



**Unaudited Condensed interim Financial Statements**  
**For The Nine Months Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102, Juggernaut Exploration Ltd. discloses that the accompanying unaudited condensed interim financial statements for the nine months ended, June 30, 2021, and 2020, were prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements.

**Juggernaut Exploration Ltd.**  
Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)

As at,	June 30, 2021 \$	September 30, 2020 \$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalent (Note 4)	5,554,191	1,328,851
Amounts receivable (Note 5)	25,226	104,183
Prepaid and deposits (Note 6)	358,987	94,935
	5,938,404	1,527,969
<b>Non-Current</b>		
Restricted cash	57,500	-
Investment in DSM Syndicate (Note 9)	500,000	500,000
Equipment	47,755	9,522
Exploration and evaluation assets (Note 8)	8,848,467	6,493,110
<b>Total assets</b>	<b>15,392,126</b>	<b>8,530,601</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current</b>		
Accounts payable and accrued Liabilities (Note 10)	42,549	66,247
Due to related parties (Note 11)	42,000	49,603
Flow-through share premium liabilities (Note 12)	751,150	-
<b>Total liabilities</b>	<b>835,699</b>	<b>115,850</b>
<b>Shareholders' Equity</b>		
Share capital (Note 12)	24,530,296	19,126,231
Contributed surplus	3,839,510	2,138,608
Accumulated deficit	(13,813,379)	(12,850,088)
<b>Total shareholders' equity</b>	<b>14,556,427</b>	<b>8,414,751</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,392,126</b>	<b>8,530,601</b>

Commitments (Notes 8)

Approved on behalf of the Board of Directors on August 12, 2021:

"Daniel Stuart"  
Director

"Peter Bryant"  
Director

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

**Juggernaut Exploration Ltd.**

Condensed Interim Statements of Loss and Comprehensive Loss  
For the Three Months and Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Expenses:</b>				
Administration fees (Note 11)	18,500	15,000	50,000	45,000
Corporate development	6,815	1,443	14,783	47,849
Depreciation	5,354	595	5,663	1,785
Filing and transfer agent fees	1,694	2,376	22,989	36,423
Foreign exchange (gain)/loss	24	110	165	(75)
Management fees (Note 11)	60,000	45,000	154,500	115,000
Office and sundry	24,551	25,256	73,317	84,982
Professional fees	20,000	5,000	38,669	36,820
Project investigation costs (Note 3)	-	1,539	-	100,941
Share-based compensation (Note 12)	651,000	100,450	692,670	270,250
Travel and promotion	1,767	2,616	9,017	118,172
<b>Loss before other items</b>	<b>(789,705)</b>	<b>(199,385)</b>	<b>(1,061,773)</b>	<b>(857,147)</b>
<b>Other items:</b>				
Interest income	3,479	-	5,061	1,506
Government tax credit recovery	-	-	23,232	-
Reversal of flow-through premium liability (Note 12)	77,019	30,015	77,019	38,206
Write-off of furniture and equipment	-	-	(6,830)	-
<b>Net loss and comprehensive loss for the period</b>	<b>(709,207)</b>	<b>(169,370)</b>	<b>(963,291)</b>	<b>(817,435)</b>
Basic and diluted loss per share	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.06)
Weighted average number of shares outstanding	40,343,024	17,056,128	28,792,080	13,713,092

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

**Juggernaut Exploration Ltd.**

Condensed Interim Statements of Changes in Equity

For the Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Contributed		Total
	Number of Shares	Amount \$	Surplus \$	Deficit \$	
<b>Balance - September 30, 2019</b>	10,522,557	** 17,905,214	2,552,023	(13,465,157)	6,992,080
Shares issued for cash (net of issuance costs) (Note 12)	4,533,571	889,623	-	-	889,623
Flow-through share premium	-	(28,606)	-	-	(28,606)
Shares issued pursuant to mineral option agreements (Note 12)	2,000,000	360,000	-	-	360,000
Fair value of broker warrants issued (Note 12)	-	-	11,667	-	11,667
Fair value of warrants issued pursuant to mineral option agreement ( Note 12)	-	-	273,400	-	273,400
Share-based compensation expense (Note 12)	-	-	270,250	-	270,250
Net and comprehensive loss for the year	-	-	-	(817,435)	(817,435)
<b>Balance - June 30, 2020</b>	17,056,128	19,126,231	3,107,340	(14,282,592)	7,950,979
Stock options expired and/or cancelled (Note 12)	-	-	(968,732)	968,732	-
Net and comprehensive loss for the year	-	-	-	463,772	463,772
<b>Balance - September 30, 2020</b>	17,056,128	19,126,231	2,138,608	(12,850,088)	8,414,751
Shares issued pursuant to mineral option agreements (Note 12)	4,900,000	1,117,000	-	-	1,117,000
Shares issued for cash (net of issuance costs) (Note 12)	17,887,324	4,999,774	-	-	4,999,774
Flow-through share premium	-	(828,169)	-	-	(828,169)
Fair value of broker warrants issued (Note 12)	-	-	128,232	-	128,232
Fair value of warrants issued pursuant to mineral option agreement (Note 12)	-	-	880,000	-	880,000
Stock options exercised	350,000	77,000	-	-	77,000
Private placement warrants exercised	25,000	10,000	-	-	10,000
Mineral property warrants exercised	212,000	28,460	-	-	28,460
Share-based compensation expense (Note 12)	-	-	692,670	-	692,670
Net and comprehensive loss for the period	-	-	-	(963,291)	(963,291)
<b>Balance - June 30, 2021</b>	40,430,452	** 24,530,296	3,839,510	(13,813,379)	14,556,427

\*\* Effective October 17, 2019, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis, which resulted in 10,522,557 shares outstanding post-consolidation. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect the change.

