



**Aldebaran Resources Inc.**

**(the “Company”)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Aldebaran Resources Inc.

### ***Opinion***

We have audited the accompanying consolidated financial statements of Aldebaran Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of operations and comprehensive income (loss), shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### ***Basis for Opinion***

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

### ***Material Uncertainty Related to Going Concern***

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### ***Other Information***

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

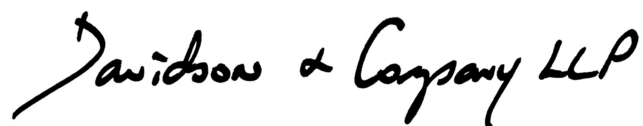
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

October 28, 2021

**Aldebaran Resources Inc.**  
**Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

	June 30, 2021	June 30, 2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 7,285,359	\$ 505,569
Receivables	18,896	8,450
Prepaid expenses	48,863	9,778
Marketable securities (Note 4)	47,505	30,408
Due from related party (Note 8)	867	-
	<u>7,401,490</u>	<u>554,205</u>
<b>Property and equipment</b>	-	50
<b>Exploration and evaluation assets</b> (Note 5)	<u>66,617,900</u>	<u>64,481,686</u>
<b>Total Assets</b>	<u>\$ 74,019,390</u>	<u>\$ 65,035,941</u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 78,320	\$ 91,735
Due to related parties (Note 8)	-	274
	<u>78,320</u>	<u>92,009</u>
<b>Non-Current Liabilities</b>		
Decommissioning liability (Note 6)	339,809	333,293
Deferred tax liability (Note 12)	112,000	72,000
	<u>530,129</u>	<u>497,302</u>
<b>Shareholders' Equity</b>		
Share capital (Note 7)	78,860,284	65,019,385
Reserves (Note 7)	2,246,012	1,356,775
Accumulated other comprehensive income (loss)	(3,294,463)	701,277
Deficit	<u>(4,322,572)</u>	<u>(2,538,798)</u>
	<u>73,489,261</u>	<u>64,538,639</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 74,019,390</u>	<u>\$ 65,035,941</u>

**Nature and continuance of operations** (Note 1)  
**Commitments** (Note 10)

Approved by the Board of Directors:

*"John Black"*

Director

*"Mark Wayne"*

Director

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

**Aldebaran Resources Inc.**  
**Consolidated Statements of Operations and Comprehensive Income (Loss)**  
(Expressed in Canadian Dollars)

	Year ended June 30, 2021	Year ended June 30, 2020
<b>EXPENSES</b>		
Accounting and audit	\$ 151,094	\$ 154,690
Accretion (Note 6)	32,000	70,628
Advertising and promotion	39,263	15,760
Amortization	40	238
Consulting (Note 8)	146,635	77,007
Insurance	31,939	49,425
Interest	33,090	25,571
Investor relations	75,600	40,320
Legal	9,699	18,333
Management fees (Note 8)	363,589	377,400
Office and administration (Note 8)	335,383	369,830
Share-based compensation (Note 7, 8)	838,058	1,231,777
Transfer agent and filing fees	102,374	39,581
Travel	5,773	3,878
Wages and benefits	85,914	65,134
	(2,250,451)	(2,539,572)
<b>OTHER ITEMS</b>		
Gain on foreign exchange	496,039	575,471
Gain (loss) on disposal of marketable securities (Note 4)	10,283	(29)
Interest income	9,381	47,161
Write-off of sales taxes	(9,026)	(5,613)
<b>Loss before income tax</b>	(1,743,774)	(1,922,582)
Income tax (Note 12)	(40,000)	(72,000)
<b>Loss for the year</b>	\$ (1,783,774)	\$ (1,994,582)
<b>Items that will not be reclassified subsequently to profit and loss:</b>		
Translation adjustment	3,995,740	1,043,924
<b>Comprehensive income (loss) for the year</b>	\$ 2,211,966	\$ (950,658)
<b>Basic and diluted loss per common share</b>	\$ (0.02)	\$ (0.03)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	93,575,122	77,635,959

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

**Aldebaran Resources Inc.**  
**Consolidated Statements of Shareholders' Equity**  
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss) (Translation Adjustment)	Deficit	Total
Balance, June 30, 2019	77,635,959	\$ 65,019,385	\$ 124,998	\$ (342,647)	\$ (544,216)	\$ 64,257,520
Share-based compensation	-	-	1,231,777	-	-	1,231,777
Foreign exchange adjustment	-	-	-	1,043,924	-	1,043,924
Loss for the year	-	-	-	-	(1,994,582)	(1,994,582)
Balance, June 30, 2020	77,635,959	65,019,385	1,356,775	701,277	(2,538,798)	64,538,639
Shares issued for cash	36,730,939	14,128,923	-	-	-	14,128,923
Shares issued as finder's fees	127,633	57,435	-	-	-	57,435
Share issuance costs	-	(294,280)	-	-	-	(294,280)
Fair value of broker's warrants	-	(51,179)	51,179	-	-	-
Share-based compensation	-	-	838,058	-	-	838,058
Foreign exchange adjustment	-	-	-	(3,995,740)	-	(3,995,740)
Loss for the year	-	-	-	-	(1,783,774)	(1,783,774)
Balance, June 30, 2021	114,494,531	\$ 78,860,284	\$ 2,246,012	\$ (3,294,463)	\$ (4,322,572)	\$ 73,489,261

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

**Aldebaran Resources Inc.**  
**Consolidated Statements of Cash Flows**  
(Expressed in Canadian dollars)

	Year ended, June 30, 2021	Year ended, June 30, 2020
<b>Cash Flows from Operating Activities</b>		
Loss for the year	\$ (1,783,774)	\$ (1,994,582)
Items not affecting cash:		
Amortization	40	238
Accretion	32,000	70,628
Share-based compensation	838,058	1,231,777
Income tax expense	40,000	72,000
Foreign exchange on marketable securities	(270,775)	(163,731)
(Gain) loss on disposal of marketable securities	(10,283)	29
Changes in non-cash working capital items:		
Receivables	(10,446)	6,938
Due from related parties	(867)	-
Prepaid expenses	(39,085)	9,621
Accounts payable and accrued liabilities	(22,106)	(17,517)
Due to related parties	(274)	(49,712)
Net cash used in operating activities	(1,227,512)	(834,311)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of shares	14,128,923	-
Share issuance costs	(230,407)	-
Net cash provided by financing activities	13,898,516	-
<b>Cash Flows from Investing Activities</b>		
Exploration and evaluation asset expenditures	(5,848,089)	(3,632,496)
Net cash received from purchase and sale of marketable securities	263,961	133,294
Net cash used in investing activities	(5,584,128)	(3,499,202)
<b>Effect of foreign exchange on cash</b>	(307,086)	(324,221)
<b>Change in cash for the year</b>	6,779,790	(4,657,734)
<b>Cash, beginning of the year</b>	505,569	5,163,303
<b>Cash, end of the year</b>	\$ 7,285,359	\$ 505,569

Supplemental disclosures with respect to cash flows (Note 13)

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



## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Aldebaran Resources Inc. (“Aldebaran” or the “Company”) was incorporated on June 7, 2018 under the *Business Corporations Act* (Alberta) as part of a plan of arrangement to reorganize Regulus Resources Inc. (“Regulus”). The Company’s business activity is the acquisition and exploration of exploration and evaluation properties. The Company’s head office is located at Suite 2710 – 200 Granville Street, Vancouver, BC V6C 1S4. The Company’s registered office is located at 15<sup>th</sup> Floor, Bankers Court, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta T2P 0R8.

The Company operates in Canada and Argentina. The Company has an option to earn up to an 80% interest in the Altar Project and holds a 100% interest in the Rio Grande project and several other earlier stage projects, all located in Argentina.

During the year ended June 30, 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Given the uncertainty, management exercised significant judgment in determining the impact of COVID-19 on the Company’s consolidated financial statements, including with respect to financial risks, including liquidity, and the assessment of going concern and the carrying values of the Company’s exploration and evaluation assets. The Company has no source of operating cash flows and as such the Company’s ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. As a result, there is increased uncertainty and economic risks of failure associated with the Company’s exploration activities. The Company will continue to assess the impact of COVID-19 on commodity, credit, and equity markets, which may impact management’s judgments in the future. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

As at June 30, 2021, the Company had working capital of \$7,323,170.

These consolidated financial statements were authorized by the board of directors of the Company on October 28, 2021.

## **2. BASIS OF PREPARATION**

### **Statement of compliance to International Financial Reporting Standards**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, except for financial instruments at fair value through profit and loss. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

## **2. BASIS OF PREPARATION (cont'd...)**

### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### *Functional currencies*

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates. The functional currency of each entity is disclosed below under "Foreign Exchange".

