



**Condensed Interim Financial Statements**  
(Unaudited)  
(Expressed in Canadian Dollars)

**For the Nine Months Ended September 30, 2021**

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**Financial Statements**  
**September 30, 2021**  
**(Canadian Funds)**

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

The accompanying unaudited condensed interim financial statements of Fjordland Exploration Inc. ("the Company" or "Fjordland"), for the nine months ended September 30, 2021, have been prepared by management and have not been the subject of a review by the Company's Independent auditor.



**FJORDLAND EXPLORATION INC.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
(Unaudited)  
(Expressed in Canadian Dollars)

	Note	For the three months ended September 30		For the nine months ended September 30	
		2021	2020	2021	2020
<b>Expenses</b>					
Accounting and audit fees	10	\$ 15,000	\$ 9,000	\$ 44,268	\$ 27,244
Administration fees	10	12,252	9,600	31,452	28,800
Depreciation	8	9,778	6,790	29,336	17,382
Filing fees		592	900	8,271	11,925
Financing costs	8	1,106	700	4,028	1,222
Legal fees		8,019	1,241	10,929	1,266
Management fees	10	37,500	25,000	112,500	25,000
Marketing		20,579	6,400	44,082	22,705
Office and printing		5,918	8,283	11,674	14,649
Travel		339	-	4,178	-
Rent		3,605	1,920	3,605	5,955
Share-based compensation	10,11(c)	113,775	38,754	151,775	177,485
Transfer agent fees		520	786	7,184	2,535
Wages and benefits		-	385	-	735
		<u>(228,983)</u>	<u>(109,759)</u>	<u>(463,282)</u>	<u>(336,903)</u>
<b>Other items</b>					
Mineral property write-off	7(b)	-	-	78,382	-
		<u>-</u>	<u>-</u>	<u>(78,382)</u>	<u>-</u>
Net loss and comprehensive loss		<u>\$ (228,983)</u>	<u>\$ (109,759)</u>	<u>\$ (541,664)</u>	<u>\$ (336,903)</u>
Basic and diluted loss per share		<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding		<u>74,284,339</u>	<u>49,048,665</u>	<u>70,975,354</u>	<u>48,315,346</u>

See accompanying notes to the condensed interim financial statements

**FJORDLAND EXPLORATION INC.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited)  
(Expressed in Canadian Dollars)

	For the nine months ended September 30	
	2021	2020
<b>Cash provided by (used for):</b>		
<b>Operating activities</b>		
Net loss	\$ (541,664)	\$ (336,903)
Items not involving cash:		
Depreciation	29,336	17,382
Finance costs	4,028	1,222
Share-based compensation	151,775	177,485
Mineral property write-off	78,382	-
Changes in non-cash working capital items:		
Receivables	(9,769)	34,544
Prepaid expenses	(190,594)	155
Project Advance	-	(50,000)
Accounts payable and accrued liabilities	(6,821)	3,450
Cash used in operating activities	<u>(485,327)</u>	<u>(152,665)</u>
<b>Investing activities</b>		
Recoveries mineral properties	-	25,000
Acquisition and exploration costs related to mineral properties	(45,549)	(58,187)
Deposits	-	(2,300)
Lease payments	(32,445)	(19,246)
Cash used in investing activities	<u>(77,994)</u>	<u>(54,733)</u>
<b>Financing activities</b>		
Net proceeds from issuance of common shares	2,440,305	-
Cash provided by financing activities	<u>2,440,305</u>	<u>-</u>
<b>Net increase (decrease) in cash</b>	1,876,984	(207,398)
<b>Cash - beginning of the period</b>	<u>310,690</u>	<u>685,964</u>
<b>Cash - end of the period</b>	<u>\$ 2,187,674</u>	<u>\$ 478,566</u>

Supplemental Disclosure with Respect to Cash Flows (Note 13)

