



MARITIME RESOURCES

MARITIME RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

NOTICE TO READER OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Maritime Resources Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		September 30	December 31
(Unaudited – Prepared by Management, in Canadian dollars)	Note	2021	2020
		\$	\$
ASSETS			
Current			
Cash	5	7,827,367	6,418,616
Receivables	6	248,195	340,039
Prepaid expenses and deposits	7	116,781	116,286
		8,192,343	6,874,941
Deferred acquisition costs	4	-	277,256
Deposits	9	52,994	298,730
Property, plant and equipment	4,8	1,582,254	74,394
Exploration and evaluation assets	4,9	28,666,104	18,631,532
Total Assets		38,493,695	26,156,853
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	10	1,093,215	1,015,603
Flow-through premium liability	13	522,620	203,613
Current portion of lease liability	11	23,532	23,532
		1,639,367	1,242,748
Lease liability	11	1,971	19,620
Reclamation liability	4,12	718,750	-
Total Liabilities		2,360,088	1,262,368
Shareholders' equity			
Share capital	13	45,132,523	33,399,928
Reserves	13	2,567,546	1,971,293
Royalty reserve	13	210,700	210,700
Deficit		(11,777,162)	(10,687,436)
Total Shareholders' Equity		36,133,607	24,894,485
Total Liabilities and Shareholders' Equity		38,493,695	26,156,853

Nature of operations and going concern (Note 1).

Approved and authorized on behalf of the Board of Directors:

"John P. Hayes"
Chairman

"Tom Yip"
Director

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited – Prepared by Management, in Canadian dollars)	Note	Three Month Period Ended September 30 2021	Three Month Period Ended September 30 2020	Nine Month Period Ended September 30 2021	Nine Month Period Ended September 30 2020
		\$	\$	\$	\$
EXPENSES					
Salaries and benefits	14	390,484	180,894	904,620	492,680
Administration	14	71,097	40,550	172,263	131,892
Business development		-	-	-	200,000
Consulting		36,384	8,550	40,995	11,410
Professional fees		9,652	62,090	17,169	83,747
Directors' fees and expenses	14	23,451	19,925	63,409	59,853
Investor relations and promotion		122,138	63,379	272,108	207,996
Share based payment		263,925	100,931	885,047	463,963
Depreciation	8	20,547	2,538	48,124	22,550
Interest expense on lease liability	11	-	-	-	138
		(937,678)	(478,857)	(2,403,735)	(1,674,229)
Interest income		5,377	6,405	14,714	16,532
Recognition of flow-through premium liability	13	438,109	140,749	1,005,393	217,014
		443,486	147,154	1,020,107	233,546
Loss and comprehensive loss for the period		(494,192)	(331,703)	(1,383,628)	(1,440,683)
Basic and diluted loss per common share		Nil	Nil	Nil	(0.01)
Weighted average number of common shares outstanding		399,034,688	270,840,570	369,505,002	226,856,271