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

**Juggernaut Exploration Ltd.**

Condensed Interim Statements of Cash Flows  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities:</b>		
<b>Net loss for the period</b>	(963,291)	(817,435)
Adjustments for items not affecting cash:		
Amortization of prepaid	16,278	9,687
Depreciation	5,663	1,785
Loss on disposition of furniture and equipment	6,830	-
Reversal of flow-through premium liability	(77,019)	(38,206)
Share-based compensation	692,670	270,250
<b>Net change in non-cash working capital items:</b>		
GST and other accounts receivable	78,957	99,556
Prepaid and deposits	(280,330)	(32,660)
Accounts payable and accrued liabilities	13,080	(97,610)
Due to related parties	(7,603)	(21,000)
Restricted cash	(57,500)	-
<b>Cash used in operating activities</b>	(572,265)	(625,633)
<b>Investing activities</b>		
Acquisition of property plant and equipment	(50,726)	-
Mineral property expenditures	(395,135)	(337,903)
<b>Cash used in investing activities</b>	(445,861)	(337,903)
<b>Financing activities</b>		
Proceeds from private placement, net of issuance costs	5,128,006	910,890
Proceeds from warrants exercised	38,460	-
Proceeds from stock options exercised	77,000	-
<b>Cash provided by financing activities</b>	5,243,466	910,890
<b>Change in cash and cash equivalent</b>	4,225,340	(52,646)
<b>Cash and cash equivalent - beginning</b>	1,328,851	492,369
<b>Cash and cash equivalent - ending</b>	5,554,191	439,723
Non-cash investing activity:		
Units issued for options on mineral properties	\$ 1,997,000	\$ -
Exploration expenditure included in accounts payable	8,893	-

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

## **Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

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### **1. Corporate Information**

Juggernaut Exploration Ltd. (the "Company") was incorporated under the British Columbia Business Corporations Act on January 6, 2006. The Company is in the business of acquiring, exploring and evaluating mineral resource properties.

The Company's shares are traded on the TSX Venture Exchange ("TSXV") under the symbol "JUGR".

The address of the Company's corporate office and principal place of business is Suite 300, 1055 West Hastings Street, Vancouver, BC Canada.

### **2. Basis of Preparation**

#### **Statement of compliance**

These unaudited condensed interim financial statements of the Company for the nine months ended June 30, 2021, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("ISAB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The significant accounting policies applied in these condensed interim financial statements are based on the IFRS issued and outstanding as of June 30, 2021.

#### **Basis of Measurement**

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

#### **Going Concern**

These financial statements have been prepared assuming the Company will continue on a going-concern basis. As at June 30, 2021, the Company had not yet achieved profitable operations, has an accumulated deficit of \$13,813,379 and expects to incur further losses in the development of its business. Further financing will be required to meet the terms of the Company's option agreements (Note 8). These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these financial statements do not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

### **3. Summary of Significant Accounting Policies**

#### **Financial Instruments**

The Company has adopted all of the requirements of IFRS 9 Financial Instruments. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of deposits in banks and highly liquid investments that are readily convertible to cash with original maturities of 12 months or less.

## **Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### **3. Summary of Significant Accounting Policies – (cont'd)**

#### **Equipment**

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Upon the sale or disposition of a depreciable asset, cost and accumulated amortization are removed from equipment and any gain or loss is reflected as a gain or loss from operations.

Depreciation is calculated on a diminishing balance basis at a rate of 20% per annum for all tangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

#### **Exploration and evaluation assets**

Costs incurred prior to obtaining the legal rights to explore a property are recognized as an expense in the period in which they are incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

## **Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### **3. Summary of Significant Accounting Policies – (cont'd)**

#### **Exploration and evaluation assets – (cont'd)**

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

#### **Restoration and environmental obligations**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the exploration development and mining activities, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

#### **Impairment of assets**

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

## **Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### **3. Summary of Significant Accounting Policies – (cont'd)**

#### **Share-based Compensation**

The Company operates a stock option plan. Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

#### **Loss per share**

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

#### **Flow-through shares**

The Company has adopted a policy whereby proceeds from flow-through issuance are allocated between the offering of shares and the sale of tax benefits based on the premium that the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting other income when the Company has made the required expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities.

#### **Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the classification of financial instruments.

#### **Accounting standards issued but not yet applied**

##### **New standard IFRS 16 “Leases”**

The Company has adopted IFRS 16, Leases (“IFRS 16”), which replaced IAS 17, Leases. IFRS 16 requires lessors to recognize a lease liability reflective of future lease payments and a “right-of-use asset” for virtually all lease contracts, which will cause, with limited exceptions, most leases to be recorded on the statement of financial position. The adoption of IFRS 16 did not result in any adjustment to the opening statement of financial position on October 1, 2020 as the Company has no leases

Other accounting pronouncements with future effective dates are not expected to have a significant impact on the Company's financial statements.

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

**4. Cash and cash equivalents**

	June 30, 2021	June 30, 2020
Cash	\$ 50,711	\$ 439,723
Short-term investment	5,503,479	-
Restricted cash	57,500	-
	<b>\$ 5,611,690</b>	<b>\$ 439,723</b>

**5. Receivables**

	June 30, 2021	June 30, 2020
Amounts receivable	\$ 2,880	\$ 40
Sales tax receivable	22,346	7,408
	<b>\$ 25,226</b>	<b>\$ 7,448</b>

**6. Prepaid and Deposits**

	June 30, 2021	June 30, 2020
Deposits	\$ 340,721	\$ 118,571
Preaid expenses	18,266	3,515
	<b>\$ 358,987</b>	<b>\$ 122,086</b>