#### *Asset Acquisitions*

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The joint venture and option agreement to acquire up to an 80% interest in Peregrine Metals Ltd. is determined to constitute an acquisition of assets (Note 5).

#### *Impairment of exploration and evaluation assets*

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations. Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, and consideration of whether the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

### Estimates

Significant estimates, made by management, about the future and other sources of estimation uncertainty 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 relate to, but are not limited to, the following:

#### *Carrying value and recoverability of exploration and evaluation assets*

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or disposition of the mineral properties. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could affect management's assessment of the overall viability of its properties or to the likelihood of generating future cash flows necessary to recover the carrying value of the Company's exploration and evaluation assets.

To the extent that any of management's assumptions change there could be a significant effect on the Company's future financial position, operating results and cash flows.

## **2. BASIS OF PREPARATION (cont'd...)**

### *Income taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development or commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and deferred income tax provisions or recoveries could be affected.

### *Decommissioning costs*

Upon retirement of the Company's exploration and evaluation assets, decommissioning costs will be incurred by the Company. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the corresponding expense are affected by estimates with respect to the costs and timing of decommissioning.

### *Measurement of non-cash transactions*

The Company applies significant estimates and judgments in determining the measurement of non-cash transactions, most significantly in relation to transactions settled in equity. Management uses judgment to determine whether goods or services acquired can be reliably valued, and if not, measures the transaction with reference to the fair value of the equity issued. Determining the fair value of equity can involve significant estimation to determine the appropriate share price.

### Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (Note 8). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

### Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company. The functional currency for the entities within the Company are: the Canadian dollar (the Company) and the United States Dollar ("USD") (Aldebaran Argentina S.A. and Minera El Toro S.A.).

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of an entity that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of profit or loss.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **Financial instruments**

##### *Classification*

Financial assets are classified at initial recognition as either: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the year in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost – A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Under IFRS 9, the Company classifies its financial instruments as follows:

Cash	FVTPL
Receivables	Amortized cost
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due from related party	Amortized cost

##### *Measurement*

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the year in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

##### *Impairment*

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **Provision for decommissioning liability**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future rehabilitation costs is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred.

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets and the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the consolidated statement of profit or loss for the year.

#### **Property and equipment**

Property and equipment is stated at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with such costs will flow to the Company and cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to operations and comprehensive loss during the year in which they are incurred.

The major categories of equipment are amortized as follows:

Vehicles - 30% declining balance basis  
Office furnishings - 20% declining balance basis  
Equipment - 30% declining balance basis

The Company allocates the amount initially recognized in respect of an item of equipment to its significant parts and amortizes separately each such part. Residual values, method of amortization and useful lives are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the consolidated statements of profit or loss.

#### **Exploration and evaluation assets**

Costs related to pre-exploration are expensed as incurred while costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. Each of the Company's exploration and evaluation assets is considered to be a cash generating unit. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, the property is abandoned or management deems there to be an impairment in value the property is written down to its net realizable value.

### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

#### **Share-based compensation**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

#### **Impairment**

At the end of each reporting period the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but not to an amount that would exceed the original carrying amount in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### **Loss per share**

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

#### **Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### **Comprehensive income (loss)**

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on FVTOCI investments, and foreign currency gains or losses related to translation of the financial statements of foreign operations. The Company's comprehensive income (loss) and components of other comprehensive income are presented in the statements of profit or loss and the statements of shareholders' equity.

### 4. MARKETABLE SECURITIES

A summary of marketable securities held during the years presented is as follows:

Balance – June 30, 2019	\$ -
Additions	668,107
Disposals	(801,401)
Loss on disposal of marketable securities	(29)
Gain on foreign exchange	163,731
Balance – June 30, 2020	30,408
Additions	500,261
Disposals	(764,222)
Gain on disposal of marketable securities	10,283
Gain on foreign exchange	270,775
Balance – June 30, 2021	\$ 47,505

### 5. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Company has an interest are located in Argentina and the Company is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Argentina.

In situations where the legal rights to explore a property are obtained through an option agreement (as in the case of Altar, discussed further below), as opposed to title held under the Company's name, to the best of the Company's knowledge those agreements are in good standing and the Company is complying with its commitments, unless otherwise disclosed.

**Aldebaran Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
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For the year ended June 30, 2021

**5. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

	Altar, Argentina	Rio Grande, Argentina	Other Properties, Argentina	Total
Balance, June 30, 2019	\$ 40,992,485	\$ 9,973,796	\$ 8,517,906	\$ 59,484,187
Additions:				
Deferred exploration costs:				
Administrative services	-	13,721	19,356	33,077
Change in estimates related to decommissioning liability	-	(123,982)	65,861	(58,121)
Consulting	549,745	-	40,410	590,155
Field operations	1,703,771	2,018	736,481	2,442,270
Labour	-	400,023	-	400,023
Mapping	119,950	-	9,038	128,988
Recoveries	-	(4,342)	-	(4,342)
Taxes and licenses	-	6,539	11,094	17,633
Travel and accommodation	14,722	-	81,970	96,692
	2,388,188	293,977	964,210	3,646,375
Foreign exchange movement	1,233,797	(272,708)	390,035	1,351,124
Balance, June 30, 2020	44,614,470	9,995,065	9,872,151	64,481,686
Additions:				
Deferred exploration costs:				
Administrative services	789	4,617	-	5,406
Consulting	560,121	-	24,843	584,964
Environmental engineering	113,777	-	-	113,777
Field operations	4,439,421	2,043	521	4,441,985
Labour	335,497	104,938	-	440,435
Mapping	221,857	-	-	221,857
Taxes and licenses	-	13,239	21,459	34,698
Travel and accommodation	7,220	-	-	7,220
	5,678,682	124,837	46,823	5,850,342
Foreign exchange movement	(3,392,361)	(293,180)	(28,587)	(3,714,128)
Balance, June 30, 2021	\$ 46,900,791	\$ 9,826,722	\$ 9,890,387	\$ 66,617,900

**Altar, Argentina**

During the year ended June 30, 2019, the Company entered into a joint venture and option agreement (the "Altar JV Agreement") with Sibanye Stillwater Limited ("Sibanye-Stillwater"), to acquire up to an 80% interest in Peregrine Metals Ltd. ("Peregrine"), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar copper-gold project in San Juan Province, Argentina ("Altar" or the "Altar Project"). The Altar Project consists of nine mining concessions and nine servidumbres (mining rights of way, occupation and camp encumbrances) (the "Altar Concessions"). It also includes an option on five adjacent Rio Cenicero concessions (the "Rio Cenicero Concessions").

The consideration to acquire an initial 60% interest comprises:

- an upfront cash payment of US\$15,000,000 (\$19,588,500) to Sibanye-Stillwater upon closing of the Arrangement (paid);
- the issuance of 19.9% of the Aldebaran Shares (15,449,555 common shares with a fair value of \$9,269,733) to Sibanye-Stillwater upon closing of the Arrangement (issued); and
- Aldebaran's commitment to fund the next US\$30 million of expenditures on the Altar Project over five (5) years, inclusive of Peregrine's 2018 drilling that was conducted between February and May of 2018, with a minimum of US\$3 million each year.



## 5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

### Altar, Argentina (cont'd...)

Aldebaran has the right to earn an additional 20% interest in the Altar Project by spending an additional US\$25 million over a three-year period following Aldebaran's acquisition of the initial 60% interest. If the Company fails to fund the US\$30 million of expenditures as described in (c) above, the Company will forfeit its right to earn any interest in the Altar Project.

A 1% net smelter return royalty on the Altar mining concessions known as Leona, Loba, Santa Rita, RCA VII, RCA II and Pampa is payable to Osisko Gold Royalties with no buy-out provision. There is also a 1% net smelter return royalty held by the original underlying concession owners on the Altar Concessions known as Loba, Santa Rita, RCA II and RCA VII (the "Other Royalty"). Annual payments of US\$80,000 are due to the holders of the Other Royalty when commercial production commences. The annual payments are in addition to, and not an advance on, the Other Royalty.

### Rio Grande, Argentina

The Company holds a 100% interest in the Rio Grande property in Salta Province, Argentina.

### Other Properties, Argentina

In addition to the Altar and Rio Grande properties, the Company holds a 100% interest in the Aguas Calientes, El Camino, Catua, Oscuro and La Frontera properties in Argentina.