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Shares	Share capital	Reserves	Royalty reserve	Deficit	Total
(Unaudited – Prepared by Management, in Canadian dollars)	#	\$	\$	\$	\$	\$
Balance, December 31, 2019	189,825,469	20,568,204	2,306,044	210,700	(9,519,536)	13,565,412
Issued for private placements (Note 13)	109,877,292	12,205,133	-	-	-	12,205,133
Issued for warrant exercises (Note 13)	1,642,062	256,021	(57,641)	-	-	198,380
Issued for Stock Option exercises (Note 13)	425,000	72,859	(30,359)	-	-	42,500
Share issuance costs (Note 13)	-	(981,554)	-	-	-	(981,554)
Finders' warrants (Note 13)	-	(275,280)	275,280	-	-	-
Finders' shares (Note 13)	666,864	60,018	-	-	-	60,018
Flow-through premium liability (Note 13)	-	(719,415)	-	-	-	(719,415)
Issued for mineral properties (Note 9,13)	1,000,000	112,500	-	-	-	112,500
Share-based payments (Note 13)	-	-	463,963	-	-	463,963
Reserves transferred on expired options (Note 13)	-	-	(10,769)	-	10,769	-
Reserves transferred on expired warrants (Note 13)	-	26,815	(26,815)	-	-	-
Loss for the period	-	-	-	-	(1,440,683)	(1,440,683)
Balance, September 30, 2020	303,436,687	31,325,301	2,919,703	210,700	(10,949,450)	23,506,254
Issued for warrant exercises (Note 13)	7,964,546	1,535,636	(379,136)	-	-	1,156,500
Issued for stock option exercises (Note 13)	400,000	97,371	(37,371)	-	-	60,000
Issued for advisory fees (Note 13)	150,000	24,000	-	-	-	24,000
Share issuance costs (Note 13)	-	(7,132)	-	-	-	(7,132)
Issued for mineral properties (Note 9,13)	50,000	7,250	-	-	-	7,250
Share-based payments (Note 13)	-	-	5,766	-	-	5,766
Reserves transferred on expired options (Note 13)	-	-	(120,167)	-	120,167	-
Reserves transferred on expired warrants (Note 13)	-	417,502	(417,502)	-	-	-
Income for the period	-	-	-	-	141,847	141,847
Balance, December 31, 2020	312,001,233	33,399,928	1,971,293	210,700	(10,687,436)	24,894,485
Issued for private placements (Note 13)	69,270,000	10,907,000	-	-	-	10,907,000
Issued for warrant exercises (Note 13)	13,165,940	2,026,792	(51,901)	-	-	1,974,891
Share issuance costs (Note 13)	-	(701,002)	-	-	-	(701,002)
Finders' warrants (Note 13)	-	(131,670)	131,670	-	-	-
Flow-through premium liability (Note 13)	-	(1,324,400)	-	-	-	(1,324,400)
Issued for advisory services (Note 4,13)	400,000	82,000	-	-	-	82,000
Issued for mineral properties (Note 9,13)	1,050,000	138,500	-	-	-	138,500
Issued for gold plant acquisition (Note 4,13)	3,571,428	660,714	-	-	-	660,714
Share-based payments (Note 13)	-	-	885,047	-	-	885,047
Reserves transferred on expired options (Note 13)	-	-	(293,902)	-	293,902	-
Reserves transferred on expired warrants (Note 13)	-	74,661	(74,661)	-	-	-
Loss for the period	-	-	-	-	(1,383,628)	(1,383,628)
Balance, September 30, 2021	399,458,601	45,132,523	2,567,546	210,700	(11,777,162)	36,133,607

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine month periods ended September 30	2021	2020
(Unaudited – Prepared by Management, in Canadian dollars)	\$	\$
Cash flows from operating activities		
Loss for the period	(1,383,628)	(1,440,683)
Items not involving cash:		
Share-based payments	885,047	463,963
Depreciation	48,124	22,550
Flow-through premium recovery	(1,005,393)	(217,014)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	96,563	(161,490)
(Increase) decrease in accrued interest receivable	(4,719)	(7,995)
(Increase) decrease in prepaid expenses	(495)	(23,763)
Increase (decrease) in accounts payable and accrued liabilities	19,946	155,164
Net cash provided by (used in) operating activities	(1,344,555)	(1,209,268)
Cash flows from investing activities		
Acquisition of gold plant and other assets	(2,674,749)	-
Exploration and evaluation expenditures	(6,650,001)	(3,475,979)
Property and equipment expenditures	(161,684)	-
Recoveries and grant	76,500	82,800
Net cash provided by (used in) investing activities	(9,409,934)	(3,393,179)
Cash flows from financing activities		
Proceeds from private placement	10,907,000	12,205,133
Proceeds from warrant exercises	1,974,891	198,380
Proceeds from option exercises	-	42,500
Repayment of lease liability	(17,649)	(10,362)
Share issue costs	(701,002)	(921,536)
Net cash provided by (used in) financing activities	12,163,240	11,514,115
Change in cash during the period	1,408,751	6,911,668
Cash, beginning of the period	6,418,616	1,827,157
Cash, end of the period	7,827,367	8,738,825
Supplemental disclosure		
Cash paid for interest	-	138
Supplemental disclosure of non-cash financial and investing activities		
Expiry/cancellation of stock options	293,902	-
Expiry of warrants	74,661	26,815
Exploration and evaluation assets included in accounts payable	984,077	1,233,147
Fair value of finders' shares and warrants	131,670	-
Flow-through share premium	1,324,400	719,415
Shares issued for gold plant and other assets acquisition	660,714	-
Shares issued to advisors and finders	82,000	60,018
Shares issued for property	138,500	112,500

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



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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended September 30, 2021 and 2020 (*Unaudited, in Canadian dollars*)

1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (the “Company” or “Maritime”) was incorporated under the Business Corporations Act (British Columbia) on May 14, 2007. Maritime is an exploration stage company focused on re-starting the past producing Hammerdown Gold Mine located near the Baie Verte mining district in Newfoundland and Labrador, Canada as well as exploration on its other properties in the region. The Company also holds a portfolio of mineral exploration properties and royalty interests in key mining camps across Canada in a wholly owned subsidiary.