**FJORDLAND EXPLORATION INC.**  
**Condensed Interim Statements of Changes in Shareholders' Equity**

(Unaudited)

(Expressed in Canadian Dollars)

	Note	Number of shares	Share capital	Share-based compensation reserve	Deficit	Total equity
<b>Balance as at December 31, 2019</b>		47,763,339	\$ 18,673,208	\$ 757,228	\$ (17,084,317)	\$ 2,346,119
Issued for other consideration						-
Mineral properties		1,350,000	84,500	-	-	84,500
Transfer to deficit on expiry of options		-	-	(113,889)	113,889	-
Share-based payments		-	-	177,485	-	177,485
Net loss and comprehensive loss		-	-	-	(336,903)	(336,903)
<b>Balance as at September 30, 2020</b>		49,113,339	18,757,708	820,824	(17,307,331)	2,271,201
Issued for other consideration						
Mineral properties	11(b)	1,000,000	100,000	-	-	100,000
Transfer to deficit on expiry of options		-	-	(37,166)	37,166	-
Share-based compensation		-	-	8,913	-	8,913
Net loss and comprehensive loss		-	-	-	(114,210)	(114,210)
<b>Balance as at December 31, 2020</b>		50,113,339	18,857,708	792,571	(17,384,375)	2,265,904
Issued for other consideration						
Private placements	11(b)	25,000,000	2,500,000	-	-	2,500,000
Finder's units	11(b)	171,000	17,100	-	-	17,100
Share insurance costs		-	(76,795)	-	-	(76,795)
Option agreement cancellation	5(b)	(1,000,000)	(60,000)	-	-	(60,000)
Share-based payments		-	-	151,775	-	151,775
Net loss and comprehensive loss		-	-	-	(541,664)	(541,664)
<b>Balance as at September 30, 2021</b>		<b>74,284,339</b>	<b>\$ 21,238,013</b>	<b>\$ 944,346</b>	<b>\$ (17,926,039)</b>	<b>\$ 4,256,320</b>

See accompanying notes to the condensed interim financial statements

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the Nine Months Ended September 30, 2021**

*(Unaudited)*  
*(Expressed in Canadian Dollars)*

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Fjordland Exploration Inc. (the “Company” or “Fjordland”) was incorporated on September 19, 1996 pursuant to the *Company Act* (British Columbia) and the common shares were listed for trading on the TSX Venture Exchange (“Exchange”). The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow.

The Company’s head office, principal address and registered and records office is 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. The Company has a deficit of \$17,926,039 and has incurred a loss of \$541,664 for the nine-month period ended September 30, 2021. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank 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 in the future.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).



**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
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**2. BASIS OF PREPARATION (continued)**

**Basis of preparation**

These condensed interim financial statements have been prepared on a historical cost basis, which are stated at fair value through other comprehensive income (loss). In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

**New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2021 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- Presentation of financial statements

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2020.

These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2020. 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 current fiscal year ending December 31, 2021.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
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**4. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The Company's financial instruments consist of cash, receivables, deposits, accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying value, unless otherwise noted. Cash is measured at fair value using level 1 inputs.

**Credit Risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is held in major Canadian financial institutions. The Company's receivables consist of GST receivable and a tax credit receivable that are due from government agencies. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

**Interest Rate Risk**

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

**Liquidity Risk**

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements. The Company is exposed to liquidity risk.

**Foreign Exchange Risk**

The Company is not exposed to significant foreign exchange risk as it operates in Canada and does not undertake any significant foreign currency transactions.

**Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on demand deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed capital restrictions.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the Nine Months Ended September 30, 2021**  
*(Unaudited)*  
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**5. RECEIVABLES**

The Company's receivables are as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
GST receivable	\$ 14,179	\$ 4,410
	<u>\$ 14,179</u>	<u>\$ 4,410</u>

**6. DEPOSITS**

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
Office lease deposit	\$ 7,210	\$ 7,210
Exploration deposits	10,281	10,281
	<u>\$ 17,491</u>	<u>\$ 17,491</u>

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the Nine Months Ended September 30, 2021**

(Unaudited)  
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**7. MINERAL PROPERTIES**

A summary of mineral property expenditures is as follows:

	South Voisey's Bay Labrador	North Thompson Nickel Belt Manitoba	Renzy Quebec	Milligan West British Columbia	Total
<b>Balance, December 31, 2019</b>	\$ 1,634,590	\$ -	\$ -	\$ -	\$ 1,634,590
Acquisition costs	49,500	85,000	155,234	-	289,734
Claims maintenance	5,712	-	-	-	5,712
Data verification	-	1,600	1,816	-	3,416
Field office	-	4,706	-	-	4,706
Geology	1,872	21,401	-	-	23,273
Geophysics	-	25,675	-	-	25,675
Cost recoveries	(25,000)	-	-	-	(25,000)
<b>Balance, December 31, 2020</b>	1,666,674	138,382	157,050	-	1,962,106
Property write-off	-	(138,382)	-	-	(138,382)
Acquisition costs	-	-	17,085	-	17,085
Data verification	-	-	14,334	-	14,334
Equipment rental	-	-	4,949	-	4,949
Field supplies and office	-	-	719	1,314	2,033
Fuel	-	-	1,031	-	1,031
Geophysics	49,300	-	338,859	-	388,159
Geology	963	-	16	-	979
Labour, salaries, consulting	-	-	2,010	4,429	6,439
License and permits	-	-	11,859	-	11,859
Travel	-	-	4,101	5,870	9,971
Cost recoveries	(400,000)	-	-	-	(400,000)
<b>Balance, September 30, 2021</b>	\$ 1,316,937	\$ -	\$ 552,013	\$ 11,614	\$ 1,880,563

**(a) South Voisey's Bay, Labrador**

In November, 2021, the Company earned into 75% of the South Voisey's Bay nickel project in Labrador under its Memorandum of Understanding ("MOU") and a subsequent Letter of Intent ("LOI") with Commander Resources Ltd. ("Commander"). As described below, Fjordland can earn a 100% interest in the project and also has an agreement with HPX BC Holdings Inc. ("HPX"), a subsidiary of Ivanhoe Electric Inc. (together "Ivanhoe") whereby Ivanhoe can earn a 65% interest by completing all the cash funding requirements under Fjordland's agreement with Commander.

**Commander Agreement**

The Company, in September 2014 as amended November 2014, entered into a MOU with Commander whereby the Company was granted an option to earn a 75% undivided interest in the South Voisey's Bay property.

The Company had earned a 15% interest in the property by having expended \$350,000 in exploration costs prior to the option agreement expiration on August 15, 2015.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the Nine Months Ended September 30, 2021**

*(Unaudited)*  
*(Expressed in Canadian Dollars)*

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**7. MINERAL PROPERTIES (continued)**

**(a) South Voisey's Bay, Labrador (continued)**

**Commander Agreement (continued)**

In June 2017, the Company entered into a Letter of Intent ("LOI") with Commander whereby the Company was granted a series of options (the "SVB Option Agreements") to earn an additional 85% undivided interest in the South Voisey's Bay property by incurring the following cash, exploration expenditures and share issuances:

- i) 20% interest - 200,000 common shares (issued) and \$600,000 (incurred) in exploration expenditures on or before October 31, 2017.
- ii) 40% interest - \$10,000 (paid) and 250,000 common shares (issued at a value of \$47,500) on or before July 26, 2018.  
\$15,000 (paid) and 300,000 common shares (issued at a value of \$21,000) on or before July 26, 2019.  
\$25,000 (paid) and 350,000 common shares (issued at a value of \$24,500) on or before July 26, 2020.  
\$40,000 (subsequently paid) and 400,000 common shares (subsequently issued at a value of \$44,000 (Note 14)) and \$2,400,000 in exploration expenditures on or before October 31, 2021 (subsequently met).
- iii) 25% interest - \$200,000, 3,000,000 common shares and \$5,000,000 in exploration expenditures on or before October 31, 2024.

