FREEMAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months ended May 31, 2022 and 2021

(Expressed in Canadian dollars - Unaudited)

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars - Unaudited)

	Note	May 31, 2022 $	November 30, 2021 $
ASSETS			
Current assets			
Cash		12,407,093	20,054,776
GST receivable		116,243	39,515
Prepaid expenses and deposits	3	136,572	69,442
Total current assets		12,659,908	20,163,733
Non-current assets			
Advances for exploration and evaluation activities		385,457	77,005
Property, plant and equipment	4	116,432	160,325
Reclamation bond	5	110,012	-
Exploration and evaluation assets	5	17,614,259	10,928,002
		18,226,160	11,165,332
TOTAL ASSETS		30,886,068	31,329,065
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6,7	1,310,655	405,072
Warrant liabilities	8	2,540,647	4,848,315
Total current liabilities		3,851,302	5,253,387
SHAREHOLDERS' EQUITY			
Share capital	8	35,641,736	35,612,684
Reserves	8	5,503,346	4,369,480
Deficit		(14,110,316)	(13,906,486)
Total Shareholders' Equity		27,034,766	26,075,678
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		30,886,068	31,329,065

Subsequent Event (Note 11)

Approved by the Board of Directors on July 29, 2022:

"Simon Marcotte"	*"Victor Cantore"*
Simon Marcotte, Director	Victor Cantore, Director

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

FREEMAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Expressed in Canadian dollars, except number of shares - Unaudited)

		Three months ended May 31,		Six months ended May 31	
		2022	2021	2022	2021
		$	$	$	$
EXPENSES					
Bank charges		765	509	2,030	2,000
Consulting	7	260,667	184,250	805,803	400,705
General and administrative		33,768	43,216	89,160	60,657
Marketing fees		89,244	39,392	165,960	727,000
Professional fees		12,349	22,027	64,147	67,050
Regulatory and filing fees		44,241	23,561	105,445	43,237
Share-based compensation	7,8	-	52,780	1,150,159	209,810
Net loss before other items		(441,034)	(365,735)	(2,382,704)	(1,510,459)
Other items					
Fair value gain on liability warrants	8	2,307,668	-	2,307,668	-
Interest income		10,782	-	10,782	-
Foreign exchange		(27,812)	-	(139,576)	-
		2,290,638	-	2,178,874	-
Net earnings (loss) and comprehensive earnings (loss)		1,849,604	(365,735)	(203,830)	(1,510,459)
Basic and diluted earnings (loss) per common share		0.01	(0.01)	(0.00)	(0.02)
Weighted average number of common shares outstanding - basic		131,356,359	81,453,170	131,344,733	81,438,385
Weighted average number of common shares outstanding - fully diluted		161,543,332	81,453,170	131,344,733	81,438,385

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

FREEMAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars, except number of shares - Unaudited)

	Note	Share Capital Number of shares outstanding	Share Capital Amount	Reserves	Deficit	Total shareholders' equity
			$	$	$	$
Balance at November 30, 2020		81,400,454	21,384,559	3,168,691	(11,284,752)	13,268,498
Exercise of warrants		52,716	36,672	(12,314)	-	24,358
Share issuance costs		-	(2,145)	-	-	(2,145)
Share-based compensation		-	-	209,810	-	209,810
Net loss for the period		-	-	-	(1,510,459)	(1,510,459)
Balance at May 31, 2021		81,453,170	21,419,086	3,366,187	(12,795,211)	11,990,062
Issuance of common shares and warrants pursuant to private placements		49,799,309	13,902,072	1,277,444	-	15,179,516
Share issuance costs		-	(197,837)	-	-	(197,837)
Exercise of warrants		80,880	36,081	(27,993)	-	8,088
Share-based compensation		-	-	1,075,220	-	1,075,220
Cancellation of options		-	-	(868,096)	868,096	-
Expiry of warrants		-	453,282	(453,282)	-	-
Net loss for the period		-	-	-	(1,979,371)	(1,979,371)
Balance at November 30, 2021		131,333,359	35,612,684	4,369,480	(13,906,486)	26,075,678
Exercise of warrants	8	43,125	37,856	(16,293)	-	21,563
Share issuance costs		-	(8,804)	-	-	(8,804)
Share-based compensation	8	-	-	1,150,159	-	1,150,159
Net loss for the period		-	-	-	(203,830)	(203,830)
Balance at May 31, 2022		131,376,484	35,641,736	5,503,346	(14,110,316)	27,034,766