## 6. DECOMMISSIONING LIABILITY

Although the ultimate amount of the decommissioning liability is uncertain, the best estimate of these obligations is based on information currently available. Significant closure activities include land rehabilitation, demolition of buildings and other costs. The following table presents the aggregate carrying amount of the obligation associated with the retirement of the mineral property interests.

Asset retirement obligation – June 30, 2019	\$	323,293
Accretion		70,628
Change in estimates		(58,121)
Foreign exchange adjustment		(2,507)
Asset retirement obligation – June 30, 2020	\$	333,293
Accretion		32,000
Foreign exchange adjustment		(25,484)
Asset retirement obligation – June 30, 2021	\$	339,809

The total amount of estimated undiscounted cash flows required to settle the Company's estimated obligation is \$536,082 as at June 30, 2021 (2020 - \$536,082), which has been discounted using a credit adjusted rate of 10% (2020 – 10%) and an inflation rate of 2% (2020 – 2%). The present value of the decommissioning liabilities may be subject to change based on management's estimates, changes in remediation technology or changes to applicable laws and regulations. The decommissioning liability relates to the Company's Argentinean properties that were transferred from Regulus and the Altar project (Note 5).

At June 30, 2021, the Company performed an assessment of its estimated timelines for decommissioning and determined that the Rio Grande project has an estimated timeline of ten years, while all other projects have a five year timeline. This, along with the annual estimation of reclamation costs resulted in the change of estimate of \$Nil (2020 - \$58,121).

**Aldebaran Resources Inc.**  
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**7. SHARE CAPITAL AND RESERVES**

Authorized: unlimited common shares without par value. All issued shares are fully paid.

During the year ended June 30, 2021, the Company closed a financing of 20,730,940 units at \$0.45 per unit for total gross proceeds of \$9,328,923. Each unit consists of one common share in the capital of the Company and one-half of one warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share at a price of \$0.70 until May 3, 2023. The Company issued 294,304 broker's warrants with the same terms at a fair value of \$51,179, paid cash share issuance costs of \$130,254, and issued 127,633 units to finders for total value of \$57,435 in relation to the financing.

During the year ended June 30, 2021, the Company closed a financing of 15,999,999 units at \$0.30 per unit for total gross proceeds of \$4,800,000. Each Unit consists of one common share in the capital of the Company and one-half of one warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share at a price of \$0.70 until September 15, 2022. The Company paid cash share issuance costs of \$106,591 related to the financing.

There were no share issuances during the year ended June 30, 2020.

**Stock Options**

The following table summarizes movements in stock options outstanding:

	Number of Options	Weighted Average Exercise Price
Balance – June 30, 2019	5,220,000	\$ 1.08
Granted	200,000	1.25
Balance – June 30, 2020	5,420,000	1.08
Granted	2,300,000	0.40
Expired/forfeited	(200,000)	0.75
Balance – June 30, 2021	7,520,000	\$ 0.88
Exercisable – June 30, 2021	5,745,000	\$ 1.02

Additional information regarding stock options outstanding as at June 30, 2021 is as follows:

Number of Options	Exercise Price (\$)	Expiry Date
300,000	0.40	August 28, 2023
3,400,000	1.25	June 3, 2024
1,620,000	0.75	June 3, 2024
200,000	1.25	July 15, 2024
2,000,000	0.40	August 28, 2025
7,520,000		

**Aldebaran Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
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**7. SHARE CAPITAL AND RESERVES (cont'd...)**

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	Year ended June 30, 2021	Year ended June 30, 2020
Risk-free interest rate	0.39%	1.51%
Expected life of grant	4.74 years	5.00 years
Volatility	72.75%	96.28%
Dividend	0%	0%
Weighted average fair value per option	\$0.32	\$0.22

**Share-based compensation**

The Company recognizes compensation expense for all stock options and warrants granted and vested using the fair value based method of accounting.

During the year ended June 30, 2021, the Company recognized \$838,058 (2020 - \$1,231,777) in share-based compensation expense.

**Warrants**

The following table summarizes movements in warrants outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2019 and 2020	-	\$ -
Warrants issued	18,723,587	0.70
Balance, June 30, 2021	18,723,587	\$ 0.70

The following table summarizes information about warrants outstanding at June 30, 2021:

Exercise Price	Number Outstanding	Expiry Date
\$ 0.70	7,999,996	September 15, 2022
\$ 0.70	10,429,287	May 3, 2023
\$ 0.70	294,304*	May 3, 2023
	18,723,587	

\*Broker's warrants

The following weighted average assumptions were used for the Black-Scholes valuation of broker's warrants:

	Year ended June 30, 2021	Year ended June 30, 2020
Risk-free interest rate	0.30%	-
Expected life of grant	2 years	-
Volatility	82.23%	-
Dividend	0%	-
Weighted average fair value per warrant	\$0.17	-

**Aldebaran Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
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**8. RELATED PARTY TRANSACTIONS**

The consolidated financial statements include the financial statements of the Company and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Aldebaran Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

During the year ended June 30, 2021, the Company entered into the following transactions with key management personnel and related parties:

- a) Double Black Diamond Resources LLC. ("DBD Resources") is a private company controlled by Mr. John Black, CEO and a director of the Company. For the year ended June 30, 2021, DBD Resources was paid \$128,098 (2020 - \$134,400). Management services paid to DBD Resources are classified as management fees in the consolidated statements of profit or loss. At June 30, 2021, the Company owed \$Nil (June 30, 2020 - \$Nil) to DBD Resources.
- b) Unicus Funds Ltd. ("Unicus") is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the year ended June 30, 2021, Unicus was paid \$75,000 (2020 - \$75,000). Management services paid to Unicus are classified as management fees in the consolidated statements of profit or loss. At June 30, 2021, the Company owed \$Nil (June 30, 2020 - \$Nil) to Unicus.
- c) K.B. Heather & Socios Limitada (The Rock Doctor Limitada) ("K.B. Heather") is a private company controlled by Dr. Kevin B. Heather, CGO and a director of the Company. For the year ended June 30, 2021, K.B. Heather was paid \$160,491 (2020 - \$168,000). Management services paid to K.B. Heather are classified as management fees in the consolidated statements of profit or loss. At June 30, 2021, the Company owed \$Nil (June 30, 2020 - \$Nil) to K.B. Heather.
- d) At June 30, 2021, the Company was owed \$867 (June 30, 2020 - owed \$274) of expenses from Regulus Resources Inc., a company with common directors and management.
- e) During the year ended June 30, 2021, the Company issued 1,825,000 (2020 - 200,000) stock options to directors and officers of the Company. The Company recognized a total of \$446,069 (2020 - \$779,233) share-based compensation expense to related parties, which included vested options that had been issued in previous years.

**Key Management Personnel:**

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 executive and non-executive members of the Company's Board of Directors and corporate officers.

**Aldebaran Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
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**8. RELATED PARTY TRANSACTIONS (cont'd...)**

The remuneration of directors and other members of key management personnel are as follows:

	Fees	Share-based Benefits	Total
Year ended June 30, 2021			
Chief Executive Officer	\$ 128,098	\$ 120,306	\$ 248,404
Chief Geological Officer	160,491	120,306	280,797
Chief Financial Officer	75,000	120,306	195,306
Non-executive directors	-	85,151	85,151
	\$ 363,589	\$ 446,069	\$ 809,658
Year ended June 30, 2020			
Chief Executive Officer	\$ 134,400	\$ 219,207	\$ 353,607
Chief Geological Officer	168,000	219,207	387,207
Chief Financial Officer	75,000	219,207	294,207
Non-executive directors	-	121,612	121,612
	\$ 377,400	\$ 779,233	\$ 1,156,633

Amounts due to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, due from related party, accounts payable and accrued liabilities, and due to related parties approximate their carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's other financial instruments, cash and marketable securities, under the fair value hierarchy, are based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

*Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at large Canadian financial institutions in interest-bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist mainly of tax credits due from the governments of Canada. As such, the Company does not believe it is subject to significant credit risk.

## **9. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)**

### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had a cash balance of \$7,285,359 to settle current liabilities of \$78,320. Management believes that it has sufficient funds to meet its current liabilities as they become due; however, as the COVID-19 pandemic has continued to spread, it may impact workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. This has impacted the Company's ability to raise necessary funds. It is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

### *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.

#### a) Interest rate risk

The Company has cash balances. The interest earned on the cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates.

#### b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in US\$ and A-Peso. A 10% fluctuation in the US\$ against A-Peso and US\$ against the Canadian dollar simultaneously, would affect profit and loss for the year by approximately \$95,000.

#### c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's investment in marketable securities is classified as FVTPL and trades on the stock market. The Company closely monitors its marketable securities, stock market movements, commodity prices and individual equity movements to determine the appropriate course of action to be taken by the Company.