A 2% net smelter returns royalty ("NSR") will be granted upon exercising the final payment. 1% of the NSR may be repurchased for consideration of \$5,000,000. Upon commencement of commercial production, an advanced royalty payment will be made to Commander in the amount of \$10,000,000.

As at September 30, 2021, the Company had earned an aggregate 35% interest in the property. Subsequent to September 30, 2021, the payments referred to above in Note 7(a)(ii) were completed and Commander confirmed that the Company had earned an aggregate 75% interest in the property.

**Ivanhoe (HPX) agreement**

On September 5, 2017, the Company entered into an agreement with Ivanhoe to fund the Company's commitments under the SVB Option Agreements in return for up to a 65% interest in the project. Under the terms of the agreement, HPX subscribed by means of a private placement and was issued 14,000,000 units of the Company for proceeds of \$1,400,000. In addition, Ivanhoe was given the option to incur, on behalf of the Company, the \$8,000,000 in exploration expenditures under the SVB Option Agreements by October 31, 2024 (\$3,000,000 incurred to October 31, 2021) and to make the \$290,000 in property payments (\$90,000 received to October 31, 2021) as described above. If the cash funding is completed by Ivanhoe on the Company's behalf and the equity issuances are made by the Company under the SVB Option Agreements, the Company will acquire a 100% interest in the South Voisey's Bay project, and will then assign a 65% project interest to Ivanhoe.

Ivanhoe has the right to nominate two directors if they maintain equity ownership in the Company of between 10-50%, and three directors if greater than 50%.

Ivanhoe also maintains an anti-dilution right, such that they have the right to participate in future financings to maintain their ownership percentage.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the Nine Months Ended September 30, 2021**

*(Unaudited)*  
*(Expressed in Canadian Dollars)*

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**7. MINERAL PROPERTIES (continued)**

**(a) South Voisey's Bay, Labrador (continued)**

**Vulcan Agreement**

On September 23, 2021, the Company entered into an agreement with Vulcan Minerals Inc. ("Vulcan") to acquire a 100% working interest in 30 mineral claims (750 hectares) located in the South Voisey's Bay area. Under the terms of the agreement, the Company has the option to pay Vulcan 1,350,000 common shares, \$70,000 cash and incur \$250,000 in exploration expenditures over a period of three years, of which \$25,000 cash and 600,000 common shares are payable upon signing the agreement (subsequently paid and issued (Note 14)). Vulcan reserves a 2% net smelter return ("NSR") royalty on the claims subject to the Company's ability to buy back 50% of the NSR for \$2,000,000.

**(b) North Thompson Nickel Belt, Manitoba**

On April 28, 2020, the Company entered into an option agreement with CanAlaska Uranium Ltd ("CanAlaska") whereby the Company was granted options to acquire up to an 80% interest in the Hunter and Strong properties in Manitoba. Under the terms of the agreement, the Company can earn, over a six-year period, its interest by incurring the following cash, share issuance and exploration expenditures:

- i) On signing - \$25,000 (paid) and 1,000,000 common shares (issued at a value of \$60,000; returned to treasury in June 2021 (Note 11(b)(v))).
- ii) 49% interest - \$1,500,000 in exploration expenditures on or before May 27, 2022.
- iii) 21% interest - \$50,000 and 1,500,000 common shares and \$2,500,000 in exploration expenditures on or before May 27, 2024.
- iv) 10% interest - \$75,000 and 6,000,000 common shares and \$5,000,000 in exploration expenditures on or before May 27, 2026.