The Company’s registered and records office is 3200 - 650 West Georgia Street, Vancouver, BC, Canada, V6B 4P7. The Company also has an office in Toronto at 1900 - 110 Yonge Street, Toronto, ON, Canada, M5C 1T4. The shares of the Company are traded on the TSX Venture Exchange (“TSX-V”) under the symbol MAE.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn or recessionary conditions. To date the COVID-19 pandemic has not decreased the Company’s access to capital market financing, nor negatively impacted our business and financial position. The Company implemented strict health and safety protocols and monitors and adheres to government and medical guidelines. Maritime will continue to assess the impact of COVID-19 which remains a risk that could have material negative effects on our business or financial position in the future.

These condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Although it has been successful in raising financing in the past, there is no assurance it will be able to do so in the future. The Company estimates that, with its most recent financing, it has sufficient working capital to continue as a going concern beyond one year.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”), on a basis consistent with accounting policies disclosed in the audited financial statements for the fiscal year ended December 31, 2020, and should be read in conjunction with the most recently issued audited financial statements, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies which were presented in Note 3 to the Financial Statements for the year ended December 31, 2020 have been consistently applied in the preparation of the Company’s interim consolidated financial statements, except as noted below under Leases.

The condensed interim consolidated financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value and have been prepared using the accrual basis of accounting except



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for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 25, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies having the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

Economic recoverability and profitability of future economic benefits of exploration and evaluation assets – Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

Acquisition accounting – The assessment of whether acquisitions are considered business combinations or asset acquisitions requires management judgement, the outcome of which may result in different accounting treatments. Judgement is also required to determine the allocation of the fair value of the purchase price of the Acquisition (Note 4).

Royalty reserve - Royalty reserve includes proceeds received from royalty units, repayable from future production. As future production is not determinable, the royalty units have been classified as capital in nature.

Going concern - The Company assesses its ability to continue as a going concern at each period end. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least twelve months from the end of the reporting period and include a detailed analysis of the Company's projected estimated capital and operating expenses and estimated financing requirements and abilities (see Note 1).

The most significant accounts that require estimates as the basis for determining the stated amounts include the following:

Decommissioning and rehabilitation provision – Management's determination of the Company's decommissioning and rehabilitation provision is based on the reclamation and closure activities it anticipates as being required and its



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estimate of the probable costs and timing of such activities and measures. Accounting for reclamation obligations requires management to make estimates and judgements of the future costs the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each mining operation and exploration and development property. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Valuation of share-based payments, broker compensation and finders' warrants – The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments, agent compensation and finders' warrants, which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

Income taxes – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

4. ACQUISITION

On April 12, 2021, Maritime Resources Corp. and its subsidiary (the "Company" or "Maritime") closed a transaction with two subsidiaries of Rambler Metals and Mining PLC, namely Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc. (together, "Rambler") in respect of the purchase by the Company (the "Acquisition") of the gold circuit at the Nugget Pond metallurgical facility in the Baie Verte mining district of Newfoundland and Labrador, the Lac Pelletier gold project in Rouyn Noranda, Québec and several other mineral exploration properties located in Québec, Manitoba and Ontario and a portfolio of royalty interests in key mining camps across Canada (collectively, the "Assets"). Sprott Capital Partners LP acted as advisor to Maritime in connection with the Acquisition and were issued 400,000 common shares with a fair value of \$82,000 in consideration for such services.

Pursuant to the terms of the Asset Purchase Agreement, the consideration paid by the Company for the Assets was US\$2,000,000 in cash and the issuance of a number of common shares in the capital of the Company (the "Common Shares") equal to \$500,000, based on the 30-day volume weighted average price of the Common Shares as of the closing date of the Acquisition, representing 3,571,428 shares issued at a price of \$0.14 and having a fair value of \$660,714 based on the closing share price of Maritime on April 12, 2021.

The Company also assumed the reclamation liability associated with Nugget Pond gold plant assets in their current non-operating state of \$718,750 (Note 12). The Company incurred transaction costs of \$315,765 in addition to a deposit of \$200,000 paid to Rambler on March 12, 2020 totaling \$515,765 and included \$82,000 for the non-cash fair value of the 400,000 common shares issued for advisory services.

The transaction is accounted for as an asset acquisition and the allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the time of acquisition. Management has substantially



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completed the process of determining fair values for the assets and liabilities acquired. However, the purchase price allocation is subject to change as the valuation process is completed during 2021.