**7. Equipment**

	Field				
	Equipment	Furniture	Automotive	Equipment	Total
<b>Cost:</b>					
At September 30, 2019 and 2020	\$ 10,545	\$ 5,051	\$ -	\$ -	\$ 15,596
Disposals	(6,805)	(5,051)	-	-	(11,856)
Additions	803	-	27,672	22,250	50,725
At June 30, 2021	\$ 4,543	\$ -	\$ 27,672	\$ 22,250	\$ 54,465
<b>Amortization:</b>					
At September 30, 2019	\$ 2,280	\$ 1,414	\$ -	\$ -	\$ 3,694
Charge for the year	1,653	727	-	-	2,380
At September 30, 2020	\$ 3,933	\$ 2,141	\$ -	\$ -	\$ 6,074
Disposals	(2,886)	(2,141)	-	-	(5,027)
Charge for the period	464	-	3,113	2,086	5,663
At June 30, 2021	\$ 1,511	\$ -	\$ 3,113	\$ 2,086	\$ 6,710
<b>Net book value:</b>					
At September 30, 2020	\$ 6,612	\$ 2,910	\$ -	\$ -	\$ 9,522
At June 30, 2021	\$ 3,032	\$ -	\$ 24,559	\$ 20,164	\$ 47,755

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

### 8. Exploration and Evaluation Assets

Midas and Empire Properties:

On March 15, 2017, the Company entered into two separate letter agreements (the "Agreements") with J2 Syndicate Holdings Ltd. (the "J2 Syndicate") and its members (the "Optionors") providing the Company with the right to acquire a 100% interest in the Midas property situated in the Skeena Mining Division of British Columbia and the Empire property situated in the Omineca Mining Division of British Columbia (the "Options").

#### Empire

Financial terms/commitments are as follows (as amended on April 30, 2018, October 30, 2018 and September 25, 2020):

Date	Cash \$		Securities		Date	Exploration Expenditures \$	
Effective Date	300,000	<i>paid</i>	820,000 shares	<i>Issued (a)</i>	Dec. 31, 2017	450,000	<i>incurred</i>
			820,000 warrants	<i>Issued (a)</i>			
Feb. 1, 2019	300,000	<i>paid</i>	N/A		Dec. 31, 2018	500,000	<i>incurred</i>
Mar. 30, 2020	N/A		410,000 shares	<i>Issued (a)</i>	Dec. 31, 2019	1,200,000 (b)	<i>incurred</i>
Oct. 16, 2020	N/A		1,700,000 shares	<i>Issued</i>	Dec. 15, 2022	500,000 (c)	
			1,700,000 warrants	<i>Issued</i>			
Dec. 15, 2027	N/A		4,100,000 shares		Dec. 15, 2027	Feasibility Report – Note 1	
Total	600,000		7,030,000 shares				
			2,520,000 warrants				

- (a) Effective October 17, 2019, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis. These securities issued prior to the share consolidation have been adjusted to reflect the change.
- (b) \$1,200,000 to be incurred in aggregate on the Empire and/or Midas properties.
- (c) \$500,000 to be incurred in aggregate on the Empire and/or Midas properties.

Note 1: If Juggernaut has a Feasibility Report prepared, and such a Feasibility Report, including a National Instrument 43-101 compliant resource estimate (herein referred to as a "Resource Report"), must be delivered to the Optionors by December 15, 2027 to maintain and exercise the Option; provided that Juggernaut may elect by written notice delivered to the Optionors not later than December 15, 2027 to either (a) extend the time for delivery of a Feasibility Report to the Optionors to December 15, 2028 and, as consideration for such extension, to pay to the Optionors an amount equal to US\$1.00 for each equivalent ounce of gold up to 2,000,000 equivalent ounces of gold based on each Resource Report produced prior to or as part of such Feasibility Report (in addition to paying the resource bonuses as described below); or (b) extend the date by which it must elect to deliver a Feasibility Study for an unlimited number of successive one year periods (i.e. to December 15, 2028 and December 15 of each year thereafter) (each such one year period, an "Extension Term"), in each case by paying to the Optionors (i) US\$1,000,000 in respect of each of the first five Extension Terms, (ii) US\$2,000,000 in respect of each of the sixth through the tenth Extension Terms, and (iii) US\$3,000,000 in respect of each succeeding Extension Term, in each case prior to first day of such Extension Term. If Juggernaut fails to comply with the terms of such extension, the Option may be terminated by the Optionors and in such event Juggernaut shall be obligated to pay \$1,000,000 to the Optionors as a genuine pre-estimate of liquidated damages suffered by the Optionors."

As at September 30, 2019, the Company was uncertain whether it would proceed with the Empire property and determined that this was an indicator of impairment and therefore wrote-off the carrying value of the property. On September 25, 2020 the Company negotiated revised terms with the optionor and intends to incur further exploration and evaluation expenditures on this property.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

### 8. Exploration and Evaluation Assets

#### Midas

Financial terms/commitments are as follows (as amended on April 30, 2018 and October 30, 2018, November 8, 2019 and October 30, 2020):

Date	Cash \$		Securities		Date	Exploration Expenditures \$	
Effective Date	300,000	<i>paid</i>	820,000 shares	<i>Issued (a)</i>	Dec. 31, 2017	350,000	<i>incurred</i>
			820,000 warrants	<i>Issued (a)</i>			
Feb. 1, 2019	300,000	<i>paid</i>	N/A		Dec. 31, 2018	500,000	<i>incurred</i>
Mar. 30, 2020	N/A		410,000 shares	<i>issued (a)</i>	Dec. 31, 2019	1,200,000 <i>(b)</i>	<i>incurred</i>
					Sept. 20, 2020	90,000	<i>incurred</i>
Nov. 10, 2020	N/A		1,700,000 shares	<i>Issued</i>	Dec. 15, 2022	500,000 <i>(c)</i>	
			1,700,000 warrants	<i>Issued</i>			
Mar. 30, 2027	N/A		4,100,000 shares		Dec. 31, 2029		Feasibility Report – note 1
Total	600,000		7,030,000 shares				
			2,520,000 warrants				

- (a) Effective October 17, 2019, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis. These securities issued prior to the share consolidation have been adjusted to reflect the change.
- (b) \$1,200,000 to be incurred in aggregate on the Empire and/or Midas properties.
- (c) \$500,000 to be incurred in aggregate on the Empire and/or Midas properties.