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

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

	Six months ended May 31, 2022	Six months ended May 31, 2021
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	(203,830)	(1,510,459)
Items not affecting cash:		
Fair value gain on warrant liabilities	(2,307,668)	-
Share-based compensation	1,150,159	209,810
Unrealized foreign exchange	128,814	-
Changes in non-cash working capital items:		
Receivables	(76,728)	66,944
Prepaid expenses	(67,130)	(80,044)
Accounts payable and accrued liabilities	(130,356)	(665,187)
Cash used in operating activities	(1,506,739)	(1,978,936)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and vehicles	-	(9,060)
Advances for exploration and evaluation activities	(308,452)	-
Purchase of reclamation bond	(110,012)	-
Expenditures for exploration and evaluation assets	(5,606,425)	(1,076,376)
Cash used in investing activities	(6,024,889)	(1,085,436)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs	(8,804)	(2,145)
Proceeds from exercise of warrants	21,563	24,358
Cash provided by financing activities	12,759	22,213
Change in cash during the period	(7,518,869)	(3,042,159)
Effect of exchange rate changes on cash	(128,814)	-
Cash, beginning of period	20,054,776	5,066,930
Cash, end of period	12,407,093	2,024,771
Supplemental Cash Flow Information:		
Evaluation and exploration expenditures included in accounts payable	363,923	69,455
Depreciation of property, plant and equipment included in exploration and evaluation expenditures	43,138	43,138

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

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Freeman Gold Corp. (the "Company") was incorporated in the Province of British Columbia on October 24, 2018, under the Business Corporations Act of British Columbia. The Company is in the business of exploring and evaluating mineral assets. The Company's registered office is Suite 1500 – 1055 W. Georgia Street, Vancouver BC V6E 4N7 and its business office is located at 1570 – 505 Burrard Street, Vancouver, BC V7X 1M5. The Company's shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "FMAN".

On April 16, 2020, (the "Closing Date"), the Company completed a share exchange transaction (the "RTO") with 1132144 B.C. Ltd. ("113BC"), the parent company of Lower 48 Resources Inc. ("Lower 48 BC") and Lower 48 Resources (Idaho) LLC ("Lower 48"), whereby the Company acquired all of the issued and outstanding common shares of 113BC through the issuance of 33,740,000 common shares of the Company, subject to escrow terms to 113BC's shareholders. Additionally, the Company issued 3,500,000 common shares as finder fee shares to an arm's length finder that facilitated the RTO. Prior to the Closing Date, 14,257,770 common shares of the Company were outstanding. Following the Closing Date, 51,497,770 common shares of the Company were outstanding, with 66% of the Company's shares held by shareholders of 113BC.

Management determined that the RTO transaction constituted a reverse acquisition for accounting purposes whereby 113BC acquired the Company. For accounting purposes, 113BC is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these consolidated financial statements. As 113BC was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these financial statements at their historical carrying values. The Company's results of operations are included from the Closing Date. The comparative figures are those of 113BC prior to the reverse acquisition.

At May 31, 2022, the Company had cash totalling $12,407,093. As a result, the Company believes that it has adequate cashflow to meet obligations and carry out planned activities for the next twelve months.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" a global pandemic. To combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the war in the Ukraine to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with *International Accounting Standard 34 - Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. As such, these condensed consolidated interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended November 30, 2021, and 2020.

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the most recent audited annual financial statements and were consistently applied to all periods presented.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on July 29, 2022.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below.

c) Functional and presentation currency

The presentation and functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company, and its wholly owned subsidiaries including Lodge Minerals Inc., 113BC, Lower 48 BC and Lower 48 (see Note 1). Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

e) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

2. BASIS OF PRESENTATION (Continued)

e) Significant accounting estimates and judgments (continued)

(i) Critical accounting estimates

Valuation of options and warrants
The fair value of common share purchase options and warrants granted is determined at the issue date using the Black-Scholes pricing model. The fair value of common shares issued for finders' fees are based on the closing price on the date of the transaction to which these fees pertain.

Current and deferred taxes

The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. Management provides for such differences where known based on its best estimate of the probable outcome of these matters.