The current allocation of the purchase price to the estimated fair value of the assets and liabilities purchased from Rambler is as follows:

	\$
Purchase price	
Consideration paid in cash	2,518,240
Fair value of consideration paid in shares	660,714
Transaction costs	515,765
	3,694,719
Fair value of assets and liabilities acquired	
Property, plant and equipment (Note 8)	1,394,300
Mineral properties and interests (Note 9)	3,019,169
Reclamation provision (Note 12)	(718,750)
	3,694,719

5. CASH

	September 30, 2021	December 31, 2020
	\$	\$
Cash	1,327,367	4,418,616
Guaranteed Investment Certificate – Fully redeemable	6,500,000	2,000,000
	7,827,367	6,418,616

6. RECEIVABLES

	September 30, 2021	December 31, 2020
	\$	\$
Input sales tax recoverable	243,233	326,271
Interest and other receivables	4,962	13,768
	248,195	340,039

7. PREPAID EXPENSES AND DEPOSITS

	September 30, 2021	December 31, 2020
	\$	\$
Prepaid expenses	48,481	30,287
Deposits	68,300	85,999
	116,781	116,286



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8. PROPERTY AND EQUIPMENT

	Mill Equipment \$	Right of use assets \$	Furniture and Leaseholds \$	Vehicles \$	Exploration Equipment \$	Total \$
Net book value – December 31, 2019	-	14,937	-	26,222	-	41,159
Additions	-	47,074	13,210	-	-	60,284
Depreciation	-	(16,898)	-	(10,151)	-	(27,049)
Net book value – December 31, 2020	-	45,113	13,210	16,071	-	74,394
Additions	1,394,300	-	15,648	52,788	93,248	1,555,984
Depreciation	-	(17,653)	(6,189)	(13,111)	(11,171)	(48,124)
Net book value – September 30, 2021	1,394,300	27,460	22,669	55,748	82,077	1,582,254

As at September 30, 2021, the Nugget Pond mill is not considered available for use and accordingly is not being depreciated.

9. EXPLORATION AND EVALUATION ASSETS

Green Bay

The Company's Green Bay property, located in Newfoundland and Labrador, Canada hosts the past producing Hammerdown gold mine, as well as the Orion gold deposit and the historic Lochinvar lead, zinc, copper, silver and gold deposit. On September 17, 2020, the Company exercised an early buy-down right of one-half of the Hammerdown deposit royalty held by Commander Resources Ltd. ("Commander") for \$750,000. Commander retains a 1% net smelter return royalty ("NSR") over the Hammerdown deposit and surrounding lands which excludes the Orion deposit. Allowed deductions in calculating the NSR include transportation costs and toll milling charges.

On January 22, 2020, the Company entered into an option agreement to earn a 100% interest in the Spruce Pond property, which is contiguous to the Hammerdown project, under the following terms:

	Cash \$	Common shares #
Upon approval	10,000 (paid)	250,000 (issued)
March 10, 2021	20,000 (paid)	250,000 (issued)
March 10, 2022	30,000	250,000
	60,000	750,000

The Spruce Pond property is subject to a 1.0 % NSR of which 50% can be purchased for \$500,000.

On September 17, 2021, the Company paid the final payment comprised of cash consideration of \$125,000 and 500,000 shares with a fair value of \$65,000 to exercise its option in full to acquire 100% interest in the Green Bay Inomin property, for aggregate cash consideration of \$300,000 and 2,00,000 shares with an aggregate fair value of \$235,000 over a period of four years. The Inomin property is subject to a 1.0 % NSR of which 100% can be purchased for \$500,000. The project also has an underlying NSR of 2.5% of which 1.5% can be purchased for \$1,000,000.



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Whisker Valley

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

	Cash \$	Common shares #
Upon approval	25,000 (paid)	100,000 (issued)
March 22, 2018	20,000 (paid)	150,000 (issued)
March 22, 2019	30,000 (paid)	200,000 (issued)
March 22, 2020	50,000 (paid)	250,000 (issued)
March 22, 2021	75,000 (paid)	300,000 (issued)
March 22, 2022	100,000	500,000
	300,000	1,500,000

The Company is required to make an additional payment to the optionors of \$50,000 on each of the first, second and third anniversary upon full exercise of its option, having issued all of the payments and shares and incurred all of the expenditures. The property is subject to a 2.5% NSR, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commencement of commercial production.

On December 27, 2020, the Company exercised its option in full to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), for aggregate cash consideration of \$30,000 and 100,000 shares with an aggregate fair value of \$11,350 over a period of three years. The Company has the option to buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.

On November 23, 2019, the Company exercised its option in full to acquire 100% interest in the El Strato property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), for aggregate cash consideration of \$40,000 and 750,000 shares with an aggregate fair value of \$61,250 over a period of two years. The Company has the option to buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.

The Strugglers Pond and El Strato properties are subject to separate 2% NSR royalties, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commercial production.

Gull Ridge

In January 2019, the Company acquired the new Gull Ridge property claims by staking.

Lac Pelletier

The Company acquired a 100% interest in the Lac Pelletier property from Rambler in April 2021, located southwest of Rouyn Noranda, Québec, Canada in the Abitibi Greenstone Belt. Lac Pelletier is subject to a 1% NSR royalty to Glencore (formerly Xstrata and Falconbridge). Maritime allocated a fair value of \$1,449,169 to the Lac Pelletier exploration property upon acquisition.