Note 1: If Juggernaut completes a Feasibility Report, the preparation of a Feasibility Report including a National Instrument 43-101 compliant resource estimate (herein referred to as a “Resource Report”), must be delivered to the Optionors by December 31, 2029 to maintain and exercise the Option; provided that Juggernaut may elect by written notice delivered to the Optionors not later than December 31, 2029 to either (a) extend the time for delivery of a Feasibility Report to the Optionors to December 31, 2030 and, as consideration for such extension, to pay to the Optionors an amount equal to US\$1.00 for each equivalent ounce of gold up to 2,000,000 equivalent ounces of gold based on each Resource Report produced prior to or as part of such Feasibility Report (in addition to paying the resource bonuses provided for above); or (b) extend the date by which it must elect to deliver a Feasibility Study for an unlimited number of successive one year periods (i.e. to Dec 31, 2030 and March 30 of each year thereafter) (each such one year period, an “Extension Term”), in each case by paying to the Optionors (i) US\$1,000,000 in respect of each of the first five Extension Terms, (ii) US\$2,000,000 in respect of each of the sixth through the tenth Extension Terms, and (iii) US\$3,000,000 in respect of each succeeding Extension Term, in each case prior to first day of such Extension Term. If Juggernaut fails to comply with the terms of such extension, the Option may be terminated by the Optionors and in such event Juggernaut shall be obligated to pay \$1,000,000 to the Optionors as a genuine pre-estimate of liquidated damages suffered by the Optionors.”

Pursuant to each of the Options the Company is required to pay the Optionors a resource bonus of US\$1,000,000 and 1,000,000 (post-consolidation) shares when a NI 43-101 Compliant Technical Report of mineral reserves and mineral resources collectively meet 2,000,000 equivalent ounces of gold on the respective properties and thereafter the Company is required to pay US\$1 per additional equivalent ounce of gold based on subsequent NI 43-101 Compliant Technical Reports.

A 3% royalty (“Royalty”) on net smelter returns (“NSR”) from all production from each property acquired by the Company will be payable in cash or in kind at the option of the Optionors, with a right of the Company until May 1, 2021 to buy down the Royalty by 1% to 2% for the payment to the Optionors of US\$2,000,000. If the price of gold increases to US\$2,000 per ounce, the Royalty will increase to 4% if it has not previously been bought down to 2% and it will increase to 3% if it has previously been bought down. If the Royalty is at 4% the Company may reduce it to 2% by the payment of US\$4,000,000 to the Optionors by the date which is the later of the 7th anniversary of the Definitive Agreement or six months after the price of gold reaches the US\$2,000 threshold. If the Royalty is at 4% the Company may reduce it to 3% by the payment of US\$2,500,000 to the Optionors by the date which is the later of the 7th anniversary of the Definitive Agreement or six months after the price of gold reaches a price of US\$2,000.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

### 8. Exploration and Evaluation Assets – (cont'd)

#### Midas – (cont'd)

Warrants issued under the option agreements entitled each warrant held by the holder to acquire one additional share of the Company at the price of \$0.08 per share for 60 months from closing. All warrants will be subject to provisions prohibiting exercise if, as a result, the holder would own 10% or more of the Company's outstanding shares post-exercise.

#### Gold Standard Property:

In November, 2019, the Company entered into an agreement with the DSM Syndicate Holdings Ltd. ("DSM") to earn a 100% in the Gold Standard property containing 3,961 hectares located in West Central BC.

Financial terms/commitments are as follows (as amended on March 11, 2020):

Date	Cash \$	Securities	Exploration Expenditures \$	Interest Earned
March 10, 2020	200,000	<i>paid</i> 2,000,000 shares 2,000,000 warrants		
Dec. 15, 2021	300,000	3,000,000 shares	500,000	40%
Dec. 15, 2022	400,000	N/A	1,500,000	
Dec. 15, 2023	500,000	2,000,000 shares	2,000,000	60%
Dec. 15, 2024	600,000	3,000,000 shares	2,500,000	100% Subject to NSR
Total	2,000,000	10,000,000 shares 2,000,000 warrants	6,500,000	

In the event that the Company earns a 40% interest but fails to earn a 60% interest, DSM and the Company will form a standard joint venture (60% to the Syndicate and 40% to the Company) consistent with the Rocky Mountain form of joint venture including standard dilution provisions. In the event that the Company earns a 60% interest but fails to earn a 100% interest DSM and the Company will form a standard joint venture with the DSM having a 51% interest and the Company having a 49% interest, such joint venture consistent with the Rocky Mountain form of joint venture including standard dilution provisions.

All cash, NSR royalty payments and shares and warrants issuable hereunder shall be allocated and issued or paid to the members of DSM excluding the Company which is a member of the DSM. The December 15, 2021 cash Option payment and all cash Option payments made thereafter will, subject to exercise of the Option, be deemed to be Advance Royalties. An Advance Royalty of \$100,000 per year will be payable on December 15 of each year after exercise of the Option until the first royalty payment after commencement of commercial production.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

### 8. Exploration and Evaluation Assets – (cont'd)

#### Gold Standard Property - (cont'd)

A 3% royalty ("Royalty") on net smelter returns ("NSR") from all production from the property acquired by the Company will be payable in cash, with a right of the Company until December 15, 2024 to buy down the Royalty by 1% for the payment to the optionors (excluding the Company) of US\$2,000,000. Production from the property includes all minerals (as defined in the *Mineral Tenure Act* [B.C.]) and other marketable materials, in whatever form or state, produced from the property and includes, without limitation, gold, silver, platinum, platinum group elements and other precious metals, copper, lead and zinc and other base metals, and sand, gravel, graphite, barite and other industrial minerals and materials. The Royalty will be registered in the office of the Gold Commissioner for B.C. and a security interest in the mineral claims and any after-acquired mineral lease will be registered in the B.C. Personal Property Security Register. If and when NI 43-101 mineral reserves (proven and probable categories) and mineral resources (measured, indicated and inferred categories) on the Property collectively meet 2,000,000 equivalent ounces of gold with a minimum cut off grade of 0.05 grams per ton gold the Company will pay to DSM US\$1 per equivalent ounce of gold based on each Resource Report produced (the "Resource Bonus") including subsequent Resource Reports that report on additional equivalent ounces of gold as further exploration and development takes place. The resource bonus is to be applied as an advanced royalty payment.