Upon completion of each stage of exploration the Company may elect to proceed to the next stage or in the alternative continue by means of a joint venture. In the event that the Company has earned a minimum 70% project interest and a feasibility study yields certain minimum values the Company will then issue to CanAlaska an additional 10,000,000 common shares. Pursuant to the joint venture, the parties may contribute to ongoing exploration expenditures on a pro-rata basis or elect to dilute to a 10% interest in which event their interest will convert to a 2% NSR. In the event that CanAlaska is the party granted the 2% NSR they will be entitled to an advance royalty payment upon commercial production. This payment will be equal to 2% of the capital cost of the mine and will be capped at \$10,000,000.

On June 17, 2021 the Company announced that it had entered into an agreement with CanAlaska Uranium Ltd. to terminate the Hunter/Strong Property Option Agreement relating to the North Thompson Nickel Project (NTNP). The Option Agreement was executed on April 28, 2020 on the basis that a winter drill program could be initiated in early 2021. Despite applying for a drill permit in January 2020, CanAlaska still had not received permission and there did not appear to be any clarity as to when a permit might be received. As a result, the Company and CanAlaska mutually agreed to unwind the option agreement.

Upon the return to treasury of 1,000,000 common shares from CanAlaska, the Company gave up any interest in the project and wrote off \$78,382 in the mineral property during the nine months ended September 30, 2021 and reduced the share capital by \$60,000 for the cancelled common shares.

**FJORDLAND EXPLORATION INC.**  
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**7. MINERAL PROPERTIES (continued)**

**(c) Renzy, Quebec**

On December 7, 2020, the Company entered into an option agreement with Quebec Precious Metals Corporation ("QPM") whereby the Company may acquire a 100% interest in certain mineral claims then known as the Volcain claims in Hainaut Township, Quebec. Under the terms of the agreement, the Company can earn its interest by paying \$50,000 (paid), issuing 1,000,000 common shares (issued at a value of \$100,000) and incurring exploration expenditures of \$1,000,000 during the five-year option term.

QPM will retain a 1% NSR of which the Company may repurchase 0.5% of the NSR for consideration of \$500,000 and the remaining 0.5% for \$2,500,000. A pre-existing 1% NSR is payable to Jacques Duval and 1% NSR payable to Andre Gauthier of which the Company may repurchase 0.5% for the sum of \$250,000; and the remaining 0.5% for the sum of \$250,000, to each of Gauthier and Duval.

In November 2020, the Company acquired additional claims contiguous with the Volcain claims by staking. In 2021, the Company staked an additional 120 claims to the south and east of the original property. The total land area controlled by the Company is now 308 square kilometres. In accordance with the option agreement, any property staked within the area of interest will be deemed for all purposes to be part of and comprised in the property.

**(d) Milligan West, British Columbia**

In February 2013, the Company and Northwest Copper Corp. ("NWST") (formerly Serengeti Resources Inc.) consolidated certain claims located in north central British Columbia into the Milligan West project. Initially ownership was shared equally however, as a result of the Company electing not to participate in the 2019 exploration program its interest has been diluted to 42.3%. Effective 2021, the Company elected to contribute its pro-rata share to retain its interest at 42.3% (December 31, 2020 – 42.3%). As a result, the Company had an amount owing to NWST of \$11,614 as of September 30, 2021 (December 31, 2020 - \$Nil).

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the Nine Months Ended September 30, 2021**

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**8. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

Under IFRS 16 – *Leases*, the Company assesses whether a contract is, or contains, a lease. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset and lease liability at the commencement date.

The Company identified a single contract that is a lease as defined under IFRS 16. In analyzing the identified agreements in relation to its head office space in Vancouver, BC, the Company applied the lessee accounting model pursuant to IFRS 16 and considered all of the facts and circumstances surrounding the inception of the contract (but not future events that are not likely to occur). Lease liabilities were calculated with a discount rate of 10%.

The Company entered into a new office lease agreement commencing September 1, 2020 and terminating on August 31, 2022.

