APOLLO SILVER CORP.

(Formerly Apollo Gold & Silver Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2021

(Unaudited)

APOLLO SILVER CORP. (Formerly Apollo Gold & Silver Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Stated in Canadian Dollars)

	Notes		**August 31, 2021**		November 30, 2020
ASSETS					
Current assets					
Cash		**$**	**17,090,763**	$	6,125,876
Receivables			**43,441**		22,002
Prepaid expenses			**1,271,587**		90,281
Total current assets			**18,405,791**		6,238,159
Non-current assets					
Property and equipment	3		**15,578**		9,659
Exploration and evaluation assets	4		**77,004,643**		100,000
TOTAL ASSETS		**$**	**95,426,012**	$	6,347,818
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**582,227**	$	147,536
Total current liabilities		**$**	**582,227**	$	147,536
Non-current liabilities					
Warrant liability	5		**2,985,136**		-
TOTAL LIABILITIES		**$**	**3,567,363**	$	147,536
SHAREHOLDERS' EQUITY					
Capital stock	6	**$**	**98,362,554**	$	13,111,731
Reserves	6(e)		**2,502,776**		1,325,534
Warrants reserve	6(d)		**442,352**		447,127
Accumulated other comprehensive income			**473,824**		-
Accumulated deficit			**(9,922,857)**		(8,684,110)
TOTAL SHAREHOLDERS' EQUITY		**$**	**91,858,649**	$	6,200,282
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**95,426,012**	$	6,347,818

Nature and continuance of operations (Note 1)
Subsequent events (Notes 1 & 13)

Approved and authorized for issue on behalf of the Board on October 27, 2021:

/s/ Thomas Peregoodoff	*/s/ Daryn Gordon*
Thomas Peregoodoff, Director	Daryn Gordon, Director

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

APOLLO SILVER CORP. (Formerly Apollo Gold & Silver Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Stated in Canadian Dollars)

	Notes	Three months ended August 31, 2021	Three months ended August 31, 2020	Nine months ended August 31, 2021	Nine months ended August 31, 2020
Operating expenses					
Exploration and evaluation expenses	7	**$ 389,794**	$ 41,945	**$ 428,356**	$ 49,111
Administrative expenses	2(f),8	**1,377,928**	275,957	**1,874,861**	1,095,966
Write-off of exploration and evaluation assets	4(c)	**100,000**	-	**100,000**	-
Depreciation		**641**	575	**3,394**	697
Loss from operations		**1,868,363**	318,477	**2,406,611**	1,145,774
Other income					
Fair value adjustment on warrant liabilty	5	**(1,018,080)**	-	**(1,018,080)**	-
Gain on foreign exchange		**(149,784)**	-	**(149,784)**	-
Other income		**-**	(34,973)	**-**	(54,908)
Loss before income taxes		**700,499**	283,504	**1,238,747**	1,090,866
Income taxes		**-**	-	**-**	-
Net loss for the period		**$ 700,499**	$ 283,504	**$ 1,238,747**	$ 1,090,866
Other comprehensive income					
Items that may be reclassified subsequently to loss:					
Currency translation adjustment		**$ (473,824)**	$ -	**$ (473,824)**	$ -
Total other comprehensive income		**$ (473,824)**	$ -	**$ (473,824)**	$ -
Total comprehensive loss for the period		**$ 226,675**	$ 283,504	**$ 764,923**	$ 1,090,866
Loss per share (basic and diluted)		**$ 0.01**	$ 0.01	**$ 0.02**	$ 0.02
Weighted average number of basic and diluted common shares outstanding		**116,290,033**	47,833,615	**73,529,670**	47,833,615

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

APOLLO SILVER CORP. (Formerly Apollo Gold & Silver Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Stated in Canadian Dollars)

	Notes		Nine months ended August 31, 2021		2020
Operating activities					
Net loss for the period		**$**	**(1,238,747)**	$	(1,090,866)
Adjustments for non-cash items:					
Share-based payments	6(e)		**1,177,242**		653,439
Write-off of exploration and evaluation assets	4(c)		**100,000**		-
Depreciation			**3,394**		697
Fair value adjustment on warrant liability	5		**(1,018,080)**		-
Other income			**-**		(54,908)
Unrealized foreign exchange			**(112,128)**		-
Changes in non-cash working capital items:					
Receivables			**(21,439)**		(5,642)
Prepaid expenses			**(1,181,306)**		(141,644)
Accounts payable and accrued liabilities			**(280,433)**		74,123
Cash used in operating activities			**(2,571,497)**		(564,801)
Investing activities					
Acquisition of exploration and evaluation assets	9		**(36,128,575)**		(100,000)
Acquisition of equipment	3		**(9,313)**		(4,569)
Cash used in investing activites			**(36,137,888)**		(104,569)
Financing activities					
Proceeds from private placements, net of share issue costs	6(b)		**49,426,641**		6,487,682
Proceeds from exercise of warrants	6(d)		**231,475**		-
Cash from financing activities			**49,658,116**		6,487,682
Effect of changes in foreign exchange rates on cash			**16,156**		-
Increase in cash			**10,964,887**		5,818,312
Cash, beginning of period			**6,125,876**		10,822
Cash, end of period		**$**	**17,090,763**	$	5,829,134

The non-cash investing actvities not already disclosed in the condensed interim consolidated statements of cash flows were as follows:

	Notes		Nine months ended August 31, 2021		2020
Investing activities					
Shares issued on acquisition of Stronghold Silver Corp.	9(a)	$	35,587,932	$	-

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

APOLLO SILVER CORP. (Formerly Apollo Gold & Silver Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Unaudited)
(Stated in Canadian Dollars)