(ii) Critical accounting judgments

Assessment of transactions as asset acquisitions or business combinations
Management has had to apply judgment relating to the reverse takeover transaction between 113BC and the Company with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion.

Going Concern
Presentation of the condensed consolidated interim financial statements as a going concern assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Functional Currency
In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Impairment of exploration and evaluation assets
Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

f) Accounting standards and interpretations issued but not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

3. PREPAID EXPENSES AND DEPOSITS

	May 31, 2022	November 30, 2021
	$	$
Marketing	63,107	20,358
Insurance	11,525	31,275
Regulatory and filing fees	46,942	5,866
Legal	9,160	-
Rent	-	2,500
Computer and software	3,813	7,676
Other	2,025	1,767
Total prepaid expenses and deposits	136,572	69,442

4. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Vehicles	Total
	$	$	$
Cost			
Balance at May 31, 2022 and November 30, 2021	57,119	206,237	263,356
Amortization			
Balance at November 30, 2021	21,253	81,778	103,031
Additions (Note 5)	9,520	34,373	43,893
Balance at May 31, 2022	30,773	116,151	146,924
Net book value			
Balance at November 30, 2021	35,866	124,459	160,325
Balance at May 31, 2022	26,346	90,086	116,432

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets for the period ended May 31, 2022 and year ended November 30, 2021 are as follows:

Period ended May 31, 2022	
	$
Property acquisition costs	
Balance at November 30, 2021	5,519,808
Additions	-
	5,519,808
Exploration and evaluation costs	
Balance at November 30, 2021	5,408,194
Costs incurred during the period:	
Amortization of equipment and vehicles (Note 4)	43,893
Assaying and sampling	311,347
Archaeology	3,847
Camp and accommodations	5,568
Drilling	5,621,035
Fees and taxes	700
Geology	571,974
Metallurgy	38,491
Permitting	88,624
Resource estimate	778
	12,094,451
Balance at May 31, 2022	17,614,259

Year ended November 30, 2021	
	$
Property acquisition costs	
Balance at November 30, 2020	5,260,586
Additions	259,222
	5,519,808
Exploration and evaluation costs	
Balance at November 30, 2020	3,343,703
Costs incurred during the year:	
Amortization of equipment and vehicles	87,030
Assaying and sampling	517,726
Archaeology	17,282
Camp and accommodations	16,670
Drilling	386,969
Fees and taxes	4,530
Geology	860,352
Metallurgy	159,663
Resource estimate	14,269
	5,408,194
Balance at November 30, 2021	10,928,002

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Lemhi Property

On October 16, 2019, the Company entered into an option agreement to acquire 100% of the rights and interest in certain mining claims located in Lemhi County, Idaho for USD $1,615,000. As at May 31, 2022, the Company has paid $1,872,002 (USD $1,615,000) to acquire the Lemhi Property.

On August 19, 2019, the Company entered into an option agreement to acquire a 100% interest in an additional 46 unpatented mining claims located in Lemhi County, Idaho. In order to exercise the option, the Company is required to make the following payments:

i) USD $75,000 within 3 days of the effective date (paid - $101,475);
ii) USD $50,000 on or before the first anniversary of the effective date (paid – $67,531);
iii) USD $50,000 on or before the second anniversary of the effective date (paid - $62,772);
iv) USD $50,000 on or before the third anniversary of the effective date;
v) USD $75,000 on or before the fourth anniversary of the effective date;
vi) USD $75,000 on or before the fifth anniversary of the effective date;
vii) USD $75,000 on or before the sixth anniversary of the effective date; and
viii) USD $550,000 on or before the seventh anniversary of the effective date.

On September 8, 2020, the Company acquired and extinguished a back-in right from Yamana Gold Inc. ("Yamana") over the Lemhi Project for the issuance of 4,035,273 common shares with a fair value of $2,098,342. In connection with the transaction the Company issued finder's fees consisting of 260,000 common shares of the Company with a fair value of $135,200.

On September 15, 2020, the Company acquired 100% ownership of the Moon #100 and Moon #101 unpatented mining claims ("Moon Claims"), located within the Lemhi project for cash consideration of $199,950 (US $150,000) and the issuance of 375,000 common shares of the Company with a fair value of $225,000. In the current year, this agreement was revised, requiring the payment of an additional USD $100,000 ($124,546) (paid).

During the prior year, the Company also paid $71,577 in maintenance claims on the Lemhi property which are included in acquisition costs.