### *Capital management*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

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

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

## **10. COMMITMENTS**

If the Company fails to complete the expenditures pursuant to the Altar JV Agreement as described in Note 5, the Company will forfeit its right to earn any interest in the Altar Project.

**Aldebaran Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
(Expressed in Canadian Dollars)  
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## 11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Argentina. All capital assets and exploration and evaluation assets are located in Argentina.

## 12. INCOME TAX

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
Loss for the year, before taxes	\$ (1,743,774)	\$ (1,922,582)
Expected income recovery	\$ (462,000)	\$ (519,000)
Change in statutory, foreign tax, foreign exchange rates and other	(76,000)	93,000
Permanent difference	229,000	324,000
Adjustment to prior years provision versus statutory tax returns	(15,000)	(203,000)
Share issuance cost	(92,000)	-
Change in unrecognized deductible temporary differences	456,000	377,000
	<u>\$ 40,000</u>	<u>\$ 72,000</u>

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2021	2020
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ (145,000)	\$ (81,000)
Non-capital losses	33,000	9,000
Net deferred tax liability	<u>\$ (112,000)</u>	<u>\$ (72,000)</u>

The significant components of the Company's deferred tax assets (liabilities) that have not been recognized on the consolidated statements of financial position are as follows:

	2021	2020
Deferred tax assets (liabilities)		
Share issue costs	\$ 330,000	\$ 385,000
Non-capital losses available for future periods	1,107,000	596,000
	<u>1,437,000</u>	<u>981,000</u>
Unrecognized deferred tax assets	(1,437,000)	(981,000)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2021	Expiry dates	2020	Expiry dates
Temporary differences				
Share issue costs	\$ 1,222,000	2042 to 2045	\$ 1,426,000	2041 to 2043
Non-capital losses available for future periods	4,114,000	2024 to 2041	2,210,000	2025 to 2040
Canada	3,940,000	2039 to 2041	2,201,000	2039 to 2040
Argentina	174,000	2024 to 2026	9,000	2025

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**Aldebaran Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
(Expressed in Canadian Dollars)  
For the year ended June 30, 2021

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

During the year ended June 30, 2021, the Company:

- Accrued \$59,626 of exploration and evaluation assets through accounts payable and accrued liabilities.
- Included \$6,438 share issue costs in accounts payable and accrued liabilities.
- Issued 127,633 units for total value of \$57,435 as share issue costs.
- Recognized \$51,179 as fair value of broker's warrants.

During the year ended June 30, 2020, the Company:

- Recorded a change in estimate related to decommissioning liability of \$58,121, through exploration and evaluation assets.
- Accrued \$57,373 of exploration and evaluation assets through accounts payable and accrued liabilities.

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For the year ended June 30	2021	2020
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

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**Aldebaran Resources Inc.**

**(the “Company”)**

**Management’s Discussion and Analysis**

**For the year ended June 30, 2021**

**ALDEBARAN RESOURCES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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General

The following Management Discussion and Analysis ("MD&A") of Aldebaran Resources Inc. (the "Company" or "Aldebaran") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of October 28, 2021 and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2021 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.aldebaranresources.com](http://www.aldebaranresources.com).

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Management of Aldebaran is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

The Company's business activity is the acquisition, exploration and evaluation of mineral properties. Aldebaran was incorporated on June 7, 2018 by Regulus Resources Inc. ("Regulus") under the *Business Corporations Act* (Alberta) to participate in an arrangement with Regulus whereby Regulus agreed to spin out its Argentina mining properties to Aldebaran (the "Plan of Arrangement"). The Company holds an option to earn up to an 80% interest in the Altar copper-gold porphyry project in San Juan Province, Argentina (the "Altar project") as well as a 100% interest in the Rio Grande project (the Rio Grande project") and several other earlier stage projects, all located in Argentina. The Altar project is a very large, moderate-grade resource that currently has over 11.4 billion lbs of contained copper and 3.4 million ounces of gold on a measured and indicated basis, plus an additional 1.8 billion lbs copper and 0.4 million ounces gold on an inferred basis (NI 43-101 resource estimate prepared by Independent Mining Consultants, Inc. ("IMC") of Tucson, Arizona effective March 22, 2021). The Company is led by John E. Black, Dr. Kevin B. Heather and Mark Wayne, who also serve as management of Regulus. The team has a proven track record with Antares Minerals, which they sold to First Quantum Minerals (TSX:FM, UK FQM) in 2010 for approximately C\$650 million after drilling out the Haquira Cu-Mo-Au deposit in Peru.

Significant Events from July 1, 2020 to the Date of this Report

- The Company announced on September 15, 2020 the closing of a non-brokered unit private placement offering (the "Offering"). The Company sold an aggregate of 15,999,999 units at a price of \$0.30 per unit for total gross proceeds of \$4,800,000. Each unit consisted of one common share in the capital of the Company and one-half of one warrant. Each whole warrant entitles the holder to purchase one additional share at a price of \$0.70 until September 15, 2022. Route One Investment Company LLC and Sibanye Stillwater Limited ("Sibanye-Stillwater") each exercised their respective rights under their Investment Agreements with the Company to subscribe for their pro-rata share of the Offering.
- On December 3, 2020, the Company provided an update regarding ongoing technical work being done in advance of a 2020-2021 drill campaign at its Altar project.
- On January 19, 2021, the Company provided a summary of a newly developed geological-structural model for the Altar project.
- On February 2, 2021, the Company announced the commencement of the 2020-2021 drill campaign at the Altar project.
- On February 18, 2021, the Company hosted a technical webinar led by Dr. Kevin B. Heather who provided a summary of the technical highlights of the Altar project.
- On March 22, 2021, the Company announced an updated National Instrument 43-101 Mineral Resource Estimate on the Altar project, summarized below under **Altar Resource Estimate Highlights**.
- On May 3, 2021, the Company closed a non-brokered unit private placement. An aggregate of 20,730,940 units were sold under the offering at a price of \$0.45 per unit for total gross proceeds of \$9,328,923. Each unit consisted of one common share in the capital of the Company and one-half of one warrant, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.70 until May 3, 2023. Route One Investment Company LLC and Sibanye-Stillwater each exercised their respective rights under their Investment Agreements with the Company to subscribe for their pro-rata share of the Offering.
- On June 15, 2021, the Company reported assays from the first two holes completed in the 2020-2021 campaign at the Altar project. The highlights are listed below under **Exploration Work Completed at Altar During the 2020-2021 Campaign**.

**ALDEBARAN RESOURCES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- On June 28, 2021, the Company's common shares commenced trading on the OTCQX® Best Market, a top tier public market in the United States, under the symbol "ADBRF".
- On July 13, 2021, the Company reported assays from the remaining two holes drilled at the Altar project. The highlights are listed below under **Exploration Work Completed at Altar During the 2020-2021 Campaign**.
- On September 30, 2021, the Company announced the commencement of 2021-2022 exploration activities at the Altar project and provided an update on plans for the upcoming field season. See below under **Upcoming Exploration Work Programs to be Completed at Altar**.

Exploration and Evaluation Assets Review

*This review has been prepared by John Black, CEO and director of the Company. The scientific and technical data contained in the section have been reviewed and approved by Dr. Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMM, Chief Geological Officer of the Company, who serves as a qualified person (QP) under the definitions of National Instrument 43-101.*

Upon completion of the Plan of Arrangement, Aldebaran beneficially acquired all of Regulus' interests in its Argentina mining properties including the Rio Grande project and certain other earlier stage mineral exploration projects. Aldebaran also entered into a joint venture agreement to earn up to an 80% interest in the Altar project (the "Altar JV Agreement"). The Altar project consists of nine mining concessions and nine servidumbres (mining rights of way, occupation and camp encumbrances) (the "Altar Concessions"). It also includes an option on five adjacent Rio Cenicero concessions (the "Rio Cenicero Concessions").

**Altar Project**

As part of the Plan of Arrangement, Aldebaran entered into the Altar JV Agreement, which provides Aldebaran the right to earn up an initial 60%, and a subsequent additional 20%, interest in the Altar project. The consideration to acquire an initial 60% interest comprised:

- an upfront cash payment of US\$15 million to Stillwater Canada LLC, which was paid upon closing of the Plan of Arrangement;
- the issuance of 19.9% of Aldebaran's common shares to Stillwater Canada LLC, which were issued upon closing of the Plan of Arrangement; and
- Aldebaran's commitment to fund the next US\$30 million of expenditures on the Altar project over five (5) years, inclusive of 2018 drilling that was conducted between February and May of 2018, with a minimum expenditure of US\$3 million each year.