	Notes	Number of common shares	Share capital	Warrants reserve (Equity reserves)	Other reserves (Equity reserves)	Share-based payments reserve (Equity reserves)	Accumulated other comprehensive income	Accumulated deficit	Total
Balance at November 30, 2019		20,140,584	$ 6,254,197	$ -	$ 672,095	$ -	$ -	$ (7,122,284)	$ (195,992)
Net loss for the period		-	-	-	-	-	-	(1,090,866)	(1,090,866)
Private placement		30,532,000	6,829,000	-	-	-	-	-	6,829,000
Share issue costs		-	(341,318)	-	-	-	-	-	(341,318)
Broker warrants		-	(448,461)	448,461	-	-	-	-	-
Share-based payments		-	-	-	-	653,439	-	-	653,439
Balance at August 31, 2020		50,672,584	$ 12,293,418	$ 448,461	$ 672,095	$ 653,439	$ -	$ (8,213,150)	$ 5,854,263
Balance at November 30, 2020		**50,820,414**	**$ 13,111,731**	**$ 447,127**	**$ 672,095**	**$ 653,439**	**$ -**	**$ (8,684,110)**	**$ 6,200,282**
Net loss for the period		**-**	**-**	**-**	**-**	**-**	**-**	**(1,238,747)**	**(1,238,747)**
Shares issued on exercise of warrants	6(d)	**703,325**	**236,250**	**(4,775)**	**-**	**-**	**-**	**-**	**231,475**
Private placement	6(b)	**70,533,334**	**52,900,001**	**-**	**-**	**-**	**-**	**-**	**52,900,001**
Share issue costs in private placement	6(b)	**-**	**(3,473,360)**	**-**	**-**	**-**	**-**	**-**	**(3,473,360)**
Shares issued on acquisition of exploration and evaluation assets	9(a)	**40,000,000**	**35,587,932**	**-**	**-**	**-**	**-**	**-**	**35,587,932**
Share-based payments		**-**	**-**	**-**	**-**	**1,177,242**	**-**	**-**	**1,177,242**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**	**473,824**	**-**	**473,824**
Balance at August 31, 2021		**162,057,073**	**$ 98,362,554**	**$ 442,352**	**$ 672,095**	**$ 1,830,681**	**$ 473,824**	**$ (9,922,857)**	**$ 91,858,649**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Apollo Silver Corp. (the “Company” or “Apollo”), formerly Apollo Gold & Silver Corp., is a publicly listed exploration and development company incorporated on September 22, 1999, under the laws of the Province of Alberta, Canada. The Company filed for continuance under the Canada Business Corporations Act on December 1, 2003 and then under the laws of British Columbia on November 4, 2010. The Company is listed on the TSX Venture Exchange (“TSX-V”) and its shares trade under the symbol APGO. The Company is also listed on the OTCQB and Frankfurt Stock Exchange and its shares trade under the symbols APGOF and 6ZF, respectively. The Company’s head office and principal address is #1507-1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3 and its registered and records office is #1500-1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

On September 2, 2021, Apollo received approval from the TSX-V to change its name from *Apollo Gold & Silver Corp*. to *Apollo Silver Corp.*, effective as at opening of markets on September 10, 2021 (the “Name Change”). Pursuant to provisions of the articles of the Company, shareholder approval of the Name Change was not required and consequently the Company did not seek shareholder approval for the Name Change. There was no consolidation of the Company’s share capital in connection with the Name Change and as a result, shareholders were not required to exchange their existing share certificates for new certificates bearing the Company’s new name.

The Company, together with its subsidiaries, is a mineral exploration group focused on advancing its portfolio of silver projects in the Unites States. This portfolio comprises three recently acquired projects: the Waterloo Silver-Barite Project (“Waterloo” or the “Waterloo Project”), the Langtry Silver-Barite Project (“Langtry” or the “Langtry Project”), both in the Calico Mining District in San Bernardino County, California, as well as the Arizona Silver District Project (“AZ Silver District” or “AZ Silver District Project”) in La Paz County, Arizona. The principal business of the Company is the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties in the USA.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. For the three and nine months ended August 31, 2021, the Company had no operating revenue and incurred net losses of approximately $700,000 and $1.24 million, respectively (August 31, 2020 - $284,000 and $1.09 million). At August 31, 2021, the Company had consolidated cash of $17.09 million (November 30, 2020 - $6.13 million) to apply against current liabilities of approximately $582,000 (November 30, 2020 - $148,000).

At August 31, 2021, the Company believed that it had adequate resources to maintain its minimum obligations arising over the next 12 months, including general corporate activities, based on its cash position and its ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow and no assurance that additional funding will be available for future exploration and development programs at its properties or to enable the Company to fulfill its obligations under any applicable agreements. The Company’s ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. While the Company has been successful in obtaining funding in the past, there is no assurance that future financing will be available or be available on favorable terms. The ability to raise future financing may be impaired, or such financing may not be available on favorable terms, due to conditions beyond the Company’s control, such as uncertainty in the capital markets, changes in commodity prices or country specific risk factors.

The global spread of COVID-19 has caused and continues to cause considerable disruptions to the world economy, including financial markets, which could adversely impact the Company’s ability to obtain additional financing when necessary. Global supply chains also continue to be impacted, which could adversely impact the Company by increasing costs and lead-times to acquire or procure necessary services and products. Finally, the ongoing pandemic continues to impact the free movement of people across the Canada-US border. The duration of this border restriction, and any change to the level of restriction of movement, is unknown. As the Company's projects are located in the US, this could impact Apollo's ability to execute planned work programs. Overall, these pandemic related material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

a) 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* ("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"). These condensed interim consolidated financial statements do not include all the information and footnotes required by IFRS for annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended November 30, 2020, which have been prepared in accordance with IFRS, as issued by the IASB.