During the six months ended May 31, 2022, the Company purchased a reclamation bond in the amount of $110,012 (US $85,400) in accordance with the requirements of the USDA Forestry Service.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2022	November 30, 2021
	$	$
Accounts payable (Note 7)	1,297,155	382,173
Accrued liabilities	13,500	22,899
	1,310,655	405,072

7. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and senior corporate officers. The Company entered into the following transactions with related parties during the periods ended May 31, 2022 and 2021:

Period ended	2022	May 31, 2021
	$	$
Consulting fees paid to a company controlled by the CEO	206,250	100,000
Consulting fees paid to the CFO and to a company controlled by the CFO	265,750	159,000
Consulting and equipment rental fees paid to the VP, Exploration	93,800	95,440
Consulting fees paid to the VP, Development	24,000	24,000
Consulting fees paid to a company controlled by the Executive Chairman	205,750	-
Share-based compensation paid to officers and directors	701,792	172,044
	1,497,342	550,484

Included in accounts payable at May 31, 2022 is $34,661 (November 30, 2021 - $Nil) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

On July 23, 2021, the Company issued 1,000,000 RSU's to the Chief Financial Officer and to the Executive Chairman of the board. (Note 11) The RSUs expire three years from the date of issue and vest upon the occurrence of any one of the following events:

1) The Company is sold;
2) The participant resigns;
3) The participant is terminated without cause; or
4) The participant is otherwise unable to perform services for the Company.

8. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Common share transactions

Period ended May 31, 2022

During the period ended May 31, 2022, the Company issued 43,125 common shares for proceeds of $21,563 pursuant to the exercise of 43,125 warrants and reclassified $16,293 from reserves to share capital.

Year ended November 30, 2021:
On November 29, 2021, the Company closed a non-brokered private placement financing issuing 38,261,617 units at $0.44 (US $0.35) per unit for gross proceeds of $17,028,031. Each unit consisted of one common share and one-half of one common share purchase warrant.

Each whole share purchase warrant is exercisable at a price of $0.83 (US $0.65) per share for 60 months from the date of issuance. The warrants were valued at $4,848,315 using the Black-Scholes pricing method. The warrants are classified as a liability because the exercise price is denominated in US dollars, which is not the functional currency of the Company. Costs of $86,886, related to the issuance of warrants, were recorded in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

8. SHARE CAPITAL (Continued)

b) Common share transactions (continued)

Year ended November 30, 2021 (continued):

Costs of $197,556, related to the issuance of shares, were deducted from share capital in the consolidated statements of financial position.

On September 7, 2021, the Company closed a non-brokered private placement financing issuing 11,537,692 units at $0.26 per unit for gross proceeds of $2,999,800. Each unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at a price of $0.35 per share for 36 months from the date of issuance. The warrants were valued at $1,277,444, using the Black-Scholes pricing method. Share issuance costs of $2,426 were incurred in connection with the private placement financing.

During the year ended November 30, 2021, the Company issued 133,596 common shares for proceeds of $32,446 pursuant to the exercise of 133,596 warrants and reclassified $40,307 from reserves to share capital.

c) Warrants

The following is a summary of the Company's warrant transactions for the period ended May 31, 2022, and year ended November 30, 2021:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance at November 30, 2020	5,803,341	0.49
Issued	30,668,496	0.65
Exercised	(133,596)	0.24
Expired	(4,270,451)	0.50
Balance at November 30, 2021	32,067,790	0.64
Exercised	(43,125)	0.50
Balance at May 31, 2022	32,024,665	0.64

The fair value of equity warrants issued as part of unit private placements during the year ended November 30, 2021, was estimated using the Black-Scholes pricing model with the following assumptions:

	May 31, 2022	November 30, 2021
Risk-free interest rate	-	0.60%
Expected life of warrants	-	3 years
Annualized volatility	-	125.00%
Dividend rate	-	0%

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

8. SHARE CAPITAL (Continued)

c) Warrants (continued)

The fair value of liability warrants issued as part of a unit private placement during the year ended November 30, 2021, was estimated using the Black-Scholes pricing model with the following assumptions:

	May 31, 2022	November 30, 2021
Risk-free interest rate	N/A	1.56%
Expected life of warrants	N/A	5 years
Annualized volatility	N/A	125.00%
Dividend rate	N/A	0%

Volatility assumptions for the valuation of warrants were derived by reference to the volatility of comparable companies.