#### Gold Star Property

In July, 2020, the Company entered into an agreement with the DSM to earn a 100% in the Gold Star property ("Property") containing 238 hectares located in West Central BC in close proximity to the Gold Standard property.

Financial terms/commitments are as follows:

Date	Cash \$	Securities	Exploration Expenditures \$	Interest Earned
March 9, 2021	NA	1,500,000 shares 1,500,000 warrants	<i>Issued</i> <i>Issued</i>	N/A
Dec. 15, 2020	N/A	N/A	N/A	
Dec. 15, 2021	N/A	N/A	N/A	
Dec. 15, 2022	N/A	N/A	250,000	
Dec. 15, 2023	250,000	1,500,000 shares	750,000	40%
Dec. 15, 2024	500,000	2,000,000 shares	2,000,000	100% Subject to NSR
Total	750,000	5,000,000 shares 1,500,000 warrants	3,000,000	

In the event that the Company earns an initial 40% interest in the Property, but subsequently determines not to pursue the Option to acquire the remaining 60% interest the Company will forfeit the additional 20% it would otherwise have earned and its interest will revert back to the original 20% interest it had as a result of being a member of the Syndicate and (i) the Optionors shall have the right to make all decisions respecting the Property, including any decision to sell, lease or otherwise dispose of or develop the Property; (ii) the Company shall be irrevocably bound by such decisions and hereby appoints the Manager as the Company's lawful agent and attorney for that purpose; and (iii) neither the Company nor any Optionor shall be obligated to incur any expense in respect of the Property. The net proceeds from any such disposition transaction shall be shared between the Optionors and the Company in accordance with their respective percentage interests in the Property.

## **Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### **8. Exploration and Evaluation Assets – (cont'd)**

#### Gold Star Property - (cont'd)

All cash, NSR royalty payments and shares and warrants issuable hereunder shall be allocated and issued or paid to the members of the Syndicate excluding the Company which is a member of the Syndicate.

A 3% royalty ("Royalty") on net smelter returns ("NSR") from all production from the Property acquired by the Company will be payable in cash, with a right of the Company until December 15, 2024 to buy down the Royalty by 1% for the payment to the Optionors (excluding the Company) of US\$2,000,000. Production from the Property includes all minerals and other marketable materials, in whatever form or state, produced from the Property and includes, without limitation, gold, silver, platinum, platinum group elements and other precious metals, copper, lead and zinc and other base metals, and sand, gravel, graphite, barite and other industrial minerals and materials.

If and when NI 43-101 mineral reserves (proven and probable categories) and mineral resources (measured, indicated and inferred categories) report (a "Resource Report") on the Property collectively meet 2,000,000 equivalent ounces of gold with a minimum cut off grade of 0.05 grams per ton gold the Company will pay to the Syndicate US\$1 per equivalent ounce of gold based on each Resource Report produced (the "Resource Bonus") including subsequent Resource Reports that report on additional equivalent ounces of gold as further exploration and development takes place. The Resource Bonus is to be applied as an advanced royalty payment.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

### 8. Exploration and Evaluation Assets – (cont'd)

The Company's exploration and evaluation assets are as follows:

Expenditures During the Year													
Mineral Properties:	Balance Sept. 30, 2019	Acquisitions	Assays	Camp & Field Costs	Consulting/ Reports	Drilling	Transport & Supplies	Geophysical	Mapping & Surveys	Equipment & Rental	Government Tax Credit *	Sub-total	Balance Sept.30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Midas	5,939,983	-	941	32,930	78,090	-	10,887	1,800	88	5,700	(516,163)	(385,727)	5,554,256
Goldstd	-	833,400	-	-	64,028	-	195	37,200	-	-	-	934,823	934,823
Goldstar	-	-	-	-	1,731	-	-	2,300	-	-	-	4,031	4,031
<b>Total</b>	<b>5,939,983</b>	<b>833,400</b>	<b>941</b>	<b>32,930</b>	<b>143,849</b>	<b>-</b>	<b>11,082</b>	<b>41,300</b>	<b>88</b>	<b>5,700</b>	<b>(516,163)</b>	<b>553,127</b>	<b>6,493,110</b>

Expenditures During the Period													
Mineral Properties:	Balance Sept. 30, 2020	Acquisitions	Assays	Camp & Field Costs	Consulting/ Reports	Drilling	Transport & Supplies	Geophysical	Mapping & Surveys	Equipment & Rental	Government Tax Credit ✓	Sub-total	Balance Jun. 30, 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Empire	-	425,000	934	7,425	29,788	-	9,690	-	-	285	-	473,122	473,122
Midas	5,554,256	357,000	2,572	39,240	54,119	-	20,013	6,300	-	285	(39,131)	440,398	5,994,654
Goldstd	934,823	-	214	2,000	65,050	6,178	42,364	-	-	9,157	(3,834)	121,129	1,055,952
Goldstar	4,031	1,215,000	214	4,035	46,513	6,178	39,764	-	-	9,157	(153)	1,320,708	1,324,739
<b>Total</b>	<b>6,493,110</b>	<b>1,997,000</b>	<b>3,934</b>	<b>52,700</b>	<b>195,470</b>	<b>12,356</b>	<b>111,831</b>	<b>6,300</b>	<b>-</b>	<b>18,884</b>	<b>(43,118)</b>	<b>2,355,357</b>	<b>8,848,467</b>

\* In September, 2020, the Canada Revenue Agency ("CRA") issued a cash refund pertaining to the British Columbia Mining Exploration Tax Credit ("BCMETS") in the amount of \$1,032,831 for the 2017 and 2018 fiscal years. The tax credit of \$457,259 relating to the Midas property was offset against its exploration expenditures and \$575,572 relating to the Empire property has been recorded as a tax credit recovery as that property's carry value was written off in fiscal 2019.

