DAJIN LITHIUM CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED FEBRUARY 28, 2021

(Unaudited – Prepared by Management)

NEAR SURFACE LITHIUM BRINE AT THE TEELS MARSH

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three months ended February 28, 2021 and February 29, 2020.

DAJIN LITHIUM CORP.
CONDENSED INTERIUM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FEBURARY 28, 2021 AND NOVEMBER 30, 2020
(Stated in Canadian dollars)
(Unaudited – Prepare by Management)

	Note	February 28, 2021 $	November 30, 2020 $
CURRENT ASSETS			
Cash and cash equivalents		49,052	645
Marketable securities	5	-	2,816
Receivables		1,446	775
Loan receivable		10,020	-
Prepaid expenses	9	2,000	2,000
		62,518	**6,236**
Resource property costs	7,9	3,386,842	3,386,054
Reclamation bonds	7	224,895	229,859
Prepaid capital contribution	6	53,756	53,756
Investment in Dajin Resources S.A.	6	1	1
TOTAL ASSETS		**3,728,012**	**3,675,906**
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	9	114,451	109,009
Loans payable	9,10	102,897	131,997
TOTAL LIABILITIES		**217,348**	**241,006**
CEBA loan payable	11	40,000	40,000
TOTAL LIABILITIES		**257,348**	**281,006**
SHAREHOLDERS' EQUITY			
Share capital	8	28,608,501	28,480,581
Contributed surplus	8	3,432,262	3,452,682
Accumulated deficit		(28,570,099)	(28,538,363)
TOTAL SHAREHOLDERS' EQUITY		3,470,664	3,394,900
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,728,012**	**3,675,906**

Approved on behalf of the Board of Directors:

"Brian Findlay"
Director

"Catherine Hickson"
Director

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

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021 AND FEBUARY 29, 2020
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	For the Three Months Ended February 28 and 2021 $	February 29, 2020 $
EXPENSES			
Accounting and audit fees		5,000	6,000
Bank charges and interest		190	154
Foreign exchange (gain) loss		5,608	2,720
Legal and professional fees		656	2,198
Listing, filing and transfer agent fees		6,855	2,293
Marketing and advertising		591	300
Office administration and general	9	11,777	4,367
Rent	9	3,000	14,190
Share-based payments	8,9	-	40,960
Travel, conferences and promotion		1,203	93
Wages and benefits	9	7,844	33,576
LOSS FROM OPERATIONS		(42,724)	(106,851)
OTHER INCOME (LOSS):			
Write-off of accounts payable	9	-	13,724
Unrealized loss on marketable securities		-	(94)
Realized gain (loss) on marketable securities		10,988	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(31,736)	(93,221)
BASIC AND DILUTED LOSS PER SHARE		(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		162,091,222	152,295,508

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

DAJIN LITHIUM CORP.
CONDENSED INTERIUM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Stock				
	Issued Shares (Note 8)	**Amount $**	**Contributed Surplus $** (Note 8)	**Accumulated Deficit $**	**Total $**
Balance, November 30, 2019	152,295,509	28,182,145	3,319,448	(27,612,030)	3,889,563
Share-based payments	-	-	40,960	-	40,960
Net loss for the period	-	-	-	(93,221)	(93,221)
Balance, February 29, 2020	152,295,509	28,182,145	3,360,408	(27,705,251)	3,837,302
Shares issued for cash:					
On exercise of share purchase options - $0.05	630,000	31,500	-	-	31,500
On exercise of share purchase options - $0.07	50,000	3,500	-	-	3,500
Allocation of options exercised *	-	11,436	(11,436)	-	-
Shares issued for debt - $0.03	8,400,000	252,000	-	-	252,000
Share-based payments	-	-	103,710	-	103,710
Net loss for the period	-	-	-	(833,112)	(833,112)
Balance, November 30, 2020	161,375,509	28,480,581	3,452,682	(28,538,363)	3,394,900
Shares issued for cash					
On exercise of share purchase options - $0.05	2,150,000	107,500	-		107,500
Allocation of options exercised *	-	20,420	(20,420)		-
Net loss for the period	-	-	-	(31,736)	(31,736)
Balance, February 28, 2021	163,525,509	28,608,501	3,432,262	(28,570,099)	3,470,664