These condensed interim consolidated financial statements, including comparatives have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statements for the year ended November 30, 2020.

b) Significant accounting policies

Basis of measurement

The accounting policies applied in the preparation of these condensed interim consolidated financial statements, including comparatives are consistent with those applied and disclosed in Note 3 of the Company's annual financial statements for the year ended November 30, 2020, in addition to the following significant accounting policies which became applicable in the current reporting period.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each of the Company's subsidiaries determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency. The functional currency of Apollo's foreign exploration subsidiary in the USA is the US dollar.

All financial information has been presented in Canadian dollars in these consolidated financial statements, except when otherwise indicated.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. The financial statements of subsidiaries are included in the consolidated financial statements as at the date that control commences until the date that control ceases. If the Company's interest in a subsidiary that it has determined it controls, is less than 100%, the interest attributable to non-controlling shareholders is recognized as non-controlling interest.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Company.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Business combinations

Acquisitions of subsidiaries which represent business combinations are accounted for using the acquisition method. The consideration transferred is measured at the aggregate of the fair value, at the date of exchange, of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets and liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date, except for certain assets and liabilities which are recognized and measured in accordance with the applicable IFRS guidance.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Transaction costs, other than those associated with the issuance of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the exchange rate on the date when the fair value was measured. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars using the exchange rates as at the date of the statement of financial position. The income and expenses of foreign operations are translated into Canadian dollars using the exchange rates prevailing on the transaction dates.

Foreign currency differences are recognized in other comprehensive income and accumulated in other reserves within equity, except to the extent that the translation difference is allocated to non-controlling interests. On the disposal of a foreign operation, such exchange differences are reclassified from other reserves to profit or loss.

c) Adoption of new and revised accounting standards and interpretations

The Company has adopted the following amendments to IFRS:

Amendments to IFRS 3, *Business Combinations* (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. The definition of a business has been amended to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and to exclude returns in the form of lower costs and other economic benefits. The amendment includes an optional test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. These amendments did not impact the Company's consolidated financial statements or disclosures at the time of adoption.

Amendments to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (effective January 1, 2020) were made to refine the definition of material in IAS 1 and align the definitions used across IFRS Standards and other publications. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition and the threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. These amendments did not impact the Company's consolidated financial statements or disclosures at the time of adoption.

The Company has not applied the following amendments to standards that have been issued but are not yet effective:

Amendments to IAS 1, *Presentation of Financial Statements* (effective January 1, 2023) clarifies the presentation of liabilities in the statement of financial position. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. Management is currently assessing the impact of this amendment.

d) Critical accounting estimates and significant judgments

The preparation of these condensed interim consolidated financial statements in conformity with IAS 34 requires management to make certain estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported expenses during the period. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgement uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus ("COVID-19"). COVID-19 has had an adverse impact on global economic conditions, including global supply chain disruptions, government response actions, business closures and disruptions and the availability of financing. Areas of judgement and estimation uncertainty which may be impacted by COVID-19 include estimates used to determine long-lived asset recoverability and recognition of tax assets, and management's assessment of Apollo's ability to continue as a going concern. The duration of the pandemic and its impact on the Company's financial performance is an area of estimation uncertainty and judgement that is continuously monitored and reflected in management's estimates.

The most significant areas of judgements made by management are as follows:

(i) Impairment of mineral properties and property, plant & equipment

Assets or CGU's are evaluated at each reporting date to determine whether there are any indications of impairment. Both internal and external sources of information are considered when making the assessment of whether there are indications of impairment for mineral properties and property, plant and equipment. External sources of information considered are changes in the Company's economic, legal and regulatory environment that it does not control but affect the recoverability of its assets. Internal sources of information considered include the manner in which mineral properties and property, plant and equipment are being used or are expected to be used, the viability of the projected, including the latest resources prices and the long-term forecasts, and indications of economic performance of those assets.

If any indication of impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of fair value less costs to sell and value in use. At August 31, 2021, the Company determined there were no indicators of impairment.

(ii) *Determination of functional currency*

In accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, the Company has determined that its functional currency is the Canadian dollar (Note 2(b)).

Determination of functional currency may involve certain judgements to determine the primary economic environment that an entity operates in. The Company reconsiders the functional currency of its entities if there is any change in events and conditions which determined the primary economic environment.

(iii) *Determination of whether a contract contains a lease*

In accordance with IFRS 16, the Company has to assess whether or not a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The most significant estimates made by management are as follows:

(i) *Income tax*

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

(ii) *Valuation of share-based payments, share purchase warrants and shares issued as consideration*

Share-based payments, including share purchase options (Note 6(e)) and share purchase warrants (Note 6(d)) are subject to estimation of the fair value of the equity-settled award at the date of grant using pricing models such as the Black-Scholes option pricing model. Option valuation models require the input of highly subjective assumptions including the expected stock price volatility and expected life. Changes in these assumptions can materially affect the fair value estimate, so the existing models do not necessarily provide a reliable measure of the fair value, which may impact the Company's net loss, statement of financial position and equity reserves. Shares issued as consideration in a transaction such as an asset acquisition (Note 9(a)) are also subject to estimation of the fair value on the date of issuance. Significant assumptions are required to be made when management determines the fair value, and any changes in the assumptions would have an impact on the fair value of the shares issued.

e) Changes in the Company's accounting policy for exploration and evaluation expenditures

The Company has adopted a new accounting policy for exploration and evaluation expenditures. The Company has determined that the change in accounting policy will increase peer company comparability and will enhance the relevance of the financial statements for users. Historically, once the Company had the legal right to explore a property all costs related to exploration of that property were capitalized as exploration and evaluation assets. The Company has changed this accounting policy to expense exploration and evaluation expenditure until such time that an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the project. The Company will continue to capitalize all acquisition costs and related costs, including option payments, when incurred to obtain the legal right to explore the property. The accounting policy change has been applied on a retrospective basis to these condensed interim consolidated financial statements. There are no adjustments required to previously reported amounts in the opening statement of financial position, the comparative statements of loss and comprehensive loss for the three- and nine-month periods ended August 31, 2020, or the statement of cash flows as at August 31, 2020.