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Royalty Interests

The following exploration property royalty interests were acquired from Rambler in April 2021 and together were allocated a fair value of \$1,570,000.

Property	Location	Province	Stage	Royalty	Company/Owner
Cossette	Chibougamau	Quebec	Exploration	1.5% NSR	David Malouf
Obalski	Chibougamau	Quebec	Exploration	1.0% NSR	David Malouf
Ramsay	Chibougamau	Quebec	Exploration	1.5% NSR	David Malouf
Red Cliff / Montrose	Stewart	British Columbia	Exploration	1.0% NSR	Mountain Boy Minerals
Valdora	Val-d'Or	Quebec	Exploration	1.0% NSR	O3 Mining
Gold Hawk	Val-d'Or	Quebec	Exploration	2.0% NSR	O3 Mining
Blue Quartz	Matheson	Ontario	Exploration	0.5% NSR	Orla Mining
Scott Lake	Chibougamau	Quebec	Exploration	Advanced royalty	Yorbeau Resources

Other Exploration Properties

The following exploration properties were acquired from Rambler in April 2021 and were ascribed a nominal fair value.

Owl Creek West – The Company holds a 35% interest in the Owl Creek West joint venture with Newmont Canada who holds 65%. The property is located in Timmins, Ontario, Canada between the Hoyle Pond and Bell Creek mines.

Rod-Linda-McKayseff (RLM) – The Company 100% interest in the RLM property, located in Snow Lake, Manitoba, Canada adjacent to Hudbay Minerals Inc.'s Stall Lake mill site.

Daniel – The Company 100% interest in the Daniel property, located in Matagami, Québec, Canada.

Wright – The Company 100% interest in the Wright property, located in Temiscaming, Québec, Canada.

Deposits

As at September 30, 2021, the Company has provided deposits totalling \$52,994 (December 31, 2020 – \$298,730) to vendors as advance payments for services to be provided on the Green Bay, Whisker Valley and Gull Ridge properties.

Expenditures incurred on the Company's exploration properties and mineral interests, follow:

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Lac Pelletier \$	Royalty Interests \$	Total \$
Balance, December 31, 2019	10,170,005	1,687,370	69,007	-	-	11,926,382
Acquisition costs	861,880	58,500	-	-	-	920,380
Acquisition costs – shares	98,750	21,000	-	-	-	119,750
Exploration expenses:						
Drilling and assaying	2,480,668	481,489	-	-	-	2,962,157
Geology	886,689	359,648	1,994	-	-	1,248,331
Geophysics	38,552	-	-	-	-	38,552
Property	100,381	13,395	-	-	-	113,776
Pre-feasibility study update	1,314,025	-	-	-	-	1,314,025
Permitting	70,979	-	-	-	-	70,979
	5,851,924	934,032	1,994	-	-	6,787,950
Less: Recoveries and grants	(82,800)	-	-	-	-	(82,800)
Net additions	5,769,124	934,032	1,994	-	-	6,705,150



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	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Lac Pelletier \$	Royalty Interests \$	Total \$
Balance, December 31, 2020	15,939,129	2,621,402	71,001	-	-	18,631,532
Acquisition costs	145,000	75,000	2,665	1,449,169	1,570,000	3,241,830
Acquisition costs – shares	95,000	43,500	-	-	-	138,500
Exploration expenses:						
Drilling and assaying	2,856,167	192,974	136,873	-	-	3,186,014
Geology	1,102,843	163,149	247,466	-	-	1,513,458
Geophysics	525,203	283,258	194,352	-	-	1,002,813
Property	79,533	800	-	-	-	80,333
Feasibility study	526,511	-	-	-	-	526,511
Environmental and permitting	396,061	25,548	-	-	-	421,609
	5,726,318	784,229	581,356	1,449,169	1,570,000	10,111,072
Less: Recoveries and grants	(76,500)	-	-	-	-	(76,500)
Net additions	5,649,818	784,229	581,356	1,449,169	1,570,000	10,034,572
Balance, September 30, 2021	21,588,947	3,405,631	652,357	1,449,169	1,570,000	28,666,104

During the nine month periods ended September 30, 2021 and 2020, the Company received \$76,500 and \$82,800, respectively, pursuant to an application made with the Government of Newfoundland and Labrador in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (JEAP) grant for exploration conducted during the calendar years 2020 and 2019, respectively.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2021 \$	December 31, 2020 \$
Accounts payable	1,034,498	943,176
Accrued liabilities	34,636	54,927
Due to related parties (Note 14)	24,081	17,500
	1,093,215	1,015,603

11. LEASE LIABILITY

	Lease liability \$
Balance – December 31, 2019	10,362
Lease liability recognized during the year	47,074
Lease payments during the year	(14,422)
Interest expense on lease liability	138
Balance – December 31, 2020	43,152
Lease payments during the period	(17,649)
Balance – September 30, 2021	25,503
Current portion	23,532
Long term portion	1,971

Lease obligations as at September 30, 2021 relate to exploration equipment. As at March 31, 2020, the Company's office lease was terminated and there are no further obligations under the lease.