The warrants began trading on the TSXV under the symbol FMAN.WT.U in the current period and were valued based on the closing market price at May 31, 2022 resulting in a fair value gain of $2,307,668 recorded in the consolidated statement of loss for the current period.

Warrants outstanding at May 31, 2022 and November 30, 2021 are as follows:

Exercise Price ($)	Number of Shares	Expiry Date
Equity Warrants		
0.50	1,356,169	July 28, 2022
0.35	11,537,692	September 7, 2024
Liability Warrants		
0.83	19,130,804	November 29, 2026
	32,024,665	

The weighted average remaining life of equity warrants is 2.1 years, and the remaining life of liability warrants is 4.50 years.

d) Stock Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the date of grant for a period of up to ten years from the date of grant.

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

8. SHARE CAPITAL (Continued)

d) Stock Options (continued)

The following is a summary of the Company's stock option transactions for the period ended May 31, 2022, and year ended November 30, 2021:

	Number of Options	Weighted Average Exercise Price $
Balance November 30, 2020	5,140,000	0.57
Granted	3,700,000	0.40
Cancelled	(2,090,000)	0.54
Balance November 30, 2021	6,750,000	0.49
Granted	2,950,000	0.50
Balance May 31, 2022	9,700,000	0.49
Exercisable at May 31, 2022	9,700,000	0.49

The fair value of the stock options granted during the period ended May 31, 2022, and year ended November 30, 2021 was estimated using the Black-Scholes pricing model with the following assumptions:

	May 31, 2022	November 30, 2021
Risk-free interest rate	1.63%	0.87%
Expected life of options	5 years	5 years
Annualized volatility	125.00%	125.00%
Dividend rate	0%	0%

Volatility assumptions for the valuation of options were derived by reference to the volatility of comparable companies.

During the periods ended May 31, 2022, and 2021, the Company incurred $1,150,159 and $209,810 respectively, in share-based compensation expense related to the vesting of stock options.

Stock options outstanding at May 31, 2022 are as follows:

Exercise Price ($)	Number of Shares Issuable on Exercise	Expiry Date
0.60	1,750,000	May 27, 2025
0.60	1,300,000	October 6, 2025
0.40	3,700,000	August 31, 2026
0.50	2,950,000	February 1, 2027
	9,700,000	

The weighted average remaining life of stock options is 4.20 years.

8. SHARE CAPITAL (Continued)

e) Restricted Share Units

During the year ended November 30, 2021, the Company adopted a restricted share unit plan (the "RSU Plan") to promote and advance the interests of the Company by (i) providing eligible persons (as defined in the RSU Plan) with additional incentive through an opportunity to receive discretionary bonuses in the form of shares of the Company, (ii) encouraging stock ownership by such eligible persons, (iii) increasing the proprietary interest of eligible persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate eligible persons.

The proposed RSU Plan provides that RSUs may be granted by the Board or a committee or member of the Board as the administrator of the RSU Plan, to directors, officers, employees, and consultants of the Company. The maximum number of shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the shares issued and outstanding from time to time, less any shares reserved for issuance under all other share compensation arrangements (including the Company's stock option plan). Due to uncertainties related to the amount and timing of the future settlement of the RSU's, no value has been assigned to the RSU's as of May 31, 2022. See Note 7.

9. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

At May 31, 2022, the fair values of the Company's warrant liabilities and cash are based on Level 1 measurements. The fair values of other financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no debt or interest-bearing assets and therefore has minimal interest rate risk.

Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution and amounts receivable from the Government of Canada. As such, the Company's credit exposure is minimal.

Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. As of May 31, 2022, the Company has US dollar denominated assets of $11,314,188 and US dollar denominated liabilities of $1,060,104. Based on this net US dollar exposure, at May 31, 2022, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's net income or loss by $1,025,408.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity. The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

11. SUBSEQUENT EVENTS

i) 1,356,169 equity warrants, exercisable at $0.50 per share, expired on July 28, 2022.

ii) On June 6, 2022, the Company issued 375,000 common shares to Vineyard Gulch in accordance with the Moon claims agreement entered into in September 2020.

iii) In June 2022, the Company issued 150,000 restricted share units to the independent directors of the Company.

iv) The option plan and restricted share unit plan received shareholder approval.