If the Company fails to complete the initial US\$30 million of expenditures pursuant to the Altar JV Agreement as described above, the Company will forfeit its right to earn any interest in the Altar project. The Company has spent approximately US\$17,250,000 on the Altar project to June 30, 2021 and is on track to fulfill the earn-in expenditure requirements within the allowable time constraints provided for in the Altar JV Agreement. Aldebaran also has the right to earn an additional 20% interest in the Altar project by spending an additional US\$25 million over a three-year period following Aldebaran's acquisition of the initial 60% interest.

The Altar project is located in San Juan Province, Argentina approximately 10 km from the Chile-Argentina border and approximately 180 km west of the city of San Juan. Altar hosts a cluster of several large porphyry copper-gold deposits, with mineralization currently defined in four distinct zones – Altar East, Altar Central, Altar North and the recently discovered QDM-Radio Porphyry zone, about 3 km to the west of Altar Central. Mineralization at all of these porphyry deposits is associated with Miocene intrusive centers emplaced into Miocene volcanic host rocks. Altar is noteworthy for having relatively higher gold grades associated with the copper mineralization compared to nearby porphyry systems, which are dominantly copper or copper-molybdenum.

The Altar project was first explored and drilled by CRA/Rio Tinto (7 holes – 2,841 m) in 1995-2004. Peregrine Metals, a Canadian exploration company, subsequently optioned the property from Rio Tinto in 2005. Peregrine expanded the property and completed 56,761 m of drilling in 146 drill holes from 2005-2011 to define an initial mineral resource estimate at Altar Central and Altar East. In October 2011, Sibanye-Stillwater acquired Peregrine Metals for approximately US\$490 MM and in the subsequent period of 2012-2013 completed an additional 38,380 m of drilling in 80 holes to further define estimated mineral resources at Altar Central and Altar East. In 2016, Sibanye-Stillwater spent an additional US\$4MM on 4,893m of drilling in 8 holes which led to the discovery of the QDM epithermal Au-Radio Cu-Au porphyry systems. During 2017, an additional US\$1.7 MM was spent on 5,630 m of drilling (7 holes) focusing on the QDM-Radio porphyry area. In 2018, Sibanye-Stillwater completed an additional 4,923 m of deeper drilling (3 drill holes + 1 extension) in a cost sharing agreement with Regulus on behalf of Aldebaran.

The Altar project is the subject of an updated National Instrument 43-101 Mineral Resource Estimate, titled "Technical Report, Estimated Mineral Resources, Altar Project, San Juan Province, Argentina", dated effective March 22, 2021 (the "Altar Resource Estimate"), which was prepared by IMC. The Altar Resource Estimate, which contains detailed disclosure on the Altar project, has been filed on SEDAR under the Aldebaran SEDAR profile at [www.sedar.com](http://www.sedar.com). The Altar Resource Estimate is the first estimate completed by Aldebaran (prior estimates were completed by previous operators) and incorporates the Company's newly created geological and structural model. The cut-off grades are presented in terms of Net Smelter Return (NSR) which reflects the combined benefit of producing copper, gold, and silver. The qualified person for the estimation of the mineral resource was John Marek of IMC. Estimated mineral resources may be significantly

affected by factors such as changes in metal prices, production costs and detailed testing and design of process and concentrate handling facilities, and such changes could be materially adverse. The Measured, Indicated, and Inferred Mineral resources reported are contained within a floating cone pit shell to demonstrate "reasonable prospects for eventual economic extraction" to meet the definition of Mineral Resources in NI 43-101.

Currently, the Altar Resource Estimate is defined by three distinct deposits: Altar Central, Altar East and QDM Gold. For the purposes of resource modeling, Altar Central and Altar East are constrained using a single open pit and therefore are reported together. Altar Central and Altar East are separated into supergene copper (secondary sulphide) and hypogene copper-gold (primary sulphide) mineralization. The QDM Gold deposit is categorized as a separate resource as it is located approximately 3 km west from Altar Central and is primarily a gold-silver deposit.

### **Altar Resource Estimate Highlights**

#### Altar Central & Altar East:

- Measured & Indicated resource of 1,198.2 million tonnes grading 0.43% copper, 0.09 g/t gold and 1.00 g/t silver.
- Inferred resource of 189.2 million tonnes grading 0.42% copper, 0.06 g/t gold and 0.80 g/t silver.
- Resource was estimated utilizing a higher cut-off grade (0.30% CuEq) than in the previously reported 2018 estimate with a resulting 41% decrease in tonnage and a 29% increase in copper grade for Measured & Indicated resources and a 66% decrease in tonnage and a 48% increase in copper grade for Inferred resources.
- Sizeable supergene resource in Altar Central and Altar East, providing a potential pathway for a smaller, lower capital option for the project.
- Decrease in arsenic grades when compared to the 2018 mineral resource estimate:
  - 39% arsenic reduction in Measured & Indicated resources
  - 67% arsenic reduction in Inferred resources
  - Separation of supergene copper (secondary sulphide) and hypogene copper-gold (primary sulphide) mineralization within Altar Central and Altar East shows that a high percentage of arsenic is located within the supergene portion of the deposit, which can potentially be processed utilizing SX/EW technology where arsenic is not recovered.
- Significant potential to expand the higher-grade, copper-gold hypogene zones within both the Altar East and Altar Central deposits, which could provide further grade improvements in the future.
- Amenable to open pit mining.

#### QDM Gold

- Measured & Indicated resource of 20 million tonnes grading 0.78 g/t gold, 3.62 g/t silver and 0.06% copper.
- Inferred resource of 1.2 million tonnes grading 0.58 g/t gold, 5.34 g/t silver and 0.03% copper.
- Stand-alone deposit not associated with other reported resources.
- Approximately 90% sulphide mineralization and 10% oxide mineralization.
- Potential to expand QDM Gold resource through additional drilling.
- Amenable to open pit mining.

The open pit constrained Mineral Resources are summarized below in Table 1 and Table 2.

<b>Table 1. Altar Central &amp; East - Open Pit Mineral Resource (0.3 % CuEq cut-off)</b>									
<b>Material Type</b>	<b>Category</b>	<b>Tonnes (Mt)</b>	<b>Average Grade</b>				<b>Contained Metal</b>		
			<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>As (ppm)</b>	<b>Cu (M lbs)</b>	<b>Au (M Oz)</b>	<b>Ag (M Oz)</b>
Supergene	Measured	217.2	0.48	0.08	1.21	314	2,289	0.5	8.5
	Indicated	68.0	0.45	0.08	0.96	156	673	0.2	2.1
	Total M&I	285.2	0.47	0.08	1.15	276	2,962	0.7	10.5
	Inferred	14.6	0.45	0.08	0.74	113	143	0.0	0.3
Hypogene	Measured	404.9	0.42	0.11	0.95	114	3,785	1.5	12.4
	Indicated	508.1	0.41	0.08	0.96	113	4,615	1.3	15.7
	Total M&I	913.0	0.42	0.09	0.96	113	8,400	2.7	28.0
	Inferred	174.7	0.42	0.06	0.80	70	1,606	0.4	4.5

**Table 1 (... continued). Altar Central & East - Open Pit Mineral Resource (0.3 % CuEq cut-off)**

			Average Grade				Contained Metal		
Material Type	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	As (ppm)	Cu (M lbs)	Au (M Oz)	Ag (M Oz)
Total	Measured	622.1	0.44	0.10	1.04	184	6,074	2.0	20.8
	Indicated	576.1	0.42	0.08	0.96	118	5,288	1.4	17.8
	Total M&I	1,198.2	0.43	0.09	1.00	152	11,362	3.4	38.6
	Inferred	189.2	0.42	0.06	0.80	73	1,749	0.4	4.8
See <i>Notes</i> at end of this section for details.									

**Table 2. QDM Gold - Open Pit Mineral Resource (0.33 - 0.7 g/t AuEq cut-off)**

		Average Grade				Contained Metal		
Category	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Cu (%)	As (ppm)	Au (M Oz)	Ag (M Oz)	Cu (M lbs)
Measured	15.8	0.81	3.59	0.06	168	0.41	1.83	21.0
Indicated	4.2	0.68	3.74	0.06	164	0.09	0.50	5.0
Total M&I	20.0	0.78	3.62	0.06	167	0.50	2.33	26.0
Inferred	1.2	0.58	5.34	0.03	153	0.02	0.21	1.0
See <i>Notes</i> at end of this section for details.								

#### Data Verification and QA/QC

The data described above is supported by using industry standard QA/QC procedures consisting of the insertion of certified standards and blanks into the sample stream and utilizing certified independent analytical laboratories for all assays. Historical QA/QC data and methodology on the project were reviewed and are summarized in the Altar Resource Estimate.

