Murchison completed a non-brokered private placement and issued 10,000,000 common share units at a price of \$0.08 per unit for gross proceeds of \$800,000. Each unit consisted of one common share of the Company and one-half common share purchase warrant. Each full warrant entitles the holder to acquire one additional common share until September 5, 2022 at an exercise price of \$0.12 per common share. All securities issued pursuant to the private placement were subject to a four month hold period from the date of issue.

The fair value of the warrants was estimated at \$120,670 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 109%, risk-free interest rate of 0.29%, and expected life of 1.5 years. Issue costs of \$6,313 were allocated to the warrants.

Finder's fees totaling \$18,000 were paid under the private placement. Insiders of the Company acquired an aggregate of 4,150,000 units in the private placement for a total of \$332,000.

**11. WARRANTS AND FINDERS' WARRANTS**

The following summarizes the warrants and finders' warrants activity for the nine-month periods ended September 30, 2020 and 2021:

	Number of Warrants		Grant Date Fair Value		Weighted Average Exercise Price
<b>Balance - December 31, 2019</b>	<b>16,264,023</b>	<b>\$</b>	<b>212,475</b>	<b>\$</b>	<b>0.10</b>
Issued July and August, 2020 - Warrants	9,189,600		182,760		0.12
Issue costs	-		(9,740)		-
<b>Balance – September 30, 2020</b>	<b>25,453,623</b>	<b>\$</b>	<b>385,495</b>	<b>\$</b>	<b>0.11</b>

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 11. WARRANTS AND FINDERS' WARRANTS (Continued)

	Number of Warrants	Grant Date Fair Value	Weighted Average Exercise Price
Balance - December 31, 2020	9,723,833	\$ 185,875	\$ 0.12
Issued	5,000,000	114,357	0.12
Balance – September 30, 2021	14,723,833	\$ 300,232	\$ 0.12

As at September 30, 2021, the Company had warrants and finders' warrants outstanding as follows:

Date of Grant	Number of Warrants	Exercise Price (\$)	Grant Date Fair Value (\$)	Expiry Date	Remaining Contractual Life (years)
July 23, 2020	8,552,100	0.12	161,012	January 23, 2022	0.32
August 13, 2020	637,500	0.12	12,008	February 13, 2022	0.38
December 30, 2020	534,233	0.12	12,855	December 31, 2021	0.25
March 5, 2021	5,000,000	0.12	114,357	September 5, 2022	0.93
	<b>14,723,833</b>		<b>300,232</b>		<b>0.53</b>

### 12. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the nine-month periods ended September 30, 2020 and 2021:

	Number of Stock Options	Weighted Average Exercise Price
Balance - December 31, 2019	5,155,000	\$ 0.12
Granted <sup>(i)</sup>	400,000	0.10
Balance – September 30, 2020	5,555,000	\$ 0.12
Balance - December 31, 2020	9,255,000	\$ 0.11
Granted <sup>(ii)(iii)(iv)</sup>	900,000	0.095
Expired	(430,000)	0.27
Balance – September 30, 2021	9,725,000	\$ 0.10

<sup>(i)</sup> On July 20, 2020, the Company granted 400,000 stock options exercisable at \$0.10 for 5 years to an investor relation consultant of the Company. The grant date fair value of \$23,200 for these options was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.34%, expected volatility – 116%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested over 1 year with 25% every 3 months.

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**12. STOCK OPTIONS (Continued)**

(ii) On April 14, 2021, the Company granted 200,000 stock options exercisable at \$0.095 for 5 years to an officer of the Company. The grant date fair value of these options of \$9,800 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.95%, expected volatility – 113%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the \$9,800 fair value was recorded as share-based payment on the interim consolidated statement of loss for the period ended September 30, 2021.

(iii) On May 25, 2021, the Company granted 500,000 stock options exercisable at \$0.095 for 5 years to a director, an officer, a consultant and employees of the Company. The grant date fair value of these options of \$26,000 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.86%, expected volatility – 109%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the \$26,000 fair value was recorded share-based payment on the interim consolidated statement of loss for the period ended September 30, 2021.

(iv) On July 2, 2021, the Company granted 200,000 stock options exercisable at \$0.095 for 5 years to an advisor of the Company. The grant date fair value of these options of \$10,800 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.96%, expected volatility – 101%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the \$10,800 fair value was recorded share-based payment on the interim consolidated statement of loss for the period ended September 30, 2021.

As at September 30, 2021, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

<b>Date of Grant</b>	<b>Options Outstanding<sup>(1)</sup></b>	<b>Exercise Price (\$)</b>	<b>Grant Date Fair Value (\$)</b>	<b>Expiry Date</b>	<b>Weighted Average Remaining Contractual Life (years)</b>
January 10, 2018	760,000	0.19	129,960	January 10, 2023	1.28
March 6, 2019	665,000	0.095	61,180	March 6, 2024	2.43
December 23, 2019	3,300,000	0.085	244,200	December 23, 2024	3.23
July 20, 2020	400,000	0.10	23,200	July 20, 2025	3.81
December 31, 2020	3,700,000	0.095	284,900	December 31, 2025	4.25
April 14, 2021	200,000	0.095	9,800	April 14, 2026	4.54
May 25, 2021	500,000	0.095	26,000	May 25, 2026	4.65
July 2, 2021	200,000	0.095	10,800	July 2, 2026	4.76
	<b>9,725,000</b>	<b>0.11</b>	<b>790,040</b>		<b>3.57</b>

<sup>(1)</sup> All options are exercisable.