(Stated in Canadian Dollars, unless otherwise noted)

f) Comparative figures

Certain figures in the comparative financial statements have been reclassified to conform with current period presentation.

3. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and fixtures	Total
Cost			
Balance - November 30, 2019	$ 4,164	$ -	$ 4,164
Additions	5,104	4,728	9,832
Balance - November 30, 2020	**9,268**	**4,728**	**13,996**
Additions	**9,313**	**-**	**9,313**
Balance - August 31, 2021	**$ 18,581**	**$ 4,728**	**$ 23,309**
Accumulated amortization			
Balance - November 30, 2019	$ 3,349	$ -	$ 3,349
Charge for the year	949	39	988
Balance - November 30, 2020	**4,298**	**39**	**4,337**
Charge for the period	**2,691**	**702**	**3,394**
Balance - August 31, 2021	**$ 6,989**	**$ 741**	**$ 7,731**
Net book value - November 30, 2020	$ 4,970	$ 4,689	$ 9,659
Net book value - August 31, 2021	**$ 11,591**	**$ 3,987**	**$ 15,578**

4. EXPLORATION AND EVALUATION ASSETS

	Calico District, California		Arizona	Chile	
	Waterloo Project (Note 4(a)(i))	Langtry Project (Note 4(a)(ii))	Arizona Silver District Project (Note 4(b))	Chilean properties (Note 4(c))	Total
Cost					
Balance - November 30, 2019	$ -	$ -	$ -	$ -	$ -
Acquisition costs	-	-	-	100,000	100,000
Balance - November 30, 2020	**-**	**-**	**-**	**100,000**	**100,000**
Acquisition costs	**58,292,642**	**14,494,938**	**3,647,267**	**-**	**76,434,847**
Write-offs and disposals	**-**	**-**	**-**	**(100,000)**	**(100,000)**
Effect of movements in exchange rates	**458,397**	**89,004**	**22,395**	**-**	**569,796**
Balance - August 31, 2021	**$ 58,751,039**	**$ 14,583,942**	**$ 3,669,662**	**$ -**	**$ 77,004,643**

a) Calico District, California, USA

The Waterloo and Langtry Projects are located in the Calico Silver Mining District (the "Calico District") in the Mojave Desert of San Bernardino County, California, USA. They are situated approximately 145 miles (233 km) northeast of Los Angeles, approximately halfway between Los Angeles and Las Vegas, Nevada along the I-15 interstate highway.

(i) The Waterloo Project

The Waterloo Project comprises 27 fee simple land parcels (1,352 acres) and 21 unpatented claims (19 lode mining claims, 2 mill site claims) (418 acres), totalling approximately 1,770 gross acres (collectively, the "Waterloo Property"). Apollo acquired a 100% interest in the Waterloo Project through the acquisition of Stronghold Silver Corp. ("Stronghold") on July 8, 2021 (Note 9(a)). Stronghold, through its wholly-owned subsidiary, Stronghold Silver USA Corp. ("Stronghold USA"), held the right to acquire a 100% interest in the Waterloo Project from Pan American Minerals Inc. ("Pan American"), a wholly-owned subsidiary of Pan American Silver Corp. Subsequent to the acquisition of Stronghold and Stronghold USA, Apollo completed the acquisition of the Waterloo Project from Pan American on July 12, 2021 (Note 9(b)). Pan American retains a 2% Net Smelter Royalty on any future production of minerals from the Waterloo Project.

(ii) The Langtry Project

The Langtry Project comprises 20 patented claims (413 acres) and 38 unpatented lode mining claims (767 acres), totalling approximately 1,180 acres (collectively, the "Langtry Property"). 20 patented claims and two unpatented claims are under option between Stronghold USA and the Bruce and Elizabeth Strachan Revocable Living Trust dated 7-25-2007 ("Strachan"), while the remaining 36 unpatented claims are under option between Stronghold USA and Athena Minerals Inc. ("Athena"). Each agreement is subject to various royalties and encumbrances.

Strachan Agreement

Stronghold USA, the optionee, and Strachan, the optionor, entered into an Option to Purchase Agreement (the "Strachan Agreement") dated December 23, 2020, which gives Stronghold USA the right to acquire a 100% interest in 20 patented land claims and two unpatented lode mining claims forming a portion of the Langtry Project ("Strachan Lands") for the aggregate purchase price of the greater of 1) US$5,200,000 or 2) the spot price of 220,000 troy ounces of silver, on or before December 24, 2025.

Under the terms of the Strachan Agreement, Stronghold USA is required to pay US$100,000 on each Strachan Agreement anniversary date to maintain the option in good standing. All payments made during the term of the option shall be applied to the purchase price. Upon full exercise of the option, Stronghold USA will grant to Strachan the following: 1) a 1% Net Smelter Royalty on any future production of silver from the Strachan Lands; 2) a 5% gross royalty on all other mineral production from the Strachan Lands; and 3) a 10% gross royalty on all other non-mineral production income derived from any other commercial use of the Strachan Lands.

As of August 31, 2021, one non-refundable payment of US$100,000 has been made under the Strachan Agreement which will be credited against the final purchase price at the time of exercise.

Athena Agreement

Stronghold USA, the optionee, and Athena, the optionor, entered into an Option to Purchase Agreement (the "Athena Agreement") dated December 21, 2020, which gives Stronghold USA the right to acquire 100% interest in 36 unpatented lode mining claims forming a portion of the Langtry Project ("Athena Lands") for an aggregate purchase price of US$1,000,000 to be made on or before December 21, 2025.

