

CIRRUS GOLD CORP.

INTERIM CONDENSED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE TO READER

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

The condensed interim financial statements of the Company for the quarter ended September 30, 2021 have been prepared by and are the responsibility of the Company's management.

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

CIRRUS GOLD CORP.
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

	September 30, 2021	December 31, 2020
ASSETS		
Current		
Cash	\$ 255,092	\$ 176,256
Accounts receivable	<u>8,717</u>	<u>-</u>
	263,809	176,256
Exploration and evaluation assets (Note 3)	<u>146,601</u>	<u>114,101</u>
	<u>\$ 410,410</u>	<u>\$ 290,357</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ -	\$ 51,867
Non-current		
Deferred income taxes	<u>-</u>	<u>5,088</u>
	<u>-</u>	<u>56,955</u>
Shareholders' equity		
Share capital (Note 6)	474,306	275,350
Contributed surplus (Note 5, 6)	80,331	30,000
Deficit	<u>(144,227)</u>	<u>(71,948)</u>
	<u>410,410</u>	<u>233,402</u>
	<u>\$ 410,410</u>	<u>\$ 290,357</u>

Nature of operations and going concern (Note 1)

**On behalf of the Board
on October 21, 2021**

"James Walchuck" Director _____
"Stuart Ross" Director

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

CIRRUS GOLD CORP.**INTERIM CONDENSED STATEMENTS OF STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
EXPENSES				
Consulting fees	\$ 7,500	\$ 4,871	\$ 22,500	\$ 7,155
Office	1,922	888	2,122	1,293
Professional fees	5,806	-	9,205	-
Rent	1,500	1,000	4,500	1,431
Share-based payments (Note 5,6)	-	-	32,020	30,000
Regulatory and transfer agent	2,019	-	7,019	-
	(18,747)	(6,759)	(77,366)	(39,879)
Deferred income tax recovered	-	-	5,088	-
Loss and comprehensive loss for the period	(18,747)	(6,759)	(72,278)	(39,879)
Loss per common share				
-Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding				
-Basic and diluted	13,396,739	5,783,152	11,622,802	3,512,920

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

CIRRUS GOLD CORP.
INTERIM CONDENSED STATEMENTS OF CASH FLOW
(Unaudited)
(Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2021	Period from February 5, 2020 to Sept. 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (72,278)	\$ (39,879)
Items not involving cash:		
Share-based compensation	32,020	30,000
Deferred income tax recovery	(5,088)	-
Changes in non-cash working capital items:		
Increase in accounts receivable	(8,718)	-
Increase (Decrease) in accounts payable and accrued liabilities	(51,867)	8,649
Net cash used in operating activities	<u>(105,931)</u>	<u>(1,230)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation assets	<u>(25,000)</u>	<u>(35,118)</u>
Net cash used in investing activity	<u>(25,000)</u>	<u>(24,999)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of shares, net of issue costs	<u>209,767</u>	<u>95,549</u>
Net cash provided by financing activity	<u>209,767</u>	<u>95,549</u>
Net change in cash during the period	78,836	35,118
Cash, beginning of the period	<u>176,256</u>	<u>-</u>
Cash, end of the period	<u>\$ 255,092</u>	<u>\$ 59,201</u>

Supplemental disclosure with respect to cash flows (Note 7)

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

CIRRUS GOLD CORP.**INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Unaudited)