A reconciliation of the carrying amount of the lease liability is as follows:

**Lease liability**

<b>Balance, December 31, 2019</b>	\$	15,069
Additions		78,123
Lease payments		(30,060)
Lease interest (finance costs)		3,027
<b>Balance, December 31, 2020</b>		66,159
Lease payments		(32,445)
Lease interest (finance costs)		4,028
<b>Balance, September 30, 2021</b>	\$	37,742
<b>Current portion of lease liability</b>	\$	9,954
<b>Non-current portion of lease liability</b>		27,788
	\$	37,742

**Maturity analysis - contractual undiscounted cash flows**

Less than one year	\$	39,655
One to five years		-
	\$	39,655

**Right-of-use asset**

<b>Balance, December 31, 2019</b>	\$	14,122
Additions		78,123
Depreciation		(27,160)
<b>Balance, December 31, 2020</b>		65,085
Depreciation		(29,336)
<b>Balance, September 30, 2021</b>	\$	35,749



**FJORDLAND EXPLORATION INC.**  
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**For the Nine Months Ended September 30, 2021**

*(Unaudited)*  
*(Expressed in Canadian Dollars)*

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
Trade payables	\$ 18,991	\$ 4,136
Accruals	1,738	23,738
	<u>\$ 20,729</u>	<u>\$ 27,874</u>

**10. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including share-based compensation, of key management personnel during the nine months ended September 30, 2021 and 2020 were as follows:

	<b>2021</b>	<b>2020</b>
Administration fees	\$ 28,800	\$ 28,800
Accounting fees	42,000	27,000
Management fees	112,500	25,000
Share-based compensation	66,000	140,635
	<u>\$ 249,300</u>	<u>\$ 221,435</u>

		As at September 30 2021	As at December 31 2020
Amounts in accounts payable:	Services for:		
A private company controlled by the Chief Financial Officer	Accounting fees	5,250	-
A director	Expense reimbursement	367	-
Total		<u>\$ 5,617</u>	<u>\$ -</u>

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**11. SHARE CAPITAL**

**(a) Authorized**

As at September 30, 2021 the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

**(b) Issued Share Capital**

During the year ended December 31, 2020, the Company:

- i) Issued 1,000,000 common shares on May 28, 2020, with a fair value of \$60,000 or \$0.06 per share as consideration towards the acquisition of mineral property. (Note 7(b)).
- ii) Issued 350,000 common shares on July 17, 2020, with a fair value of \$24,500 or \$0.07 per share as consideration towards the acquisition of mineral property (Note 7(a)).
- iii) Issued 1,000,000 common shares on December 18, 2020, with a fair value of \$100,000 or \$0.10 per share as consideration towards the acquisition of mineral property (Note 7(c)).

During the nine months ended June 30, 2021, the Company:

- iv) Completed a non-brokered private placement for the issuance of 25,000,000 units at \$0.10 per unit on February 12, 2021. Each unit and finder's unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.175 per common share until February 12, 2023. The expiry date of each whole warrant is subject to acceleration. The Company paid finder's fees of \$44,850 and issued 171,000 finder's units with a fair value of \$17,100. The Company also paid share issue costs totaling \$31,945.
- v) Received 1,000,000 common shares from CanAlaska and returned the shares to treasury to cancel the option agreement (Note 7(b)). These shares had a fair value of \$60,000.

**FJORDLAND EXPLORATION INC.**  
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(Unaudited)  
(Expressed in Canadian Dollars)

**11. SHARE CAPITAL** (continued)

**(c) Stock Options** (continued)

In July 2020, the Company received shareholder approval for a 10% Rolling Stock Option Plan. Stock options are granted to directors, officers and consultants. The vesting period for stock options is at the discretion of the Board of Directors. The exercise price is set by the Board of Directors at the time of grant and determined by reference to the market value on the date of grant.