** Representative of the fair value of share-based payment amounts originally recorded in contributed surplus.*

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

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the Three Months Ended February 28, and February 29	
	2021	**2020**
	$	**$**
OPERATING ACTIVITIES		
Net and comprehensive loss for the period	(31,736)	(93,221)
Add items not affecting cash:		
Unrealized foreign exchange (gain) loss	4,923	2,109
Share-based payments	-	40,960
Write-off of accounts payable	-	(13,724)
Unrealized loss on marketable securities	-	94
Realized (gain) loss on marketable securities	(10,988)	-
Net change in non-cash working capital:		
Receivables	(671)	(921)
Loan receivable	(10,020)	-
Prepaid expenses	-	4,900
Accounts payable and accrued liabilities	5,947	1,587
Net cash used in operating activities	(42,545)	(58,216)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	107,500	-
Proceeds from loans payable	2,900	45,310
Repayment of loans payable	(32,000)	(6,025)
Net cash provided by financing activities	78,400	39,285
INVESTING ACTIVITIES		
Resource property additions, net	(1,252)	-
Proceeds from sale of marketable securities	13,804	-
Net cash provided by investing activities	12,552	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	48,407	(18,931)
CASH AND CASH EQUIVLAENTS, BEGINNING OF PERIOD	645	21,127
CASH AND CASH EQUIVALENTS, END OF PERIOD	49,052	2,196

Non-Cash Transactions – Note 14

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

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
OR THE THREE MONTHS ENDED FEBRUARY 28, 2021 YEAR ENDED NOVEMBER 30, 2020
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	USA Nevada $
ACQUISITION COSTS		
Balance November 30, 2019 and February 29, 2020		685,911
Staking and filing fees		135,744
Balance November 30, 2020 and February 28, 2021		821,655
DEFERRED EXPLORATION AND DEVELOPMENT COSTS		
Balance, November 30, 2019 and February 29, 2020		2,587,227
Geological consulting		7,949
Reports		2,804
Cost recoveries		(33,581)
Balance, November 30, 2020		2,564,399
Assay		781
Geological consulting		7
Balance, February 28, 2021		2,565,187
TOTAL RESOURCE PROPERTY COSTS		
As at February 28, 2021		3,386,842
As at November 30, 2020		3,386,054

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

NOTE 1 NATURE OF OPERATIONS

Dajin Lithium Corp. (the "Company") (formerly known as Dajin Resources Corp.) is an exploration stage company incorporated under the British Columbia Company Act on August 5, 1987 and is publicly traded on the TSX Venture Exchange and the OTC Market.

The Company's principal business activities include acquiring and developing mineral properties. At February 28, 2021, the Company's principal mineral interests are located in Argentina and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for Dajin Resources S.A. and resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company's corporate office and principal place of business is Suite 1250 - 789 West Pender Street, Vancouver, BC, V6C 1H2.

NOTE 2 BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2020.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2021.

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at February 28, 2021, the Company had not advanced its resource properties to commercial production.

NOTE 2 BASIS OF PRESENTATION – (cont'd)

At February 28, 2021, the Company has not achieved profitable operations, has accumulated losses of $28,570,099 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues 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. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2020.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2020.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Accounting standard issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards, however, the Company does not expect them to have a significant effect on the financial statements.

- *Business combinations*

  Narrow-scope amendments to IFRS 3 were issued in October 2018 and apply to annual reporting periods beginning on or after January 1, 2020. The amendments clarify the definition of a business, provide guidance in determining whether an acquisition is a business combination or a combination of a group of assets, emphasize that the output of a business is to provide goods and services to customers and provide a supplementary guidance.

- *Presentation of financial statements*

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

The Company anticipates that there will be no material changes to the condensed interim consolidated financial statements upon adoption.

NOTE 4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are as follows:

i) Resource property expenditures

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

(Stated in Canadian Dollars)

NOTE 4 USE OF ESTIMATES AND JUDGMENTS – (cont'd)

ii) Impairment

At each reporting period, assets, specifically resource property costs, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

iv) Investment in Dajin Resources S.A.