Terms of the option include US$15,000 upon execution of the Athena Agreement (paid in December 2020) and US$25,000 on each Athena Agreement anniversary date. All payments made by the optionee to the optionor during the 24-month period prior to the full exercise of the option shall be credited against the purchase price.

Upon vesting of 100% interest, Stronghold USA will grant to Athena a 1% Net Smelter Royalty on any future production of minerals from the Athena Lands. The royalty shall only apply on those Athena Lands that currently do not have existing royalties of 1% or higher such that at no time will any property have a royalty of greater than 2%.

b) Arizona Silver District Project, Arizona, USA

The AZ Silver District Project is a district-scale property position located in the heart of the historic Silver Mining District in La Paz County, southwestern Arizona. The AZ Silver District Project comprises three patented claims, 85 unpatented lode mining claims, 23 unpatented mill and a state exploration lease, totalling over 2,000 acres.

Stronghold USA, the optionee, and Gulf + Western Industries Inc. ("Gulf"), the optionor, entered into an Option to Purchase Agreement dated January 22, 2021 (the "AZ Silver District Option Agreement"), which gives Stronghold USA the right to acquire a 100% interest in mineral claims and leased lands forming the AZ Silver District Project for an aggregate purchase price of US$1,970,000 to be made in a series of payments on or before January 22, 2026.

Terms of the AZ Silver District Option Agreement include:

1) US$70,000 due upon closing (paid in January 2021);

2) US$100,000 plus US$100,000 in common shares of Apollo on January 22, 2022;

3) US$125,000 plus US$125,000 in common shares of Apollo on January 22, 2023;

4) US$175,000 plus US$175,000 in common shares of Apollo on January 22, 2025;

5) US$250,000 plus US$250,000 in common shares of Apollo on January 22, 2025;

6) US$300,000 plus US$300,000 in common shares of Apollo on January 22, 2026.

Additional bonus payments will be made by Apollo in the following events;

1) US$250,000 plus US$250,000 in common shares of Apollo in the event the property becomes the flagship property of the company on or before January 22, 2024;

2) US$250,000 plus US$250,000 in common shares of Apollo in the event Apollo declares a NI 43-101 compliant resource of at least 30 million ounces of silver on or before January 22, 2024;

3) US$3,000,000 in the event that the price of silver exceeds US$125/ounce for ninety days on or before January 22, 2026.

Upon vesting of the 100% interest, Apollo will grant to Gulf a 2% Net Smelter Royalty on any future production of minerals from the AZ District Project.

c) Apollo and San Carron Project, Chile

On March 25, 2020, the Company entered into an option agreement with Lithium Chile Inc., and Compania Minera Kairos Chile Limitada, giving the Company the option to earn up to a 90% interest in two early-stage exploration properties in the El Indio Gold Belt of central Chile (the "El Indio Option Agreement"). After closing the amalgamation with Stronghold (Note 9(a)) and resultant change in strategy and focus, the Company served notice to the vendors that it had terminated the El Indio Option Agreement. As a result, the carrying value of $100,000 relating to the Apollo and San Carron Mineral Property was written-off and expensed in the consolidated statements of loss and comprehensive loss.

5. WARRANT LIABILITY

The Company's warrant liability arises as a result of the 5,010,638 warrants assumed in the Stronghold Transaction (Note 9(a)) bearing an exercise price denominated in US dollars (the "Stronghold Warrants"). As the denominated currency of the Stronghold Warrants exercise price is different from the Canadian dollar functional currency of Apollo, the entity responsible for issuing the underlying shares, the Company has recognized a derivative liability for these warrants at fair value, which will be re-measured at each reporting date using the Black-Scholes option pricing model. As at August 31, 2021, the fair value of the Stronghold Warrants was estimated to total approximately $3.0 million, compared to $4.0 million upon initial recognition (July 8, 2021), resulting in a $1.0 million fair value adjustment recorded in the statement of loss and other comprehensive loss for the three and nine months ended August 31, 2021.

(Stated in Canadian Dollars, unless otherwise noted)

As at August 31, 2021, all 5,010,638 Stronghold Warrants were held by a director of the Company.

Valuation of the warrant liability requires the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing warrants is based on volatility observed in historical periods and comparative companies in the industry. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the warrant liability was calculated as at the date of initial recognition, July 8, 2021, and August 31, 2021, using the Black-Scholes option pricing model with the following weighted average assumptions and resulting fair values:

	August 31, 2021	July 8, 2021
Risk-free interest rate	**0.39%**	0.48%
Expected warrant life (years)	**1.61**	1.75
Expected stock price volatility	**105.61%**	103.49%
Expected dividend yield	**$0.00**	$0.00
Esimated fair value of each Warrant	**$0.60**	$0.80

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. At August 31, 2021, the Company had 162,057,073 common shares issued and outstanding (November 30, 2020 – 50,820,414).

b) Brokered private placement

On July 6, 2021, the Company closed a brokered private placement of 70,533,334 subscription receipts (the “Subscription Receipts”) at a price of $0.75 per Subscription Receipt for total gross proceeds of $52.9 million (the “Private Placement”). Upon satisfaction of certain escrow release conditions, each Subscription Receipt was automatically converted into one unit of the Company (a “Unit”). Each Unit consisted of one common share of the Company (a “Common Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire one common share of the Company (each a “Warrant Share”) at a price of $1.25 per Warrant Share for a period of 24 months from the date of the issuance.

In connection with the Private Placement, the brokers received an aggregate cash fee of approximately $3.21 million, which was equal to 6.0% of the gross proceeds from any subscriptions, except in respect of subscriptions by purchasers on the President’s List, on which there was a cash commission equal to 3.0% of the gross proceeds from such sale. Total share issue costs relating to the placement were $3.47 million, which included the total cash fees paid to the brokers upon closing of approximately $3.21 million. The net proceeds of the Private Placement have been bifurcated using the residual fair value method, resulting in $Nil value being allocated to the Warrants that were issued.

c) Private placements in prior year

On April 27, 2020, the Company closed a private placement of 12,500,000 units at $0.05 per unit for gross proceeds of $625,000. Each unit consisted of one Common Share and one warrant to purchase one Common Share of the Company at a price of $0.25 for two years from the date of closing. There were no share issue costs associated with this private placement.