In January, 2021, the CRA issued a cash refund pertaining to the BCMETS in the amount of \$89,132 for the 2019 fiscal year. The tax credit of \$58,904 relating to the Midas property was offset against its exploration expenditures and \$28,995 relating to the Empire property along with other exploration expenditures expensed was recorded as a tax recovery. The tax credit refund was accrued and recorded in the financial statements as at September 30, 2020.

✓ In March, 2021, the CRA issued a cash refund pertaining to the BCMETS in the amount of \$66,350 for the 2020 fiscal year. The tax credit of \$39,131, \$3,834 and \$153 relating to the Midas, Gold Standard and Gold Star properties respectively were offset against their exploration expenditures and \$23,232 relating to the Empire property along with other exploration expenditure expensed was recorded as a tax recovery.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

### 9. Investment in DSM Syndicate Holdings Ltd.

During the year ended September 30, 2017, pursuant to the amendments to the Midas and Empire properties, the Company acquired a 20% interest in DSM Syndicate Holdings Ltd. ("DSM Syndicate") at a cost of \$500,000. The DSM Syndicate was formed to pool geological and other knowledge and expertise relating to certain properties identified in an area in northwestern British Columbia, finance and carry out an acquisition and exploration program and market any resulting property interests with the intention to option or sell the property interests. Management has determined that the cost of its investment of \$500,000 is the most reliable measure of its fair value as there is a lack of observable date or other means to determine fair value. As of March 31, 2021, there are no indicators that amount invested is not recoverable or that the fair value of the investment had changed.

### 10. Trade accounts payable and accrued liabilities

	June 30, 2021	June 30, 2020
Accounts payable	\$ 26,049	\$ 3,681
Accrued liabilities	16,500	15,000
	\$ 42,549	\$ 18,681

### 11. Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the CEO and CFO and their compensations are included in the following:

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2021	2020	2021	2020
Management fees	\$ 55,500	\$ 45,000	\$ 150,000	\$ 115,000
Administrative fees	18,500	15,000	50,000	45,000
Directors' fees	4,500	-	4,500	-
Short-term benefits	479	-	929	-
Other	3,000	-	6,000	-
Share-based compensation	651,000	7,175	692,670	176,975
Total	\$ 732,979	\$ 67,175	\$ 904,099	\$ 336,975

Home office expenses of \$6,000 (2020: \$Nil) were paid or accrued to the CEO and CFO.

Share-based compensation is a non-cash item that pertains to all officers and directors of the Company.

Related party liabilities consist of unpaid management, administration and other fees owing to an officer and director of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. As at June 30, 2021, \$42,000 (June 30, 2020 - \$21,000) is owing to related parties and a balance in prepaid expenses of \$6,094 (June 30, 2020 - \$3,515) is due from related parties relating to expense advances.

### 12. Share Capital

#### Authorized:

Authorized share capital consists of an unlimited number of common shares without par value.

## **Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

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### **12. Share Capital – (cont'd)**

#### **Issued:**

#### **Share Consolidation:**

Effective October 17, 2019, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis, which resulted in 10,522,557 shares outstanding post-consolidation. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect the change. As at December 31, 2020, there were 20,456,128 (2019: 10,522,557) shares issued and outstanding.

During the period ended June 30, 2021:

- The Company closed the following non-brokered private placements:

In March, 2021, the Company issued 7,887,324 flow-through units ("FT Units") at a price of \$0.355 per FT Unit for gross proceeds of \$2,800,000. The Company also issued 10,000,000 non-flow-through units ("Units") at a price of \$0.25 per Unit for gross proceeds of \$2,500,000.

#### FT Units:

Each FT Unit consisted of one common flow-through share of the Company and one common share purchase warrant with each warrant exercisable to purchase an additional non-flow-through common share of the Company at a price of \$0.375 expiring March, 2023.

A cash commission of \$40,300 was paid and 113,520 non-transferable broker warrants were issued with the same exercisable terms of the FT Unit warrants.

The fair value of the 113,520 broker warrants was estimated at \$27,245 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.42 expected volatility - 109% (based on historical volatility), risk-free interest rate – 0.29%, average exercise price of \$0.375 and an expected life of 2 year.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$828,196 and as at June 30, 2021, \$77,019 was recognized as a settlement of the flow-through premium leaving \$751,150 as a flow-through share premium liability in the balance sheet.

#### Units:

Each Unit consisted of one common share of the Company and share purchase warrant with each warrant exercisable to purchase an additional common share of the Company at a price of \$0.375 expiring March, 2023.

A cash commission of \$105,195 was paid and 420,780 non-transferable broker warrants were issued with the same exercisable terms of the Unit warrants.

The fair value of the 420,780 broker warrants was estimated at \$100,987 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.42 expected volatility - 109% (based on historical volatility), risk-free interest rate – 0.29%, average exercise price of \$0.375 and an expected life of 2 years.