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**13. RELATED PARTY TRANSACTIONS**

a) *Remuneration of directors and officers was as follows:*

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Salaries and benefits	\$ 42,813	\$ 46,513	\$ 178,188	\$ 165,500
Share-based payments	-	-	25,400	-
	<b>\$ 42,813</b>	<b>\$ 46,513</b>	<b>\$ 203,588</b>	<b>\$ 165,500</b>

For the three-month period ended September 30, 2021, the salaries and benefits amount above includes \$20,313 (Q3-2020 - \$21,313) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$22,500 (Q3-2020 - \$25,200) for fees invoiced by the CEO of the Company for his services as CEO.

For the nine-month period ended September 30, 2021, the salaries and benefits amount above includes \$90,688 (2020 - \$73,437) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$87,500 (2020 - \$92,063) for fees invoiced by the CEO of the Company for his services as CEO. Included in accounts payable and accrued liabilities at September 30, 2021 is \$10,306 (December 31, 2020 - \$19,250) owed to the corporation controlled by the CFO and \$8,549 (December 31, 2020 - \$12,335) to the CEO.

b) *Promissory Note*

On March 27, 2020, the Company issued a \$200,000 promissory note to Vyco Limited (“Vyco”). The amount owing under this promissory note bore interest at an annual rate of 5.0% and, in the event that the principal amount was not repaid in full by the due date of June 30, 2020, the interest accrued at the rate of 10% per annum from the due date until payment was effected. Vyco is a corporation controlled by a family trust. Mr. Donald K. Johnson, director of the Company, is a discretionary beneficiary of such trust and President of Vyco. The promissory note was repaid on September 9, 2020 along with interest of \$6,493.

c) *Private Placements*

As part of the private placement completed on March 5, 2021, a director and officers of the Company subscribed for 4,150,000 units pursuant to this private placement for aggregate gross proceeds of \$332,000.

As part of the private placement completed in August 2020, an officer and a director of the Company acquired, in aggregate, 4,000,000 units and 500,000 flow-through units for gross proceeds of \$300,000.

**14. COMMITMENTS AND CONTINGENCIES**

***Management Contracts***

On April 9, 2020, the Company entered into consulting agreements for the services of its CFO and CEO. The agreements are effective April 1, 2020. Under the agreements, additional payments totaling \$400,000 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these unaudited condensed interim consolidated financial statements. The commitment upon termination of the agreements is \$220,000, in aggregate. The minimum commitment due within one year under the terms of the agreements is \$146,400, in aggregate.

***Property Option Agreement***

On April 28, 2021, the Company optioned certain claims forming the Barraute-Landrienne property whereby Murchison can earn 100% in 75 mineral claims covering 2,377 hectares, by making payments totaling \$500,000 and property expenditures of \$1.0 million over a 6-year period. See Note 9.

# MURCHISON MINERALS LTD.

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### 14. COMMITMENTS AND CONTINGENCIES (Continued)

#### *Loan Payable*

In June 2021, the Company financed the purchase of an exploration vehicle in the amount of \$43,586. The loan bears an interest rate of 7.89% and is repayable over 60 monthly payments of \$881. The balance payable at September 30, 2021 was \$41,797.

#### *COVID-19*

The Company's operations could be significantly adversely affected by the effects of the global spread of the contagious coronavirus causing the outbreak of COVID-19 respiratory disease, which was declared a pandemic by the World Health Organization in March 2020. The Company has followed the instructions and advice of Federal and Provincial health authorities, as well as industry-wide best practice guidelines, and has limited travel and field activities to help control the spread of COVID-19 and protect local communities. The Company cannot accurately predict the impact the COVID-19 pandemic will have on its operations, including uncertainties relating to the duration of the pandemic, the ultimate severity of the disease, the duration of travel and quarantine restrictions imposed by governmental authorities, and the impact on schedules and timelines for planned operations or exploration programs. In addition, this widespread health crisis and related business lockdowns have adversely affected the economies and financial markets of many countries, resulting in an economic downturn that could affect the Company's operations and ability to finance its planned operations.

#### *Environmental*

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company 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.

### 15. SUBSEQUENT EVENTS

#### *Chief Executive Officer*

On October 12, 2021, the Company announced the appointment of Mr. Troy Boisjoli as President and CEO of the Company.

#### *Private Placement*

On October 21, 2021, the Company completed a \$4,000,069 private placement by issuing 13,500,000 units at a price of \$0.08 per unit as well as 30,737,571 flow-through units at a price of \$0.095 per flow-through units.

**End of Notes to Financial Statements**