On May 27, 2020, the Company closed a private placement of 8,032,000 units at $0.25 per unit for gross proceeds of approximately $2.01 million. Each unit consisted of one Common Share and one-half of one common share purchase Warrant. Each Warrant entitles the holder to purchase an additional common share at $0.50 for a period of two years from the date of closing. In connection with this private placement, the Company paid $65,085 in share issue costs and issued 320,600 finders’ warrants valued at $88,362 to purchase one common share for $0.50 per share for a period of two years. The warrants were valued using the Black-Scholes model using the following assumptions: risk free rate of 0.30%, expected life 2 years, estimated volatility of underlying common shares of 100%, forfeiture rate of 0%, and expected dividend yield of 0%.

(Stated in Canadian Dollars, unless otherwise noted)

On August 6, 2020, the Company closed a private placement of 10,000,000 units at $0.50 per unit for gross proceeds of $5.0 million. Each unit consists of one Common Share and one-half of common share purchase Warrant. Each Warrant entitles the holder to purchase an additional common share at $0.75 per share for a period of two years from the date of closing. In connection with this private placement, the Company paid $283,855 in share issue costs and issued 498,470 finders' Warrants valued at $360,099 to purchase one common share for $0.75 per share for a period of two years. The Warrants were valued using the Black-Scholes model using the following assumptions: risk free rate of 0.23%, expected life 2 years, estimated volatility of underlying common shares of 100%, forfeiture rate of 0%, and expected dividend yield of 0%.

The Company paid other share issue costs of $49,315 for the above issuances in the nine months ended August 31, 2020.

d) Share purchase warrants

During the nine months ended August 31, 2021, a total of 703,325 (2020 – nil) warrants were exercised resulting in the issuance of 703,325 (2020 – nil) common shares for gross proceeds of $231,475 (2020- nil).

Warrants transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Outstanding, November 30, 2019	-	-
Granted in private placements	21,516,000	0.41
Issues of finders' fee warrants	819,070	0.65
Exercise of finders' fee warrants	(147,830)	0.50
Outstanding, November 30, 2020	22,187,240	0.42
Issuance of warrants in Private Placement (Note 6(a))	35,266,667	1.25
Exercise of warrants	(703,325)	0.33
Aquisition of Stronghold Warrants (Notes 5, 6(d)(i) & 9(a))	5,010,638	0.25
Oustanding, August 31, 2021	**61,761,220**	**0.88**

Details of the warrants outstanding as at August 31, 2021 are as follows:

Expiry Date	Note	Number of warrants		Weighted average exercise price ($ per warrant)	Weighted average remaining contractual life (years)
April 27, 2022		12,000,000	$	0.25	0.65
May 26, 2022		3,997,945		0.50	0.73
Aug 5, 2022		5,485,970		0.75	0.93
April 9, 2023	5, 6(d)(i) & 9(a))	5,010,638		0.25	1.61
July 6, 2023		35,266,667		1.25	1.85
		61,761,220	**$**	**0.88**	**1.44**

(i) The Stronghold Warrants, which expire on April 9, 2023 and have an exercise price of US$0.20 and have been converted to CAD based on the period-end foreign exchange rate for presentation purposes in the above tables.

(Stated in Canadian Dollars, unless otherwise noted)

e) Share-based payments

The Company has a stock option plan (the "Plan") under which it is authorized to grant share purchase options to executive officers and directors, employees and consultants of the Company. The aggregate number of securities reserved for issuance will be not more than 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option will be equal to the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the Board of Directors.

In the nine months ended August 31, 2021, the Company granted 4,550,000 share purchase options to directors, officers, employees and consultants of Apollo. During the year ended November 30, 2020, the Company issued 2,500,000 share purchase options.

Share-based payments expense related to share purchase options granted for the three and nine months ended August 31, 2021 is $1,177,242 (August 31, 2020 - $653,439), and has been allocated between administrative expenses (Note 8) and exploration and evaluation expenses (Note 7) in the consolidated statements of loss and comprehensive loss.

The following is a summary of share purchase options activity for the nine months ended August 31, 2021:

	Nine months ended August 31, 2021			Nine months ended August 31, 2020		
	Number of stock options		**Weighted average exercise price ($ per share)**	Number of stock options		Weighted average exercise price ($ per share)
Outstanding, beginning of period	**2,500,000**	**$**	**0.33**	-	$	-
Granted	**4,550,000**		**0.86**	2,500,000		0.33
Outstanding, end of period	**7,050,000**	**$**	**0.67**	2,500,000	$	0.33
Exercisable, end of period	**4,016,667**	**$**	**0.53**	833,333	$	0.33

The weighted average fair value of the share purchase options granted during the nine months ended August 31, 2021, has been estimated to be $0.59 (August 31, 2020 - $0.26) using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Nine months ended August 31,	
	2021	2020
Exercise price	**$0.86**	$0.33
Risk-free interest rate	**0.56%**	0.41%
Expected life (years)	**3.50**	5.00
Expected stock price volatility	**116%**	100%
Forfeiture rate	**0%**	0%
Expected dividend yield	**0%**	0%

The following is a summary of share purchase options outstanding as at August 31, 2021:

	Options outstanding		**Options exercisable**	
Exercise price ($ per share)	Number of stock options	Weighted average remaining contractual life (years)	Number of stock options	Weighted average remaining contractual life (years)
$0.33	2,500,000	3.67	2,500,000	3.67
$0.86	4,550,000	4.88	1,516,667	4.88
	7,050,000	**4.46**	**4,016,667**	**4.13**