**Table 3. Altar East & Central Open Pit Mineral Resource by Cut-off**

\$ NSR Cut-off	CuEq Cut-off	Category	Tonnes (M)	Cu (%)	Au (g/t)	Ag (g/t)
4.67	0.107	Measured	1,026.7	0.34	0.08	0.88
		Indicated	1,151.9	0.30	0.06	0.75
		Inferred	528.7	0.26	0.05	0.58
9.17	0.2	Measured	846.0	0.39	0.09	0.95
		Indicated	849.9	0.36	0.07	0.85
		Inferred	330.0	0.34	0.05	0.67
13.99	0.3	Measured	622.1	0.44	0.10	1.04
		Indicated	576.1	0.42	0.08	0.96
		Inferred	189.2	0.42	0.06	0.80
18.81	0.4	Measured	385.2	0.52	0.12	1.17
		Indicated	322.7	0.49	0.09	1.10
		Inferred	97.5	0.51	0.08	0.96
23.64	0.5	Measured	222.8	0.61	0.15	1.29
		Indicated	188.3	0.55	0.10	1.21
		Inferred	60.8	0.57	0.09	1.05

See *Notes* at end of this section for details.

**Table 4. QDM Gold Pit Mineral Resource by Cut-Off**

\$ NSR Cut-off	Oxide AuEq Cut-off	Sulphide AuEq Cut-off	Category	Tonnes (M)	Au (g/t)	Ag (g/t)	Cu (%)
13.17	0.70	0.33	Measured	15.8	0.81	3.59	0.06
			Indicated	4.2	0.68	3.74	0.06
			Inferred	1.2	0.58	5.34	0.03
15.00	0.80	0.38	Measured	14.8	0.84	3.61	0.06
			Indicated	3.5	0.73	3.79	0.06
			Inferred	1.0	0.64	5.77	0.03
20.00	1.07	0.50	Measured	12.1	0.92	3.77	0.07
			Indicated	2.4	0.82	3.52	0.07
			Inferred	0.5	0.65	5.38	0.04

See *Notes* at end of this section for details.

*Notes to Tables 1 through 4:*

1. All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.
2. Mineral Resources for Altar East, Altar Central and QDM Gold are based on prices of US\$3/lb copper, US\$1,500/oz gold and US\$20/oz silver.
3. There are no reserves currently at the Altar project.
4. Altar East and Altar Central use a 0.3% CuEq (US\$13.99 NSR/t) cut-off grade.
5. QDM Gold utilizes a 0.33 AuEq (US\$13.17 NSR/t) cut-off grade for sulphide mineralization and a 0.7 AuEq (US\$13.17 NSR/t) cut-off grade for oxide mineralization.
6. NSR value for Altar East and Altar Central material is as follows:  $NSR (US\$/t) = 28.241 \times Cu\% + 20.294 \times Au \text{ ppm} + 0.311 \times Ag \text{ ppm} - 0.482$ .
7. NSR value for QDM Gold material is as follows:  $NSR (US\$/t) = 18.733 \times Au \text{ ppm} + 0.311 \times Ag \text{ in oxide} + 39.808 \times Au \text{ ppm} + 0.311 \times Ag \text{ ppm in sulphide}$ .
8. AuEq and CuEq values are based on prices of US\$3/lb copper, US\$1,500/oz gold, US\$20/oz silver, and account for all metal recoveries and smelting/refining charges.  $CuEq = Cu\% + 0.4207 \times Au \text{ ppm} + 0.0064 \times Ag \text{ ppm}$ ,  $AuEq = Au \text{ ppm} + 0.0166 \times Ag \text{ ppm in oxide} + Au \text{ ppm} + 0.0078 \times Ag \text{ ppm in sulphide}$ .
9. Mineral Resources are reported in relation to a conceptual constraining pit shell in order to demonstrate reasonable prospects for eventual economic extraction, as required by the definition of Mineral Resource in NI 43-101; mineralization lying outside of the pit shell is excluded from the Mineral Resource.
10. Details of NSR and Equivalent calculations are in the Altar Resource Estimate.

**Exploration Work Completed at Altar During the 2018-2019 Campaign**

During 2018, Sibanye-Stillwater completed a 4,923 m diamond drill program (3 holes plus one extension of a previous hole) on the Altar project, which was directed and paid for by Aldebaran as part of its earn-in agreement. Results from that program were never formally released; however, details can be found on the [Sibanye-Stillwater website](#). This program was successful in defining long intercepts of higher than current resource grade mineralization and provided follow up targets for future programs.

Aldebaran commenced a diamond drilling program at Altar in March 2019, with the goal of exploring and expanding the known higher-grade zones to identify a higher-grade resource within the project, as well as to identify and drill test a new target area beneath the Quebrada de Mina (QDM) zone. A total of 5,400 m was drilled in four diamond core exploration holes. Two of the holes (QDM-19-040 and QDM-19-041) were drilled to depth beneath the QDM gold zone. Additional drill holes were completed at the Altar Central (ALD-19-212) and Altar East (ALD-19-211). QDM-19-040 was lost before reaching its intended target depth. Two of the three holes that reached their target depth intersected long intervals of higher than current resource grade material, one of which (QDM-19-041) was the discovery of a new copper-gold porphyry centre at QDM. The results from drill holes QDM-19-040, QDM-19-041, ALDE-19-211 and ALD-19-212 were announced on October 3, 2019.

**Exploration Work Completed at Altar During the 2019-2020 Campaign**

*Detailed Core Re-logging Program.* All of the historical core, totaling ~115,000 m, was relogged by Aldebaran geologists using a systematic set of logging criteria in order to have more consistent definition of the various rock types, alteration types, veining types and mineralization types. In addition to now having more consistent and reliable geological data across all the drill holes, the Company has also recognized new geological features that suggest the geological evolution of the Altar deposits is likely different from previous interpretations. This new geologic understanding will aid in the development of new exploration targets, both extensions of known high-grade mineralization and new undrilled targets.

*Surface Geological Mapping.* The first-ever surface bedrock geological map was completed over a ~3,000-hectare area covering the Altar property. At a scale of 1:10,000, the mapping focussed on defining the major lithological units, the main faults, and structures, as well as the main alteration and mineralization types. This work has been rationalized with the sub-surface drill hole information and incorporated into the new geological model.

*Hyperspectral & Structural Mapping.* Satellite-borne high-resolution imagery and hyperspectral data were collected over the Altar project area in early 2020. Two sets of data were collected and analysed: (1) ASTER regional, 1:50,000 scale satellite data covering an area 60 x 60 km (3,600 km<sup>2</sup>) around the Altar project, and (2) WORLDVIEW3 high-resolution 1:10,000 scale satellite data covering an area 16 x 24 km (384 km<sup>2</sup>) immediately over the areas of known mineralization. The purpose of these data sets is to give us some regional and more detailed context of the structural setting and associated hydrothermal alteration related to the Altar cluster of mineralized porphyries. This information has been integrated into our new geological/structural model for the project.

*Geophysics – Ground Magnetic Survey.* The first-ever systematic ground magnetics survey was completed over most of the Altar property; a total of 383.4 line-kilometres, on 100m spaced lines, covering ~4,425 hectares. This detailed ground magnetics provided much needed information regarding structure and locations of potentially favourable magnetite-bearing potassically-altered porphyry intrusions.

*Geological – Structural Modeling.* All the data sets described previously have been integrated into a new robust geological/structural model that has changed our understanding of the mineralization in a significant way. The recognition of discrete fault-bounded structural blocks that have played a role in controlling mineralization, as well as potentially subsequently offsetting mineralization, is an important revelation. This new 3D model is becoming the backbone for the re-evaluation of the current resource and targeting for resource expansion and drill testing of newly identified areas.

*Copper (Cu), Gold (Au) and Copper Equivalent (CuEq) Grade Shell Modeling.* Using the new geological/structural model described above as a framework, grade shells at different cut-offs were modeled for copper, gold, and copper equivalent. The purpose of these grade shells is to better highlight the distribution and geometry of the higher-grade mineralized zones and will be used as guides for the upcoming resource re-evaluation. Special attention was given to modeling supergene secondary copper zones (amenable to heap-leach technology) versus hypogene primary copper zones (amenable to milling and flotation technology).