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has diluted its interest in its previously wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to 49%, therefore it does not have the current ability to control the key operating activities of the company. Pursuant to the Shareholders and Operating Agreements entered into by the companies, Lithium S Holding Corporation ("Lithium H"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), was appointed operator for the earn-in period and the board of directors of Dajin S.A. is comprised of two directors appointed by Lithium H and one director appointed by the Company. The operator prepares and submits annual budgets and programs to the board for approval and has sole and exclusive right and authority to manage, direct and supervise all operations for and on behalf of Dajin S.A. Management has determined that the Company does not have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. is accounted for at cost and not as an investment in associate (Note 6).

NOTE 5 MARKETABLE SECURITIES

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Unrealized gains and losses due to period end revaluations to fair value are included in comprehensive loss for the period. At February 28, 2021, the Company owned Nil (November 30 2020: 17,600) shares of Nickel Rock Resources Inc. (formerly Nevada Energy Metals Inc.), the shares of which are traded on the TSX Venture Exchange.

	February 28, 2021 $	November 30, 2020 $
Marketable securities – fair value	-	2,816
Marketable securities – cost	-	2,063

During the three months ending February 28, 2021 17,600 (February 29, 2020 – Nil) shares were sold for proceeds of $13,804 (February 29, 2020 - $Nil)

(Stated in Canadian Dollars)

NOTE 6 INVESTMENT IN DAJIN RESOURCES S.A.

On October 25, 2016, the Company completed a share purchase agreement with Lithium H, whereby Lithium H acquired, and can maintain, a 51% interest in Dajin S.A. by making a cash payment of $1,000,000 ($865,000 received by the Company net of applicable Argentine tax of 13.5% on the gross proceeds) and agreeing to expend a total of $2,000,000 on concessions held by Dajin S.A.

On September 30, 2019, the Company, its subsidiary, Lithium H and LSC Lithium entered into an irrevocable offer of amendment to the share purchase and shareholder agreements (the “Agreements”) dated October 25, 2016, to amend the Agreements. Pursuant to the amendment agreement, the Agreements were modified as follows:

- The original earn-in provisions were terminated on payment of US$600,000 ($794,520) to the Company. This payment constitutes full, sole and complete compensation for Lithium H failing to incur the funding amount of expenditures. Any and all similar earn-in provisions established and regulated within the shareholders agreement were revoked and terminated;
- The terminated earn-in program was replaced by a new exploration program. The parties will make the necessary contributions to fund the exploration program in accordance with their proportionate interest (being the Company 49% and Lithium H 51%) and following the provisions set forth in the shareholder agreement;
- Lithium H applied the $135,000 in Argentine tax withheld by paying the applicable withholding tax plus interest ($81,244) and agreeing to credit the remaining amount ($53,756) on behalf of the Company as a capital contribution in Dajin S.A. when required by the Operator, under the operating agreement, to fund the relevant costs and investments associated with the new exploration program or any other activity to be made in relation with the project;
- The Dajin S.A. shares being held in escrow were released to Lithium H; and
- Lithium H and LSC Lithium were fully released from any and all past obligations and liabilities regarding any kind of reporting and other related information duties which may exist under the Agreements and the operating agreement.

The established amount and carrying amount of the investment in Dajin S.A. is summarized as follows:

	February 28, 2021 $	November 30, 2020 $
Net assets of Dajin S.A. disposed of	1,344,721	1,344,721
Gain on deconsolidation	17,681	17,681
Resource property costs reclassified	935,300	935,300
Net proceeds received from Lithium S	(865,000)	(865,000)
Established amount	1,432,702	1,432,702
Earn-in termination payment	(794,520)	(794,520)
Adjustment to Argentine tax withheld	(53,756)	(53,756)
Write down of investment	(584,425)	(584,425)
Balance at end of period	1	1

See Note 4.

NOTE 7 RESOURCE PROPERTY COSTS

Nevada Properties

At February 28, 2021, the Company held a 100% interest in 62 placer claims in the Alkali Spring valley of Esmeralda County, Nevada.

At February 28, 2021, the Company held a 100% interest in 403 placer claims in the Teels Marsh valley of Mineral County, Nevada.

Alkali Springs

In June 2015, the Company submitted an application for permit to appropriate the public waters of the state of Nevada ("application for water rights") for the purpose of temporary mining and milling use to develop non-potable lithium brine extraction processing alternatives for Alkali Lake playa in the Alkali Springs valley.