During the three and nine month periods ended September 30, 2021, the Company incurred operating lease costs of \$19,919 (2020 – \$16,286) and \$54,795 (2020 – \$48,859), respectively, for an office lease not included in lease liabilities.



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12. RECLAMATION LIABILITY

The Company's estimates of future decommissioning and restoration for reclamation and closure costs for its gold plant milling assets are based on reclamation standards that meet Canadian regulatory requirements. Elements of uncertainty in estimating these amounts include potential changes in regulatory requirements, reclamation plans and cost estimates, discount rates and timing of expected expenditures.

The undiscounted amount of estimated cash flows required to settle the decommissioning and reclamation costs, related to the Nugget Pond gold circuit assets acquired on April 12, 2021, is estimated at \$718,750. Accretion on the liability, at this time, is nominal due to the low and offsetting inflation and risk-free interest rates. The Company has recorded the undiscounted amount of estimated reclamation costs and will re-evaluate the estimated timing and value of outflows annually and will revise its estimate if necessary.

13. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

During the nine month period ended September 30, 2021

Private Placements

- On April 12, 2021, Tembo Capital acquired 30,770,000 common shares of Maritime, via a non-brokered private placement, at a price of \$0.13 per common share for a total investment of \$4,000,100 and 1,846,200 common share purchase warrants with each warrant being exercisable into one common share at a price of \$0.1794 per common share until April 12, 2023. Legal, regulatory and other cash costs associated with the private placement totalled \$70,488.
- On March 22, 2021, the Company completed a brokered private placement of 38,500,000 common shares on a flow-through basis at a price of \$0.1794 per flow-through common share for gross proceeds of \$6,906,900. The private placement was completed by a syndicate of agents led by Canaccord Genuity Corp. ("CG") and including Dundee Goodman Merchant Partners ("DGMP"), a division of Goodman & Company, Investment Counsel Inc., Sprott Capital Partners ("Sprott") and iA Private Wealth Inc. (collectively, the "Agents"). In connection with the closing of the private placement, the Company paid to the Agents a cash fee of \$414,414 of the aggregate gross proceeds raised pursuant to the offering and issued an aggregate of 2,310,000 non-transferable compensation warrants with each compensation warrant being exercisable into one common share at a price of \$0.1794 per common share until March 22, 2023 with a fair value of \$131,670. The flow-through shares were issued at a premium of \$1,324,400 and require the Company to incur eligible Canadian exploration expenditures of \$6,906,900 before December 31, 2022. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability was reduced to \$522,620 and \$801,780 was recognized into income during the nine months ended September 30, 2021. Legal, regulatory and other cash costs associated with the private placement totalled \$212,134.

Exploration and evaluation assets (Note 9)

- The Company issued 250,000 common shares valued at \$30,000 in connection with the Spruce Pond property.
- The Company issued 300,000 common shares valued at \$43,500 in connection with the Whisker Valley property.
- The Company issued 500,000 common shares valued at \$65,000 in connection with the Inomin property.



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During the year ended December 31, 2020

Private Placements

- Pursuant to a “bought deal” private placement which closed on August 21, 2020, the Company issued of a combination of 43,367,550 common shares of the Company at a price of \$0.15 per common share, and 11,000,000 common shares issued on a flow-through basis at a price of \$0.20 per flow-through share for aggregate gross proceeds of \$8,705,133. The flow-through shares were issued at a premium of \$550,000. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability was reduced to \$nil and \$203,613 was recognized into income during the nine months ended September 30, 2021. The private placement was completed by a syndicate of underwriters led by Sprott and including DGMP, Industrial Alliance Securities Inc., CG, Cormark Securities Inc., Stifel GMP and Raymond James Ltd. In connection with the closing of the private placement, the Company paid a cash fee of 6% totalling \$496,181 of the aggregate gross proceeds raised pursuant to the offering, with the exception of certain proceeds from the sale of offered securities to certain specified persons. The Company issued an aggregate of 3,087,873 non-transferable broker warrants, with each broker warrant being exercisable into one common share at a price of \$0.15 per share until August 21, 2022 and fair valued at \$275,280. Legal, regulatory and other cash costs associated with the private placement totalled \$258,975.