*Arsenic (As) Modeling.* Historically, Altar has been viewed to have an arsenic issue; however, based on recent detailed relogging of the drill holes, several important observations can be made:

- Arsenic is associated with enargite (Cu<sub>3</sub>AsS<sub>4</sub>).
- Enargite occurs in centimeter-wide, sheeted veinlets with pyrite.
- The veinlets are sub-vertical and therefore sub-parallel to the core axis of the vertically drilled holes (the majority of the historical drill holes are vertical).
- These sheeted veinlets form narrow structural corridors which have now been modeled.
- These narrow sub-vertical veinlets, and hence arsenic, could be overestimated within the vertical drill holes.
- A significant amount of the highest arsenic grade occurs within the supergene copper region of Altar Central, which could be processed using heap-leach technology and would not make it to a potential copper concentrate.
- The prior resource model used no geology or arsenic grade shells and was based solely on geostatistical modeling; hence it may have overestimated arsenic and spread it throughout the deposit.

To better constrain the arsenic and consider the observations above, detailed wireframes/solids of arsenic >300 ppm were constructed to represent the structural corridors of sheeted veinlets. It is anticipated that these high-arsenic solids will more realistically show the distribution and geometry of arsenic and reduce the overall arsenic content of the resource in future modeling.

### **Exploration Work Completed at Altar During the 2020-2021 Campaign**

*Altar Drill Program.* The 2020-2021 drill campaign at the Altar project commenced at the beginning of February 2021 and was completed in May 2021. A total of four diamond drill holes totaling 4,893 m were completed on various targets in the Altar Central, Altar East and Radio areas. Drilling focussed on testing several of the higher priority targets from the group of new targets generated as part of the recently completed extensive data collection and data modeling exercise. The Company believes there may be significant untapped potential to find higher-grade mineralization at the Altar project. Known mineralization at three additional porphyry centres, Radio Porphyry, QDM Porphyry, and Altar North, were not included in the Altar Resource Estimate due to insufficient drilling, but with additional drilling these zones offer significant opportunities to contribute to future resource estimates. The objectives of the 2020-2021 drill campaign were to: (a) test extensions to zones of higher-grade mineralization; and (b) test areas within specific structural blocks identified during the relogging and geological modeling process as having a high potential to extend the footprint of the known mineralization. Highlights of the four holes are listed below (See Company news releases dated June 15, 2021 and July 13, 2021 for details).

*Highlights:*

- ALD-21-217 was collared at Altar Central, returning 63 m of 0.94% CuEq in near surface supergene mineralization, and 584 m of 0.52% CuEq, including 158 m of 0.71% CuEq, in hypogene mineralization, extending the hypogene zone approximately 150 m to the west and 500 m below the current resource estimate.
- ALD-21-217 ended in 16 m of 0.91% CuEq mineralization including high-grade molybdenum (1,263 ppm Mo).
- ALD-21-218 was collared at Altar East, returning 742 m of 0.32% CuEq in hypogene mineralization.
- QDM-21-042 was collared in the QDM/Radio area of the Altar project, and returned 111 m of 1.4% CuEq, within 333.1 m of 0.86% CuEq, also within 629 m of 0.61% CuEq.
- QDM-21-042 intersected a high-grade porphyry (Radio Porphyry), returning one of the best holes drilled to date at Altar.
- The current resource estimate at Altar does not include mineralization from Radio Porphyry, and thus the intercept in QDM-21-042 is entirely outside the current resource estimate.
- ALD-21-219 was collared at Altar Central and drilled into a previously untested area, returning 487 m of 0.33% CuEq and 178 m of 0.31% CuEq.
- The top 735 metres of ALD-21-219 is within the current Altar resource pit where there was limited previous drilling and is expected to add resources in the next resource estimate update.
- At a depth of 740 m, ALD-21-219 intersected a previously undiscovered porphyry unit that is intensely altered and has disseminated chalcopyrite and bornite mineralization. The hole was drilled along the edge of a promising surface geochemical target which will require follow up drilling in future field seasons.

*Discussion of Results*

**Drill Hole ALD-21-217** was drilled at angle of -75 and was targeting the west extension at Altar Central underneath a fence of historical, shallow holes (see PR from February 2, 2021 for details). The hole hit an upper interval of well defined, supergene mineralization that should help further define the supergene portion of the existing resource estimate for Altar (see PR from March 22, 2021 for details). The supergene mineralization partially overprints a zone of high sulphidation mineralization, where elevated arsenic is observed. As well, a lower zone of hypogene mineralization was intersected, which extended the footprint of mineralization approximately 150 m to the west and 500 m below the current resource estimate. The hole ended in some of the best grades intercepted throughout the entirety of the hole, including high-grade molybdenum. The current interpretation is that the high-grade molybdenum intercept indicates the hole drilled down the shoulder (or outer rim) of a potential new porphyry centre that has yet to be discovered. This, combined with higher-grade molybdenum intercepted in hole ALD-19-212 (see Company news release dated October 2, 2019 for details), presents an interesting target for follow up drilling in upcoming field seasons.

**Drill Hole ALD-21-218** was drilled at angle of -70, targeting the north extension of higher-grade intercepts at Altar East (see Company news release dated February 2, 2021 for details), and was drilled beneath a fence of historical, shallow holes. The hole was well mineralized and altered throughout; however, the grades were lower than anticipated. No supergene mineralization was intersected in the hole. This drill hole effectively closes off higher-grade mineralization to the north at Altar East.

**Drill Hole QDM-21-042** was drilled at an azimuth of 306 degrees and dip of -80 degrees to a final depth of 1,047.0 m. The hole was targeting a geophysical magnetic-high anomaly, as well as testing for the southern extension of higher-grade mineralized intercepts from historical drilling into the Radio Porphyry. The top 818 m of the hole intersected andesite wall rocks, which are typically favourable host rocks for copper-gold mineralization, and diorite porphyry intrusion from 818 m until the end of the hole. From the top of the hole, the andesites are strongly altered and contained abundant quartz veins with sulphides +/- magnetite, all of which are increasing in intensity until the contact with the Radio diorite porphyry at 818 m. Quartz veining, as well as sulphide content (consisting of chalcopyrite and bornite), are at their maximum intensity near the contact between the andesite wall rocks and the diorite porphyry intrusion. Alteration, mineralization, and quartz veining continue within the porphyry.

**Drill Hole ALD-21-219** was drilled at an azimuth of 026 degrees and dip of -74 degrees to a final depth of 1,164.5 m. The hole was collared towards the southeast edge of Altar Central and was targeting a geophysical magnetic-high anomaly, which was believed to be a deep magnetite bearing porphyry unit. As well, it tested the northwest edge of a promising surface talus fines geochemical anomaly. The top 299 m of the hole intersected rhyolite host rocks, portions of which were oxidized. From 299 m to 740 m, the hole stayed in rhyolite host rocks which displayed localized high-sulphidation mineralization consisting of pyrite and enargite. Arsenic was elevated in the areas where high-sulphidation mineralization was observed in the hole due to presence of enargite. From 740 m to the end of the hole, a new diorite porphyry phase was intercepted, which locally had intense alteration and displayed disseminated mineralization throughout consisting of chalcopyrite, bornite and locally magnetite.

Table 5 below provides more detail on the mineralized intercepts encountered in drill holes ALD-21-217, ALD-21-218., QDM-21-042 and ALD-21-219.



**Table 5. 2020-2021 Drilling Campaign - Altar Drill Hole Results**

CuEq (%) Cut-off	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	As (ppm)	CuEq (%)
<b>ALD-21-217</b>									
0.2	69.00	132.00	63.00	0.87	0.06	1.94	35	410	0.94
0.2	132.00	228.00	96.00	0.34	0.04	0.77	38	1,149	0.38
0.2	917.00	1,501.00	584.00	0.45	0.01	1.04	161	141	0.52
0.5 incl.	989.00	1,147.00	158.00	0.66	0.02	1.54	85	231	0.71
0.5 and	1,485.00	1,501.00	16.00	0.46	0.00	2.65	1,263	148	0.91
<b>ALD-21-218</b>									
0.2	123.00	865.00	742.00	0.26	0.06	0.72	37	137	0.32
<b>QDM-21-042</b>									
0.2	332.00	961.00	629.00	0.43	0.23	1.87	23	59	0.61
0.5 incl.	510.90	844.00	333.10	0.61	0.32	2.80	28	102	0.86
0.75 incl.	717.00	828.00	111.00	0.92	0.63	4.44	34	197	1.40
<b>ALD-21-219</b>									
0.2	284.00	771.00	487.00	0.28	0.05	1.49	24	572	0.33
0.5 incl.	292.00	310.00	18.00	0.44	0.20	4.73	39	1,638	0.63
0.5 and	728.00	741.00	13.00	0.50	0.11	3.15	10	1,815	0.60
0.2	887.00	1,017.00	130.00	0.29	0.05	1.80	9	298	0.34
The grades are uncut. CuEq values were calculated using copper, gold, silver and molybdenum. Metal prices utilized for the calculations are Cu = US\$3/lb, Au = US\$1,400/oz, Ag = US\$18/oz, and Mo = US\$10/lb. No adjustments were made for recovery as the project is an early-stage exploration project and metallurgical data to allow for estimation of recoveries is not yet available. The formulas utilized to calculate equivalent values is $CuEq \% = Cu \% + Au \text{ g/t} * 0.6805 + Ag \text{ g/t} * 0.00875 + Mo \text{ ppm} / 3000$ .									