Effective October 9, 2020, the Company, through its subsidiary Dajin Resources (US) Corp. ("Dajin US"), entered into an Earn-In Agreement (the "EIA") with Lone Mountain Resources, LLC ("LMR"), a privately held lithium exploration and development company in the United States. Pursuant to the EIA, Dajin US granted LMC the right to acquire up to an undivided 75% interest in 62 unpatented placer mining claims owned by Dajin US and any properties in the Area of Mutual Interest (as defined) that become subject to the EIA, together with any water rights, water right applications, regulatory permits and land use entitlements initiated during the term of the EIA (collectively, the "Properties"). The grant was made in consideration of a one-time payment from LMR to Dajin US of US$25,000 ($33,581) *(received)*. LMR was also granted the authority and rights required to apply in its name for all permits, licenses, water rights and other approvals deemed necessary or appropriate in connection with the activities contemplated in the EIA.

In order to earn an initial undivided 51% right, title and interest in and to the Properties, LMR must incur a total of US$136,000 in Expenditures (as defined) during the term of the EIA. LMR can terminate the EIA prior to acquiring a 51% interest in the Properties and is not obligated to incur any particular amount of Expenditures. LMR's right to receive a 51% undivided interest vests once it has incurred US$136,000 in Expenditures. If LMR earns a 51% interest, then it has the right but not the obligation to earn up to an additional undivided 24% right, title and interest in and to the Properties (the "Additional Interests") by making additional Expenditures of US$2,667 for each 1% of Additional Interests to be acquired, up to a maximum of US$64,000. When LMR has earned Additional Interests, its rights to these interests will vest in proportion to its ongoing Expenditures. If LMR has earned at least a 51% interest in the Properties by the end of the term, Dajin US and LMR will execute the Mining Venture Agreement (the "MVA") (as specified) which will govern the parties' rights and obligations with respect to the Properties. If LMR has not earned at least a 51% interest in the Properties by the end of the term, the EIA will terminate and it has no further right, title or ownership interest in the Properties.

NOTE 7 RESOURCE PROPERTY COSTS – (cont'd)

Nevada Properties – (cont'd)

Alkali Springs – (cont'd)

In lieu of executing the MVA, Dajin US can elect to convert its interest in the Properties into a 3% royalty interest (the "RI") in the Net Mineral Value (as defined) of mineral production from the Properties by giving LMR at least 30-day notice prior to the end of the term. If this election is made, its remaining right, title and interest in the Properties will be conveyed to LMR, subject to the RI. Dajin US's failure to execute the MVA within 30 days after the end of the term, after also failing to elect to convert its interest in the Properties into a RI, will act as an automatic conversion of its interest in the Properties into the RI. Subsequent to conversion, LMR is entitled, but not required, in its sole discretion, at any time, to purchase the RI from Dajin US in exchange for a cash payment of US$1.5 million. LMR may elect, in its discretion, to make one or more fractional purchases of the RI, with the purchase price pro-rated based on the overall purchase price of US$1.5 million.

For as long as the EIA remains in effect, LMR will pay the necessary claim maintenance fees for all unpatented mining claims included in the Properties and make all necessary federal and county filings, with all such payments qualifying as Expenditures.

The term of the EIA ends on the earlier of (i) August 31, 2022 or (ii) LMR notifying Dajin US of the end of the term. LMR can terminate the EIA at any time by giving written notice to Dajin US. LMR can elect to relinquish its interest in any portion of the Properties by giving notice to Dajin US, without terminating the EIA as to the remaining portion of the Properties. If the EIA is terminated prior to the vesting of the 51% interest in LMR, LMR will provide Dajin US with a quitclaim deed to the Properties and an assignment of any permits or water rights associated with the Properties.

Teels Marsh

On April 25, 2018, pursuant to a Memorandum of Understanding dated August 22, 2017, the Company entered into a Definitive Agreement (the "DA") with Geothermal Development Associates ("GDA") for the purpose of working together to develop the geothermal resources that can be used for the production of heat and/or electrical energy for use by a potential lithium plant or sold to third parties. GDA holds one geothermal lease block of land in Teels Marsh valley. The Company will pay all fees and costs, including annual geothermal lease rental payments, related to the initial stages of geothermal exploration that it conducts and is responsible for all project management related to exploration and development of the geothermal resource. GDA has input into decisions regarding any major work.