- Pursuant to a non-brokered private placement on May 14, 2020, the Company issued 21,626,666 common shares at a price of \$0.06 per common share and 33,883,076 flow-through common shares at a price of \$0.065 per flow-through common share for gross proceeds of \$3,500,000. The flow-through shares were issued at a premium of \$169,415. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability was reduced to \$nil and \$169,415 was recognized into income during the year ended December 31, 2020. In connection with this private placement, the Company paid aggregate finders’ and advisory fees up to 5% in cash of the gross sales of common shares and flow-through common shares. An aggregate of 666,864 common shares were issued to Sprott as commission, fair valued at \$60,018. The cash finders’ and advisory fees amounted to an aggregate of \$94,518, including \$28,069 to DGMP, \$16,449 to CG, \$15,000 to EDE Asset Management and \$35,050 to Laurentian Bank Securities Inc. Legal, regulatory and other cash costs associated with the private placement totalled \$68,877.

Exploration and evaluation assets (Note 9)

- The Company issued 250,000 common shares valued at \$16,250 in connection with the Spruce Pond property.
- The Company issued 250,000 common shares valued at \$13,750 in connection with the Whisker Valley property.
- The Company issued 500,000 common shares valued at \$82,500 in connection with the Inomin property.
- The Company issued 50,000 common shares, valued at \$7,250, in connection with the Strugglers Pond property.

Other share issuances

During the nine months ended September 30, 2021, 13,165,940 (year ended December 31, 2020 – 9,606,608) common shares were issued upon the exercise of warrants for gross cash proceeds of \$1,974,891 (year ended December 31, 2020 – \$1,354,880). The fair value of the exercised warrants of \$51,901 (year ended December 31, 2020 – \$436,777) was transferred from reserves to share capital.

During the year ended December 31, 2020, 825,000 common shares were issued upon the exercise of stock options for gross cash proceeds of \$102,500. The fair value of the exercised options of \$67,730 was transferred from reserves to share capital.



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Pursuant to the Acquisition on April 12, 2021, 3,571,428 common shares of the Company were issued to Rambler for partial consideration for the purchase of the Assets with a fair value of \$660,714 and on June 3, 2021, 400,000 common shares were issued to Sprott Capital Partners LP for advisor services with a fair value of \$82,000 (Note 4).

On November 3, 2020, the Company issued 150,000 common shares valued at \$24,000 to CG as full consideration for financial advisory and consulting services.

<i>Flow-through premium liability</i>	\$
Balance – December 31, 2019	47,599
Flow-through premium liability additions	719,415
Settlement of flow-through premium to income	(563,401)
Balance – December 31, 2020	203,613
Flow-through premium liability additions	1,324,400
Settlement of flow-through premium to income	(1,005,393)
Balance – September 30, 2021	522,620

Royalty units

During fiscal 2016 the Company issued Royalty Units with a price of \$0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of \$210,700 received in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project ("Project"). The likelihood of the Project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at \$3,440,500 being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

Stock options

The Company has a "rolling" stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options, subject to receipt of annual shareholder approval. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX-V, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over the vesting period of the options. Vesting terms are determined by the Board of Directors.



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A summary of the Company's stock options follows:

	September 30, 2021		December 31, 2020	
	Options Outstanding #	Weighted Average Exercise Price \$	Options Outstanding #	Weighted Average Exercise Price \$
Balance, beginning of period	21,230,000	0.12	16,840,000	0.13
Granted	7,300,000	0.18	6,700,000	0.09
Exercised	-	-	(825,000)	0.12
Expired/cancelled	(2,700,000)	0.23	(1,485,000)	0.14
Balance, end of period	25,830,000	0.13	21,230,000	0.12

During the nine months ended September 30, 2021, the Company granted 7,300,000 (year ended December 31, 2020 – 6,700,000) stock options to directors, officers, consultants and employees of the Company, of which 7,075,000 have vested and the remaining 225,000 unvested stock options will vest by one-third every three months, for nine months. The fair value of the stock options granted as determined by the Black-Scholes pricing model during the nine months ended September 30, 2021 was \$885,047 (2020 – \$463,963).

During the nine months ended September 30, 2021, 2,700,000 (year ended December 31, 2020 – 1,485,000) stock options were forfeited, cancelled or expired resulting in a reversal of \$293,902 (year ended December 31, 2020 – \$130,936) from reserves to deficit. The total fair value of unvested options that will be recognized in profit or loss in future periods amounts to \$15,263 at September 30, 2021 (2020 – \$9,825). The Company has estimated the forfeiture rate to be nil%. Expected volatility was determined based on the historical movements in the closing price of the Company's shares for a length of time to the expected life of each option.