(Stated in Canadian Dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses are summarized as follows:

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	**2021**	2020
Salaries	**$ 29,888**	$ -	**$ 29,888**	$ -
Share-based payments	**258,734**	-	**258,734**	-
Geological consulting	**54,380**	-	**54,380**	-
Permits, fees and licences	**34,614**	-	**73,176**	-
Travel	**12,178**	-	**12,178**	-
General project evaluation costs	**-**	41,945	**-**	49,111
Total exploration and evaluation expenses	**$ 389,794**	$ 41,945	**$ 428,356**	$ 49,111

Exploration and evaluation expenses were allocated to the following projects:

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	**2021**	2020
Waterloo Project, California, USA	**$ 87,117**	$ -	**$ 87,117**	$ -
Langtry Project, California, USA	**38,982**	-	**38,982**	-
AZ Silver District, Arizona, USA	**4,961**	-	**4,961**	-
Other project evaluation	**-**	41,945	**38,562**	49,111
Share-based payments	**258,734**	-	**258,734**	-
Total exploration and evaluation expenses	**$ 389,794**	$ 41,945	**$ 428,356**	$ 49,111

8. ADMINISTRATIVE EXPENSES

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	**2021**	2020
Salaries and consulting fees	**$ 346,834**	$ 107,965	**$ 529,445**	$ 135,465
Share-based payments	**918,508**	-	**918,508**	653,439
Office and administration	**20,688**	20,022	**72,068**	66,606
Investor relations	**61,094**	88,411	**160,582**	130,301
Professional fees	**35,291**	5,046	**117,167**	32,572
Transfer agent and filing fees	**(11,487)**	52,513	**43,550**	71,733
Accounting and audit	**7,000**	2,000	**33,541**	5,850
Total administrative expenses	**$ 1,377,928**	$ 275,957	**$ 1,874,861**	$ 1,095,966

9. ACQUISITIONS

a) Acquisition of Stronghold Silver Corp.

On May 11, 2021, Apollo entered into a definitive acquisition agreement to acquire all of the issued and outstanding shares of Stronghold, a privately held Canadian company, and amalgamate Stronghold with 1302259 BC Ltd., Apollo's wholly-owned Canadian subsidiary (the "Stronghold Transaction").

Stronghold, through its wholly-owned subsidiary, Stronghold USA, held the rights to explore and acquire three silver projects in the United States: the Waterloo Project (Note 4(a)(i)), the Langtry Project (Note 4(a)(ii)) and the AZ Silver District Project (Note 4(b)). The rights to these three silver projects were held by way of an unconditional Asset Purchase Agreement to acquire the Waterloo Project from Pan American (Note 9(b)), two option agreements to acquire 100% interest in the Langtry Project, and one option agreement to acquire 100% interest in the AZ Silver District Project.

(Stated in Canadian Dollars, unless otherwise noted)

Under the terms the Stronghold Transaction, Apollo agreed to issue a total of 40,000,000 common shares to Stronghold shareholders at a share exchange ratio of one Apollo common share for one Stronghold common share. An additional condition of closing was that Apollo had to complete a financing of a minimum of $35.0 million (the "Concurrent Financing"), which closed on July 6, 2021 (Note 6(b)).

Given the Concurrent Financing did not close prior to June 30, 2021 (the original outside date for the Stronghold Transaction), Apollo agreed to pay US$500,000 ($617,500) to Stronghold to extend the outside date of the Stronghold Transaction to July 12, 2021 (the "Stronghold Extension"). The Company closed its Private Placement on July 6, 2021, raising gross proceeds of $52.9 million, which satisfied the conditions relating to a Concurrent Financing and allowed Apollo and Stronghold to complete Stronghold Transaction on July 8, 2021.

The Stronghold Transaction was accounted for as an asset acquisition as the activities of Stronghold did not meet the definition of a business under IFRS 3, *Business Combinations*.

The net assets acquired by the Company were estimated at a fair value of approximately $36.33 million as follows:

Fair value of Common Shares issued (40,000,000 shares)	$	35,587,932
Cash consideration		617,650
Transaction costs		127,005
Fair value of consideration paid by Apollo	**$**	**36,332,587**

The Common Shares issued to the shareholders of Stronghold are subject to restrictions on disposition ranging from 0-to-36 months after close. The aggregate fair value of these shares was estimated by applying a weighted average discount of approximately 11% to the $1.00 quoted market price of the Company's freely-tradeable common shares at closing on July 8, 2021.

The fair value of the net assets acquired was allocated as follows:

Cash	$	107
Exploration and evaluation assets		
Waterloo Project		22,908,614
Langtry Project		14,494,938
Arizona Silver District Project		3,647,267
Accounts payable and accrued liabilities		(715,123)
Warrant liability		(4,003,216)
Net assets acquired	**$**	**36,332,587**

b) Acquisition of the 100% interest in the Waterloo Project from Pan American Silver

Prior to the Stronghold Transaction, Stronghold USA and Pan American entered into an asset purchase agreement dated January 22, 2021, as amended on April 1, 2021 and subsequently on June 30, 2021 (the "Waterloo Purchase Agreement"), which gave Stronghold USA the right to purchase 100% interest in the Waterloo Project for base consideration of US$25.0 million (the "Base Purchase Price"). Under the terms of the Waterloo Purchase Agreement, within 15 days of the close of a public listing, or if Stronghold USA had been acquired by a publicly listed entity, Stronghold USA would be required to issue notice providing Pan American ten business days to elect to receive either 1) an additional US$6.0 million in cash or 2) the equivalent of US$6.0 million in common shares of the public entity at the higher of: (i) the 10-day VWAP calculated 10 trading days following the close of the transaction; and (ii) $0.71 per share.