On January 22, 2018, the Company, through its subsidiary, entered into a services agreement with a company to act as general contractor (the "contractor") for a road construction and ancillary facilities project in the Teels Marsh valley. Pursuant to the agreement, the Company was charged US$963,555 ($1,243,839) of which US$652,017 ($865,618) was included in accounts payable and accrued liabilities at November 30, 2018. During the year ended November 30, 2019:

(Stated in Canadian Dollars)

NOTE 7 RESOURCE PROPERTY COSTS – (cont'd)

Nevada Properties – (cont'd)

Teels Marsh – (cont'd)

- The contractor filed a mechanic's lien in the amount of US$662,666 on January 9, 2019 against certain unpatented mining claims and water rights in the Teels Marsh valley, for uncompensated work under the contract, plus interest and costs;
- The Company made a partial payment of US$100,000 and on April 18, 2019 the contractor filed a partial release of claim, reducing the amount claimed in the lien to $562,666, plus interest and costs;
- The Company and the contractor entered into an arbitration agreement on July 2, 2019;
- An arbitration hearing was held on October 15, 2019 with the arbitrator finding that US$600,000 was reasonably due under the contract and awarding the contractor damages of US$154,655 (being US$600,000 less amounts previously paid) plus costs, interest and attorney's fees;
- The contractor requested an award of costs, interest and attorney's fees totalling US$34,260 on October 24, 2019, to which the Company objected;
- On November 14, 2019, the arbitrator awarded the amount requested plus a per diem per day until paid; and
- The Company paid the amounts outstanding and on November 21, 2019 the contractor filed a full release of lien.

These transactions are summarized as follows:

	$	US$
Geological consulting	163,749	126,868
Road and drill pad construction	1,080,090	836,687
Costs charged	1,243,839	963,555
Reversal on arbitration	(516,321)	(400,032)
Costs incurred	727,518	563,523
Costs, interest and attorney's fees	46,945	35,326
Net amount payable	774,463	598,849
Foreign exchange adjustment	13,941	-
Payments	(788,404)	(598,849)
Balance at November 30, 2019	-	-

The Company's 100% interest in these placer claims is held in their wholly owned US subsidiary, Dajin Resources (US) Corp.

(Stated in Canadian Dollars)

NOTE 8 SHARE CAPITAL

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from losses from year to year.

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the stock option plan as of February 28, 2021 and November 30, 2020 and changes during the period then ended is presented below:

	February 28, 2021		November 30, 2020	
	Shares	Weighted Average Exercise Price $	Shares	Weighted Average Exercise Price $
Outstanding, at beginning of period	12,570,000	0.07	6,450,000	0.09
Expired/cancelled	-	-	(100,000)	0.06
Granted	-	-	6,900,000	0.05
Exercised	(2,150,000)	0.05	(680,000)	0.05
Outstanding, at end of period	10,420,000	0.07	12,570,000	0.07
Options exercisable at end of the period	10,420,000	0.07	12,570,000	0.07
Weighted-average remaining life, in years		2.76		2.84

(Stated in Canadian Dollars)

NOTE 8 SHARE CAPITAL – (cont'd)

Commitments – (cont'd)

Share-Based Compensation Plan – (cont'd)

At February 28, 2021, the Company has 10,420,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
1,250,000	$0.10	September 4, 2021
400,000	$0.10	October 4, 2021
520,000	$0.05	December 30, 2021
400,000	$0.05	September 2, 2022
500,000	$0.05	October 18, 2022
2,900,000	$0.10	October 4, 2023
2,350,000	$0.05	February 28, 2025
1,100,000	$0.05	July 6, 2025
1,000,000	$0.05	July 31, 2025
10,420,000		

During the three months ended February 28, 2021, the Company granted Nil share purchase options. During the three months ended February 29, 2020, the Company granted on February 28, 2020 3,200,000 share purchase options exercisable at $0.05 per share expiring on February 28, 2025. These stock options vest at the date of grant.

The Company employed the Black-Scholes option-pricing model using the following assumptions.

	February 28, 2021	February 29, 2020
Risk free interest rate	-	1.34% - 1.79%
Expected life of options in years	-	3 - 5 years
Expected volatility	-	86.17% - 90.42%
Dividend per share	-	-
Forfeiture rate	-	-

During the three month period ended February 28, 2021 $Nil (February 29, 2020: $40,960) options were granted and vested during the period.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

(Stated in Canadian Dollars)

NOTE 8 SHARE CAPITAL – (cont'd)

Commitments – (cont'd)

Share Purchase Warrants

As at February 28, 2021 and November 30, 2020, the Company has no share purchase warrants outstanding.