The following table sets out the details of the weighted-average assumptions used for the Black-Scholes valuation of stock options granted during the nine months ended September 30, 2021 and year ended December 31, 2020.

Date of Grant	Risk-free interest rate	Volatility	Expected Life
20-May-20	0.36%	102.6%	5 years
16-Jun-20	0.33%	103.0%	5 years
10-Sep-20	0.32%	103.7%	5 years
24-Jun-21	0.85%	88.7%	5 years
29-Jul-21	0.73%	88.0%	5 years



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

Options Outstanding #	Options Exercisable #	Exercise Price \$	Remaining Contractual Life years	Expiry
200,000	200,000	0.15	0.57	26-Apr-22
500,000	500,000	0.10	1.18	04-Dec-22
2,075,000	2,075,000	0.10	1.21	15-Dec-22
4,805,000	4,805,000	0.11	2.18	6-Dec-23
4,450,000	4,450,000	0.10	2.72	18-Jun-24
5,550,000	5,550,000	0.085	3.64	20-May-25
350,000	350,000	0.095	3.71	16-Jun-25
600,000	600,000	0.17	3.95	10-Sep-25
5,300,000	5,075,000	0.18	4.73	24-Jun-26
2,000,000	2,000,000	0.18	4.83	29-Jul-26
25,830,000	25,605,000	0.13	3.31	

Warrants

As at September 30, 2021, the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	Exercise Price	Expiry Date
3,087,873	\$0.15	August 21, 2022
2,310,000	\$0.18	March 22, 2023
1,846,200	\$0.18	April 12, 2023
7,244,073		

Share purchase warrant transactions were as follows:

	September 30, 2021		December 31, 2020	
	Warrants Outstanding #	Weighted Average Exercise Price \$	Warrants Outstanding #	Weighted Average Exercise Price \$
Balance, beginning of period	35,399,500	0.15	57,835,596	0.15
Granted	4,156,200	0.18	3,087,873	0.15
Exercised	(13,165,940)	0.15	(9,606,608)	0.14
Expired/cancelled	(19,145,687)	0.15	(15,917,361)	0.17
Balance, end of period	7,244,073	0.17	35,399,500	0.15

During the nine months ended September 30, 2021, 19,145,687 (year ended December 31, 2020 – 15,917,361) warrants expired unexercised, including the reversal of 1,584,273 (year ended December 31, 2020 – 1,539,850) finder warrants resulting in the reversal of \$51,901 (year ended December 31, 2020 – \$444,317) to share capital and 13,165,940 (year ended December 31, 2020 – 9,606,608) warrants were exercised for aggregate gross proceeds of \$1,974,891 (year ended December 31, 2020 – \$1,354,880).



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14. RELATED PARTY TRANSACTIONS

(a) Services

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related by virtue of having certain directors and officers in common.

For the periods ended September 30 the Company was charged the following:

	Three month period ended September 30 2021 \$	Three month period ended September 30 2020 \$	Nine month period ended September 30 2021 \$	Nine month period ended September 30 2020 \$
Rent	19,919	16,286	54,795	48,859
Office administration	1,319	1,319	3,956	3,926
	21,238	17,605	58,751	52,785

(b) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. Compensation to key management personnel for services rendered were as follows for the periods ended September 30:

	Three month period ended September 30 2021 \$	Three month period ended September 30 2020 \$	Nine month period ended September 30 2021 \$	Nine month period ended September 30 2020 \$
Salaries	323,485	156,356	722,325	443,655
Directors' fees	20,833	17,500	55,833	52,500
Share based payments	245,102	64,240	707,900	294,027
	589,420	238,096	1,486,058	790,182

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, deposits and accounts payable and accrued liabilities. Cash is measured at fair value based on Level 1 of the fair value hierarchy. The fair values of receivables and accounts payable and accrued liabilities approximate their book carrying values because of the short-term nature of these instruments.

- (a) *Credit risk* - Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and receivables. The maximum exposure to loss arising from receivables is equal to their carrying amounts. The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution. Receivables are due from a government agency.
- (b) *Liquidity risk* - Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.
- (c) *Market risk* - Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate



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due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(d) *Interest rate risk* - Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

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

(e) *Foreign currency risk* - Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(f) *Other price risk* - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company monitors metal prices in determining its long-term business plans.

There were no changes in the Company's approach to managing the above risks.

16. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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 defines capital that it manages as equity, consisting of common shares, stock options and warrants.

The Company is dependent upon external financings to fund activities. In order to carry out any exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes in the Company's capital management strategy during the nine month period ended September 30, 2021 compared to the previous period. The Company is not subject to externally imposed capital requirements.

As at September 30, 2021, the Company is obligated to incur \$2,725,522 of qualifying flow-through expenditures prior to December 31, 2022.