At the time of the Stronghold Transaction closing, Stronghold had already paid US$2.75 million in non-refundable deposits to Pan American, which resulted in US$22.25 million remaining outstanding to close the Waterloo Purchase Agreement. Apollo paid the outstanding balance of US$22.25 million (approximately $27.8 million) to Pan American and acquired the 100% interest in the Waterloo Project on July 12, 2021. Furthermore, as Stronghold USA was acquired by Apollo, a publicly listed company, Apollo provided notice to Pan American who elected to receive the final US$6.0 million in cash. The final payment of US$6.0 million (approximately $7.58 million) was made in August 2021.

(Stated in Canadian Dollars, unless otherwise noted)

Total costs to acquire the 100% interest in the Waterloo Project from Pan American totalled approximately $35.38 million, which included transaction and other related closing costs of approximately $60,000.

Pan American retains a 2% Net Smelter Royalty on any future production of minerals from the Waterloo Project.

10. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The Company had transactions during the three and nine months ended August 31, 2021 and 2020 with related parties consisting of company's controlled by directors and officers of the Company as follows:

a) Accounting fees of $5,000 and $14,650 for the three- and nine-month periods ended August 31, 2021, respectively (2020 - $2,000 and $5,850) to a company controlled by the former CFO and current director of the Company.

b) Consulting fees of $15,000 and $93,000 for the three- and nine-month periods ended August 31, 2021, respectively (2020 – $42,000 and $62,000) to a company controlled by the former CEO and current director of the Company.

c) Consulting fees of $nil and $nil for the three- and nine-month periods ended August 31, 2021, respectively (2020 - $Nil and $17,500) to a company controlled by a former CEO and director of the Company.

d) Consulting fees of $16,000 and $64,000 for the three- and nine-month periods ended August 31, 2021, respectively (2020 – $5,000 and $26,000) to a company controlled by the former VP Exploration of the Company.

Included in accounts payable and accrued liabilities at August 31, 2021 is $22,518 (November 30, 2020 - $22,575) due to certain Officers of the Company and a company controlled by a certain director and former officer of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Company's Officers and members of the Company's Board of Directors. The remuneration of directors and key management personnel during the three and nine months ended August 31, 2021 and 2020, were as follows:

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	**2021**	2020
Salaries and consulting fees	**$ 365,352**	$ 42,000	**$ 491,352**	$ 59,500
Accounting fees	**7,000**	2,000	**14,650**	5,850
Share-based payments *(i)*	**647,133**	339,788	**647,133**	339,788
Total key management compensation	**$ 1,019,485**	$ 383,788	**$ 1,153,135**	$ 405,138

(i) Share-based payments represent the fair value of the stock-options granted to key management personnel that were recognized in the consolidated statements of loss and comprehensive loss in the three and nine months ended August 31, 2021.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI").

(Stated in Canadian Dollars, unless otherwise noted)

The Company's financial assets and financial liabilities are classified as follows:

		August 31, 2021		November 30, 2020
Financial assets				
Cash	**$**	**17,090,763**	$	6,125,876
Receivables		**43,441**		22,002
Total financial assets	**$**	**17,134,204**	$	6,147,878
Financial liabilities				
Accounts payable and accrued liabilities	**$**	**582,227**	$	147,536
Warrant liability		**2,985,136**		-
Total financial liabilities	**$**	**3,567,363**	$	147,536

IFRS 7, Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is carried at fair value using a level 1 fair value measurement and the receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company's only level 3 financial instrument is the warrant liability and is recorded at fair value, which is measured using the Black-Scholes option valuation model.

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.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk, and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high quality financial institutions as determined by a primary ratings agency. Receivables consist solely of GST receivable for input tax credits from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables is insignificant.

b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to forecast its cash flows required for its planned operating, investing and financing activities so that it will have sufficient liquidity to meet liabilities when due. At August 31, 2021, the Company had a cash balance of approximately $17.09 million (November 30, 2020 - $6.13 million) to settle current liabilities of approximately $582,000 (November 30, 2020 - $148,000). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days, or are due on demand and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment. While the Company's current cash is sufficient to cover settle its current liabilities and planned expenditures for the upcoming year, to maintain liquidity, the Company will continue forecasting its cash flows and if necessary, investigate opportunities to obtain further financing through transactions equity placements, debt or joint venture arrangements.

c) 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. The Company does not have a practice of trading derivatives.

(i) Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank deposits, which is insignificant due to their short-term nature. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its highly-rated financial institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at August 31, 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

(ii) Foreign currency risk

The Company reports its financial results in Canadian dollars but also undertakes transactions in the US dollar. As the exchange rates between the Canadian dollar and US dollar fluctuates, the Company experiences foreign exchange gains and losses. The Company has cash, accounts payable and accrued liabilities, and warrant liability denominated in USD, which are subject to currency risk.

The Company does not enter into any financial instruments to hedge currency risk, but the Company monitors its foreign exchange exposure and considers its exposure to foreign currency risk to be minimal as at August 31, 2021.

(iii) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of silver has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond the Company's control. The Company's profitability and ability to raise capital to fund exploration, evaluation and production activities is subject to risks associated with fluctuations in mineral prices. 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.

12. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the acquisition and exploration of its exploration and evaluation assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest are in the exploration stage and do not currently generate revenue; as such, the Company is dependent on external financing to fund its activities. The Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt to carry out its planned corporate development, general administrative costs and exploration and development programs. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

13. SUBSEQUENT EVENT

On September 26, 2021, the Company granted an aggregate of 250,000 incentive share purchase options to a director of the Company (the "Options"). The Options have a term of 5 years and are exercisable at a price of $0.82 per common share. The Options will vest over a twelve (12) month period, with one-third of the Options becoming vested on the Grant Date, with a further one-third becoming vested after six (6) months, and the balance after twelve (12) months.