- In March, 2021, the Company issued 350,000 of its common shares pursuant to the exercising of 350,000 stock options at unit price of \$0.22 for proceeds of \$77,000.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements

For The Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### 12. Share Capital – (cont'd)

#### Issued: - (cont'd)

- During fiscal 2021, the Company issued 237,000 of its common shares pursuant to the exercising of 237,000 share purchase warrants at a weighted average price of \$0.16 for proceeds of \$237,000.
- Pursuant to the Gold Star mineral property agreement, in March, 2021, the Company issued 1,500,000 common shares of the Company with a fair value of \$675,000 and 1,500,000 share purchase warrants with a fair value of \$540,000. Each warrant is exercisable to purchase one common share of the Company at a unit price of \$0.42 expiring March 9, 2026. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, share price of \$0.45, expected volatility - 111%, risk-free interest rate – 0.87%, average exercise price of \$0.42 and an expected life of 5 years. (Note 7)
- Pursuant to the Midas mineral property agreement, in November, 2020, the Company issued 1,700,000 common shares of the Company with a fair value of \$204,000 and 1,700,000 share purchase warrants with a fair value of \$153,000. Each warrant is exercisable to purchase one common share of the Company at a unit price of \$0.12 expiring November 12, 2025. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, share price of \$0.12, expected volatility - 105%, risk-free interest rate – 0.45%, average exercise price of \$0.12 and an expected life of 5 years. (Note 7).
- Pursuant to the Empire mineral property agreement, in October, 2020, the Company issued 1,700,000 common shares of the Company with a fair value of \$238,000 and 1,700,000 share purchase warrants with a fair value of \$187,000. Each warrant is exercisable to purchase one common share of the Company at a unit price of \$0.14 expiring October 16, 2025. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, share price of \$0.14, expected volatility - 105%, risk-free interest rate – 0.34%, average exercise price of \$0.14 and an expected life of 5 years. (Note 7).

During the year ended September 30, 2020:

- The Company closed the following non-brokered private placements:
  - a) In March, 2020, the Company issued 120,000 flow-through units (“FT Units”) at a price of \$0.28 per FT Unit for gross proceeds of \$33,600. The Company also issued 957,000 hard-dollar units (“Units”) at a price of \$0.20 per Unit for gross proceeds of \$191,400.

#### FT Units:

Each FT Unit consisted of one common flow-through share of the Company and one common share purchase warrant with each warrant exercisable to purchase an additional non-flow-through common share of the Company at a price of \$0.56 expiring March, 2021.

A cash commission of \$336 was paid and 1,200 non-transferable broker warrants were issued with the same exercisable terms of the FT Unit warrants.

The fair value of the 1,200 broker warrants was estimated at \$36 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.19 expected volatility - 112% (based on historical volatility), risk-free interest rate – 1.19%, average exercise price of \$0.56 and an expected life of 1 year.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

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### 12. Share Capital – (cont'd)

#### Issued: - (cont'd)

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$9,600. As at September 30, 2020, the Company had incurred all of the required expenditures and therefore the flow-through premium was recognized as other income.

#### Units:

Each Unit consisted of one common share of the Company and share purchase warrant with each warrant exercisable to purchase an additional common share of the Company at a price of \$0.40 expiring March, 2022.

A cash commission of \$7,404 was paid and 37,020 non-transferable broker warrants were issued with the same exercisable terms of the Unit warrants.

The fair value of the 37,020 broker warrants was estimated at \$2,943 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.19 expected volatility - 113% (based on historical volatility), risk-free interest rate – 1.19%, average exercise price of \$0.40 and an expected life of 2 years.

- b) In February, 2020, the Company issued 3,099,000 units at a price of \$0.20 per unit for gross proceeds of \$619,800. Each unit consisted of one common share of the Company and one common share purchase warrant exercisable to purchase an additional common share of the Company at a price of \$0.40 expiring February, 2022.

A cash commission of \$13,308 was paid and 66,540 non-transferable broker warrants were issued with the same exercisable terms as the unit warrants.

The fair value of the 66,540 broker warrants was estimated at \$7,512 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.24 expected volatility - 113% (based on historical volatility), risk-free interest rate – 1.5%, average exercise price of \$0.40 and an expected life of 2 years.

- c) In December 2019, the Company issued 357,571 flow-through units at a price of \$0.28 per unit for gross proceeds of \$100,120. Each unit consisted of one common flow-through share of the Company and one warrant with each warrant exercisable to purchase an additional non-flow-through common share of the Company at a price of \$0.56 expiring December, 2020.

A cash commission of \$6,007 was paid and 21,454 non-transferable broker warrants were issued with the same exercisable terms of the flow-through unit warrants.

The fair value of the 21,454 broker warrants was estimated at \$1,176 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.23 expected volatility - 122% (based on historical volatility), risk-free interest rate – 1.7%, average exercise price of \$0.56 and an expected life of 1 year.

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

**12. Share Capital – (cont'd)****Issued: - (cont'd)**

The flow-through units issued were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$28,606. As at September 30, 2020, the Company had incurred all of the required expenditures and therefore the flow-through premium was recognized as other income

The Company incurred other share issue costs of \$6,975 in connection with these private placements

- Pursuant to the Gold Standard mineral property agreement, the Company issued 2,000,000 common shares of the Company with a fair value of \$360,000 and 2,000,000 share purchase warrants with a fair value of \$273,400. Each warrant is exercisable to purchase one common share of the Company at a unit price of \$0.20 expiring March 10, 2025. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, share price of \$0.18, expected volatility - 239%, risk-free interest rate – 0.59%, average exercise price of \$0.20 and an expected life of 5 years. (Note 7).