NOTE 9 RELATED PARTY TRANSACTIONS

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	Three Months Ended	
	February 28 2021 $	February 29 2020 $
Wages and benefits	4,500	14,469
Office and administration expense	8,525	-
Share-based payments	-	510
	13,025	14,979
Key management compensation		
Rent reimbursement	3,000	14,190
Share-based payments	-	20,400
	3,000	34,590
	16,025	49,569

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties.

Included in February 28, 2021 accounts payable and accrued liabilities is $15,246 (November 30, 2020: $10,241) of reimbursable expenses (November 30, 2020: reimbursable expenses) owing to companies with common officers and directors.

Included in February 28, 2021 loans payable is $97,897 (November 30, 2020: $126,997) owing to certain officers and directors of the Company (Note 10).

Amounts due to related parties are non-interest bearing, unsecured and are due on demand.

NOTE 10 LOANS PAYABLE

During the three month ended February 28, 2021, the Company received multiple loans totaling $2,900 (November 30, 2020: $182,083). The Company repaid $32,000 (November 30, 2020: $34,540) of these loans during the period and settled $Nil (November 30, 2020: $162,000) of these loans through the issuance of Nil (November 30, 2020: 5,400,000) common shares, resulting in a loans payable balance of $102,897 (November 30, 2020: $131,997) at February 28, 2021.

These loans are non-interest bearing, unsecured, and due on demand.

NOTE 11 CEBA LOAN PAYABLE

On April 7, 2020, the Company received, through its bank, a $40,000 Canada Emergency Business Account ("CEBA") loan ("Principal"). During the initial term expiring on December 31, 2022, the Company is not required to repay any portion of the loan and no interest will be paid. The loan can be repaid at any time without penalty. If the Company repays at least 75% of the loan on or before December 31, 2022, the remaining balance of the loan will be forgiven ("Early Repayment Forgiveness"). During the extended term starting January 1, 2023 and expiring on December 31, 2025, the Company will pay interest at the rate of 5% on a monthly basis. In the event there is no Early Repayment Forgiveness, the Principal must be repaid in full on December 31, 2025.

NOTE 12 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 properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended February 28, 2021. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

NOTE 13 FINANCIAL INSTRUMENTS

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

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash and cash equivalents by placing it with institutions of high credit worthiness. As at February 28, 2021 the Company is not exposed to any significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At February 28, 2021, the Company had cash and cash equivalents of $49,052 (November 30, 2020: $645) and current liabilities of $217,348 (November 30, 2020: $241,006). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. When excess cash exists, the Company's current policy is to invest the excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the financial institutions with which they are held.

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

NOTE 13 FINANCIAL INSTRUMENTS – (cont'd)

(e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of February 28, 2021, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(f) Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, United States and Argentina. As at February 28, 2021, the Company had accounts payable of $11,358 (November 30, 2020: $15,218) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

NOTE 14 NON-CASH TRANSACTIONS

The following non-cash investing and financing activities were excluded from the statements of cash flows:

- At February 28, 2021, the Company had $3,034 (February 29, 2020: $11,754) in accounts payable and accrued liabilities related to resource property costs.

(Stated in Canadian Dollars)

NOTE 15 SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration. As at February 28, 2021, its mineral properties and head office are located in three geographic locations: Canada, Argentina and the United States.

The Company's net loss is allocated to the geographic segments as follows:

	The Three Months Ended	
	February 28 2021 $	February 29 2020 $
Net loss:		
Canada	(26,717)	(91,112)
United States	(5,019)	(2,109)
	(31,736)	(93,221)

The Company's total assets are allocated to the geographic segments as follows:

Total Assets:	February 28, 2021 $	November 30, 2020 $
Canada	62,518	6,236
Argentina	53,757	53,757
United States	3,611,737	3,615,913
	3,728,012	3,675,906

NOTE 16 SUBSEQUENT EVENT

On March 26, 2021, the Company issued 750,000 common shares at a price of $0.10 per share upon exercise of share purchase options for total proceeds of $75,000.