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	Number of shares	Amount			
Incorporation February 5, 2020	-	\$ -	\$ -	\$ -	-
Shares issued for cash	6,775,000	105,500	-	-	105,500
Share issue cost	-	(9,951)	-	-	(9,951)
Shares issued pursuant to option agreement	150,000	3,000	-	-	3,000
Share-based compensation	-	-	30,000	-	30,000
Loss for the period	-	-	-	(39,879)	(39,879)
Balance, September 30, 2020	6,925,000	\$ 98,549	\$ 30,000	\$ (39,879)	\$ 88,670
Shares issued for cash	3,850,000	185,000	-	-	185,000
Share issue cost	-	(8,199)	-	-	(8,199)
Loss for the period	-	-	-	(32,069)	(32,069)
Balance, December 31, 2020	10,625,000	\$ 275,350	\$ 30,000	\$ (71,948)	\$ 233,402
Shares issued pursuant to option agreement (Note 3)	150,000	7,500	-	-	7,500
Shares issued for cash	3,500,000	350,000	-	-	350,000
Share issue cost	-	(150,233)	-	-	(150,233)
Agent warrants	-	(18,311)	18,311	-	-
Commission shares	100,000	10,000	-	-	10,000
Share-based compensation (Notes 5, 6)	-	-	32,020	-	32,020
Loss for the period	-	-	-	(72,278)	(72,278)
Balance, September 30, 2021	14,375,000	\$ 474,306	\$ 80,331	\$ (144,226)	\$ 410,410

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Cirrus Gold Corp. (the “Company”) was incorporated on February 5, 2020, under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 2710 – 200 Granville Street Vancouver, British Columbia, Canada. To date, the Company has not earned operating revenue.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether such properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

As at September 30, 2021, the Company has generated negative cash flows from operating activities and has an accumulated deficit of \$144,226. The Company expects to incur further losses in the development of its operations. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or generating sufficient revenues to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company’s operations and access to capital. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may reduce share prices and financial liquidity and thereby severely limit the financing capital available to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended September 30, 2021, are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting and are presented in Canadian dollars.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Future changes in accounting policy

A number of new standards, and amendments to standards and interpretations, are not yet effective for the nine months ended September 30, 2021 and have not been applied in preparing the financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. EXPLORATION AND EVALUATION ASSETS

	Chuchi South
Balance December 31, 2020	\$ 114,101
Acquisition costs:	
Cash	25,000
Shares	7,500
	32,500
Balance September 30, 2021	\$ 146,601

Chuchi South Project

Pursuant to an option agreement dated February 10, 2020, the Company was granted an option to acquire a 100% undivided interest in the Chuchi South Project (the "Property") in the Ominica Mining Division, British Columbia. To exercise the option the Company must pay \$510,000 in cash, incur \$350,000 in exploration expenditures, reimburse the Optionor for \$20,000 in previous property expenditures (paid) and issue 1,500,000 common shares over a 5-year period as follows:

	Option Payments	Exploration Expenditures	Common Shares
Within five calendar days of the Effective date, February 13, 2020 (paid)	\$ 5,000	\$ -	-
On or before March 15, 2020 (issued)	-	-	150,000
On or before February 13, 2021 (paid, incurred and issued)	25,000	100,000	150,000
On or before February 13, 2022	30,000	100,000	200,000
On or before February 13, 2023	50,000	150,000	1,000,000
On or before February 13, 2024	50,000	-	-
On or before February 13, 2025	350,000	-	-
Total	\$ 510,000	\$ 350,000	1,500,000

Pursuant to the Option Agreement the optionor will receive a 2.0% Net Smelter Return ("NSR") royalty and the Company has the right at any time to purchase the NSR for \$1,500,000.

On February 13, 2028 and each subsequent anniversary, until Commercial Production begins, the Company will pay the optionor an advance royalty payment of \$25,000, where the cumulative advance royalty payments paid will be credited towards any future NSR payments due.

The Company will pay to the optionor \$1,500,000 upon completion of a feasibility study resulting in a positive decision to commence commercial production on the Property.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2021	December 30, 2020
Trade payables	\$ -	\$ 45,867
Accrued liabilities	-	6,000
	\$ -	\$ 51,867

5. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The Company incurred share-based compensation of \$27,217 with key management personnel during the period ended September 30, 2021 (September 30, 2020 - \$30,000).

6. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the period ended September 30, 2021, the Company had the following share capital transactions:

- (1) On February 10, 2021, the Company issued 150,000 common shares for the acquisition of exploration and evaluation assets at a value of \$7,500.
- (2) On July 26, 2021, the Company completed its Initial Public Offering and issued 3,500,000 common shares at a price of \$0.10 per share for gross proceeds of \$350,000. The Company paid cash finders fees of \$35,000, issued 350,000 agent warrants valued at \$18,311 and paid cash corporate finance fee of \$30,000 and issued 100,000 common shares valued at \$10,000. Each agent warrant is exercisable at an exercise price of \$0.10 per agent warrant to July 26, 2023. Additional share issue costs of \$75,233 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

During the year ended December 31, 2020, the Company had the following share capital transactions:

- (1) On February 5, 2020, the Company issued 1 share on incorporation for proceeds of \$1. This share was subsequently repurchased by the Company and cancelled on February 5, 2020.
- (2) On February 5, 2020, the Company issued 2,000,000 common shares at a price of \$0.005 per common share for gross proceeds of \$10,000. The fair value of the common shares was estimated to be \$40,000. Accordingly, the Company recorded share-based compensation of \$30,000 and a corresponding increase to contributed surplus. Refer also to Note 4.
- (3) On March 10, 2020, the Company issued 150,000 common shares at a price of \$0.02 per common share pursuant to the option agreement dated February 10, 2020. See Note 3.
- (4) On July 23, 2020, the Company issued 3,050,000 flow-through common shares at a price of \$0.02 per common share for gross proceeds of \$61,000 which the Company is committed to spend on qualifying Canadian Exploration Expenses ("CEE") and issued 1,725,000 common shares at a price of \$0.02 per common share for gross proceeds of \$34,500.

As at December 31, 2020 the Company has fully completed this obligation to incur CEE.

6. SHARE CAPITAL AND RESERVES (cont'd...)

- (5) On December 23, 2020, the Company issued 700,000 common shares at a price of \$0.05 per common share for gross proceeds of \$35,000.
- (6) On December 31, 2020, the Company issued 3,000,000 common shares at a price of \$0.05 per common share for gross proceeds of \$150,000.

During the year ended December 31, 2020, the Company incurred aggregate share issue costs of \$18,150 in connection with the above financings, which was recorded as an offset to share capital, as share issue costs.

Escrow Shares

At September 30, 2021, there were 1,800,000 (December 31, 2020 – Nil) shares held in escrow with the Company's registrar and transfer agent. On July 23, 2021, 200,000 shares were released from escrow and equal tranches of 300,000 common shares beginning on January 23, 2022 and every six months thereafter.

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, at its discretion grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years.

As at September 30, 2021, the Company had stock options outstanding enabling the holder to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Life Remaining
1,000,000	\$0.10	January 18, 2026	4.30

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2020	Nil	\$ -
Granted	1,000,000	0.10
As at September 30, 2021	1,000,000	\$ 0.10

During the period ended September 30, 2021, the Company recognized share-based payments expense of \$32,020 (September 30, 2020 - \$Nil) in connection with the vesting of stock options granted.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options modified and granted during the period ended as follows:

6. SHARE CAPITAL AND RESERVES (cont'd...)

	September 30, 2021
Risk-free interest rate	0.42%
Expected life of options	5.00
Annualized volatility	100%
Dividend rate	0%

Warrants

The following common shares purchase warrants entitle the holder thereof to purchase one common share for each warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at December 31, 2020	-	\$ -
Granted	<u>350,000</u>	<u>0.10</u>
As at September 30, 2021	<u>350,000</u>	<u>\$ 0.10</u>

The weighted average remaining contractual life of warrants outstanding as at September 30, 2021 was 1.82 (December 31, 2020 – Nil years).

Warrants outstanding are as follows:

Number of Shares	Exercise Price	Expiry Date
350,000	\$ 0.10	July 26, 2023
<u>350,000</u>		

The weighted average Black-Scholes inputs are as follows:

	September 30, 2021	December 31, 2020
Expected life of warrants	2	-
Annualized volatility	100%	-
Dividend rate	-	-
Discount rate	0.56%	-

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during the period ended September 30, 2021.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

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

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions.

Liquidity risk

As of September 30, 2021, the Company had cash balance of \$255,092 to settle current liabilities of \$Nil. The Company is exposed to liquidity risk.

Market risk

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

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's expenditures are denominated in Canadian dollars and current exposure to currency risk is minimal.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

9. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, contributed surplus and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.