**Warrants:**

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - September 30, 2019	4,142,161	\$3.40
Issued pursuant to private placements	4,533,571	\$0.42
Broker-warrants issued pursuant to private placements	126,214	\$0.43
Issued pursuant to mineral option agreement	2,000,000	\$0.20
Expired	(474,286)	\$6.32
Balance - September 30, 2020	10,327,660	\$3.40
Issued pursuant to private placements	17,887,324	\$0.38
Broker-warrants issued pursuant to private placements	534,300	\$0.38
Issued pursuant to mineral option agreements	4,900,000	\$0.22
Warrants exercised	(237,000)	\$0.16
Expired	(2,372,284)	\$3.87
Balance - June 30, 2021	31,040,000	\$0.40

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

**12. Share Capital – (cont'd)****Warrants: -(cont'd)**

Details of share purchase warrants outstanding at June 30, 2021:

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
355,553 (i)	\$3.20	December 6, 2021	0.43
21,000 (i)	\$3.20	December 13, 2021	0.45
3,165,540 (i)	\$0.40	February 6, 2022	0.60
969,020 (i)	\$0.40	March 2, 2022	0.67
1,419,263	\$0.80	July 17, 2022	1.05
18,421,624	\$0.38	March 3, 2023	1.68
1,975,000	\$0.20	March 10, 2025	3.69
1,649,000	\$0.14	October 16, 2025	4.29
1,564,000	\$0.12	November 12, 2025	4.37
1,500,000	\$0.42	March 9, 2026	4.69
<b>31,040,000</b>	<b>\$0.40</b>		<b>2.04</b>

(i) Subject to the Company to accelerate the exercise period of the warrants to 30 days, if the shares of the Company achieved a closing price of \$0.80 or higher for 10 consecutive trading days.

**Stock options:**

The Company has a stock option plan whereby, the maximum number of common shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. Options vest at the date of grant, unless otherwise noted.

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days (or earlier as stipulated) of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance - September 30, 2019	441,500	\$2.90
Expired	(186,500)	\$2.41
Cancelled	(255,000)	\$3.27
Granted	1,700,000	\$0.22
Balance - September 30, 2020	1,700,000	\$0.22
Granted	2,670,500	\$0.34
Exercised	(350,000)	\$0.22
Balance - June 30, 2021	4,020,500	\$0.30

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

**12. Share Capital – (cont'd)****Options: - (cont'd)**

During the period ended June 30, 2021, the Company recognized \$692,670 (2020: \$270,250) in share based compensation.

During the period ended June 30, 2021, the following share purchase options were transacted:

- In March, 2021, 350,000 stock options were exercised for proceeds of \$77,000.
- In December, 2020, the Company granted in aggregate 335,000 stock options to certain directors of the Company and 10,500 stock options to a consultant for the Company. The options issued pursuant to this grant vest immediately, have a term of five years and each option exercisable to purchase a common share of the Company at \$0.22.
- In May, 2021, the Company granted in aggregate 1,725,000 stock options to certain directors of the Company and 600,000 stock options in aggregate to certain consultant for the Company. The options issued pursuant to this grant vest immediately, have a term of five years and each option exercisable to purchase a common share of the Company at \$0.36

During the year ended September 30, 2020, the following share purchase options were transacted:

- In April, 2020, the Company granted 50,000 stock options to an officer/director and 650,000 stock options to certain consultants for the Company. The options issued pursuant to this grant vest immediately, have a term of five years and each option exercisable to purchase a common share of the Company at \$0.22.
- 186,500 stock options granted to certain consultants expired due to expiration of corresponding consulting agreements. 20,000 stock options granted to a consultant were cancelled due to termination of service and 235,000 stock options granted to directors and officers were also cancelled.
- In January 2020, the Company granted 1,000,000 stock options to directors and officers. The options issued pursuant to this grant vest immediately, have a term of five years and each option exercisable to purchase a common share of the Company at \$0.22.

Details of stock options outstanding at June 30, 2021:

Options Outstanding	Exercise Price	Expiry Date	Remaining Life (years)
1,000,000	\$0.22	January 9, 2025	3.52
350,000	\$0.22	April 21, 2025	3.81
335,000	\$0.22	December 2, 2025	4.42
10,500	\$0.22	December 30, 2025	4.50
2,325,000	\$0.36	May 14, 2026	4.88
4,020,500	\$0.30		4.41

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Nine Months Ended June 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

### 12. Share Capital – (cont'd)

#### Options: - (cont'd)

The fair values were estimated using the Black-Scholes option pricing model:

Date Granted	Number of Options	Exercise Price	Expiry Date	Unit Fair Value
January 9, 2020	1,000,000	\$0.22	January 9, 2025	\$0.17
April 21, 2020	350,000	\$0.22	April 21, 2025	\$0.14
December 2, 2020	335,000	\$0.22	December 2, 2025	\$0.12
December 30, 2020	10,500	\$0.22	December 30, 2025	\$0.14
May 14, 2021	2,325,000	\$0.36	May 14, 2026	\$0.28

Black-Scholes option pricing parameters with no dividend yield expected:

Risk-Free Interest Rate	Expected Life (Years)	Volatility Factor
0.29% - 0.94%	5	104.8% - 111.7%

#### Contributed Surplus:

Contributed surplus record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options or warrants expire unexercised, the amount initially recorded will be reversed to deficit.

### 13. Management of Capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of equity and debt obligations, net of cash. There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

### 14. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company is exposed to credit risk with respect to its cash and short-term investment. The Company minimizes its exposure to credit risk by placing its cash and cash equivalents with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash and cash equivalents as low due to the high credit quality rating the institution has with the rating agencies. As at June 30, 2021, the Company has cash and cash equivalents of \$5,611,691 with \$57,500 being held for restricted use.

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

**14. Financial Instruments and Risk Management – (cont'd)****Foreign exchange risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign exchange risk is minimal.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Liquidity risk is considered high.

**Fair value**

The fair value of the Company's financial assets and liabilities approximates their carrying amount due to their short period of time to maturity.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Management has determined that the cost of its investment of \$500,000 is the most reliable measure of its fair value as there is a lack of observable date or other means to determine fair value and is a level 3 fair value measure.