A continuity of stock options for the nine months ended September 30, 2021 is as follows:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>December 31, 2020</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired / forfeited</b>	<b>September 30, 2021</b>
September 2, 2022	0.55	766,000	-	-	-	766,000
June 28, 2023	0.165	1,125,000	-	-	-	1,125,000
June 5, 2025	0.07	2,225,000	-	-	-	2,225,000
August 5, 2025	0.07	500,000	-	-	-	500,000
January 12, 2026	0.105	-	300,000	-	-	300,000
April 22, 2026	0.125	-	1,150,000	-	-	1,150,000
June 1, 2026	0.125	-	100,000	-	-	100,000
August 26, 2026	0.125	-	1,025,000	-	-	1,025,000
Options outstanding		4,616,000	2,575,000	-	-	7,191,000
Options exercisable		4,503,500	2,475,000	-	-	7,116,000
Weighted average exercise price (\$)		\$ 0.17	\$ 0.123	\$ -	\$ -	\$ 0.15

As at September 30, 2021, the weighted average contractual remaining life of options is 3.45 years (December 31, 2020 – 3.52 years).

A continuity of stock options for the year ended December 31, 2020 is as follows:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>December 31, 2019</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired / forfeited</b>	<b>December 31, 2020</b>
September 2, 2022	0.55	966,000	-	-	(200,000)	766,000
June 28, 2023	0.165	1,375,000	-	-	(250,000)	1,125,000
June 5, 2025	0.07	-	2,225,000	-	-	2,225,000
August 5, 2025	0.07	-	500,000	-	-	500,000
Options outstanding		2,341,000	2,725,000	-	450,000	4,616,000
Options exercisable		2,341,000	2,162,500	-	-	4,503,500
Weighted average exercise price (\$)		\$ 0.32	\$ 0.07	\$ -	\$ 0.34	\$ 0.17

The fair value of the stock options granted during the nine months ended September 30, 2021 was \$151,775 (2020 - \$177,485).

**FJORDLAND EXPLORATION INC.**  
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(Unaudited)  
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**11. SHARE CAPITAL (continued)**

**(c) Stock Options (continued)**

The following table summarizes the assumptions used in the Black-Scholes option-pricing model to estimate the fair value of the options:

	2021	2020
Risk-free interest rate	0.38% - 0.78%	0.34% - 0.52%
Expected stock price volatility	160.95% - 185.7%	229.39% - 233.02%
Expected option life in years	5 years	5 years
Expected dividend yield	Nil	Nil
Forfeiture rate	0.00%	0.00%
Share price on grant date	\$0.10 - \$0.12	\$0.07

**(d) Warrants**

A continuity of warrants for the nine months ended September 30, 2021 is as follows:

Expiry date	Exercise price (\$)	December 31, 2020	Issued	Exercised	Expired	September 30, 2021
February 12, 2023	0.175	-	12,585,500	-	-	12,585,500
Warrants outstanding		-	12,585,500	-	-	12,585,500
Weighted average exercise price (\$)	\$	-	\$ 0.175	\$	-	\$ 0.175

**12. COMMITMENT**

The Company has remaining commitment of \$39,655 for its office lease expiring on August 31, 2022 (Note 8) payable in full within the next twelve months.

**13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

The Company had non-cash transactions as follows:

Significant non-cash investing and financing activities:	For the nine months ended	
	September 30, 2021	September 30, 2020
Financing activities		
Fair value of finder's units	\$ 17,100	\$ -

**14. SUBSEQUENT EVENTS**

On October 5, 2021, the Company issued 600,000 common shares with a fair value of \$54,000 or \$0.09 per share as consideration towards the acquisition of mineral property in South Voisey's Bay area (Note 7 Vulcan Agreement).

On October 27, 2021, the Company issued 400,000 common shares with a fair value of \$44,000 or \$0.11 per share as consideration towards the acquisition of mineral property in South Voisey's Bay area (Note 7 Commander Agreement).