*Talus Fine Geochemistry.* The first-ever systematic talus fine geochemical sampling program has now been completed over 100% of the main Altar project area, with talus fine samples being collected on a 100 x 100 m grid pattern. Approximately 4,335 samples have been collected and analyzed for multi-element geochemistry with low-detection limits. The purpose of this type of sampling is to identify areas not only with anomalous Cu, Au, and Ag geochemistry, but also areas with anomalous geochemistry in the trace elements typically associated with porphyry copper-gold systems. Processing and analysis of this data has been completed and used as one integrant for the generation of drill hole targets.

*Geophysics – 3D Induced Polarization (IP) and Magneto-Telluric (MT) Survey.* Phases I and II of a 3D Induced Polarization (IP) and Magneto-Telluric (MT) survey were completed during the 2020-2021 field season. The survey covered an area approximately 5 x 3 km over the QDM/Radio and Altar Central mineralized areas and their immediate surrounds. Due to weather conditions at the end of the 2020-2021 field season, the survey had to be terminated before the entire 26.5 km<sup>2</sup> area (7.8 x 3.4 km) could be completed (Phases III, IV, V, and VI). The objective of the survey is to provide additional characterization of the known mineralization and identify possible extensions and/or new areas for drill testing. Most mineralized porphyry systems have clear responses to both IP and MT, with IP helping to map out sulphide distributions and MT helping to identify areas of favourable alteration such as potassic alteration and silicification, both typically associated with copper mineralization in these types of systems.

#### Upcoming Exploration Work Programs to be Completed at Altar During the 2021-2022 Field Campaign

As at the date hereof, the 2021-2022 exploration campaign activities have commenced at the Altar project, much earlier in the field season than in previous years due to the recent opening of a new low elevation access road. Aldebaran employees are currently opening the camp and expanding its capacity for personnel to facilitate a substantially larger drill program. The Company has secured four drill rigs from Boart Longyear; these will be mobilized to site shortly, with drilling anticipated to begin in early November.

*Drilling.* The primary goal of the 2021-2022 drill program is three-fold:

- (1) To complete a significant amount of drilling at the Radio Porphyry target, following up on the high-grade intercepts reported in drill hole QDM-21-042. The objective of this follow-up drilling at Radio will be to better define the size of the mineralized system, its geometry, and the continuity of the grade. The Company will look to produce a preliminary resource estimate for this target after drilling has been completed.

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- (2) The Company also intends to drill extensions of higher-grade mineralization at both Altar Central and Altar East, which remain open to expansion in several directions. These holes are designed to test areas within the current resource pit where there are not yet resource blocks defined or reported.
- (3) Finally, there are several promising greenfield exploration targets which have been identified through the Company's previous geological mapping, geophysical, and geochemical programs that have had limited or no drilling and which are located away from the current resource. This field season, time will be spent working up these greenfield targets to be ready for drill testing, likely towards the end of the 2021-2022 field campaign.

*Talus Fine Geochemistry.* Due to the success of last season's talus fine geochemistry program in identifying prospective areas for mineralization, it has been decided to extend this sampling program to cover the entire Altar property position. This extension will entail the collection of 922 samples on a 100 x 100 m grid to fill-in gaps in the previous campaign's sampling and an additional 1,480 samples on a wider-spaced 200 x 200 m grid pattern to cover the remaining portions of the property package. Any prospective areas identified within this wider-spaced 200 x 200 m grid area will be in-filled to the 100 x 100 m grid pattern as needed.

*Geophysics – 3D Induced Polarization (IP) and Magneto-Telluric (MT) Survey.* Phases III through VI of a 3D Induced Polarization (IP) and Magneto-Telluric (MT) survey that were not completed last field campaign will be completed during the first half of the 2021-2022 field campaign, pending successful importation of geophysical equipment into Argentina from Chile.

*Environmental.* The Company will also continue to complete environmental monitoring and baseline studies at the Altar project that will primarily focus on characterization of surface water resources and any potential glacial related features. This work is being completed by qualified independent experts and will provide a basis for future feasibility studies.

*Metallurgy.* An extensive amount of metallurgical test work has been completed for the Altar project over the last several years and Aldebaran has been reviewing and re-evaluating the results of this data, taking into consideration the new geological/structural model and the numerous other new data sets to determine (a) whether the samples/results are representative of the deposits as they are currently known, (b) what the results are telling us, and (c) if there is a need for any additional, more focussed metallurgical test work going forward.

### **Rio Grande Project**

The Rio Grande project is owned 100% by Aldebaran and is located in the Altiplano of northwest Argentina at elevations between 3,700 m and 4,700 m above sea level. The property is located approximately 260 km west of the city of Salta and 40 km east of the Chilean border. Exploration work has been carried out on the property since the discovery of the deposit in 1999. Regulus and its predecessor companies have worked on the property since 2004 until the property was transferred to Aldebaran pursuant to the Plan of Arrangement. To date, 129 holes totaling approximately 74,201 m have been drilled on the property. An initial mineral resource estimate was prepared in 2012. The mineral resource was updated in a report entitled "Technical Report on the Rio Grande Project, Salta State, Argentina" with an effective date of August 17, 2018, prepared by Sean D. Horan, P. Geo of Roscoe Postle Associates Inc. ("RPA") of Toronto, Ontario (the "Rio Grande Technical Report"). The Rio Grande Technical Report may be viewed at [www.sedar.com](http://www.sedar.com) on the Aldebaran SEDAR profile.

RPA updated the Rio Grande mineral resource estimate based on the information available to August 17, 2018. Mineral resources are based on a potential open pit scenario with a combination heap leaching and flotation envisaged for the processing of oxide, transition, and sulphide material types. The mineral resource estimate prepared by RPA for the Rio Grande project as of August 17, 2018 is summarized in the table below. Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions) were followed for Mineral Resources. RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral resource estimate.

<b>Class/Oxidation</b>	<b>Tonnes (Mt)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Cu (Mlb)</b>	<b>Au (koz)</b>	<b>Ag (Moz)</b>
<b>Indicated</b>							
Oxide	46.4	0.27	0.33	2.5	274.2	492	3.8
Transition	24.6	0.36	0.41	4.4	194.3	323	3.5
<b>Indicated Total</b>	<b>71.0</b>	<b>0.30</b>	<b>0.36</b>	<b>3.2</b>	<b>468.6</b>	<b>815</b>	<b>7.3</b>
<b>Inferred</b>							
Oxide	32.4	0.21	0.27	2.6	153.3	281	2.7
Transition	8.6	0.29	0.34	3.5	55.1	93	1.0
<b>Inferred Total</b>	<b>41.0</b>	<b>0.23</b>	<b>0.28</b>	<b>2.8</b>	<b>208.4</b>	<b>375</b>	<b>3.6</b>

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Notes to Table 6:

1. CIM (2014) definitions were followed for mineral resources.
2. Mineral resources are estimated at a NSR cut-off grade of US\$8/t for oxide, US\$12/t for transition and US\$7.50/t for sulphide. No sulphide material was captured in resource shell.
3. Mineral resources are estimated using a long-term gold price of US\$1,400 per ounce and copper price of US\$3.50 per pound.
4. Bulk density is 2.41 t/m<sup>3</sup> oxide, 2.50 t/m<sup>3</sup> oxide, and 2.62 t/m<sup>3</sup> sulphide.
5. Numbers may not add due to rounding.
6. Mineral resources are reported within a preliminary open pit resource shell.

No material work was performed on the Rio Grande project since the beginning of the year commencing July 1, 2020. The Rio Grande project is under review to evaluate potential synergies with the nearby Lindero Mine where Fortuna Silver entered into commercial production in Q1-2021.

**Aguas Calientes Project**

The Aguas Calientes project is owned 100% by Aldebaran and is located in northwestern Argentina in Jujuy Province, 130 km west of the City of Salta. The property is comprised of a single claim covering 4,835 hectares. The project consists of two main zones displaying epithermal precious metal (Au-Ag) mineralization associated with silica-(clay)-sericite alteration emplaced in Miocene volcanic and volcanoclastic rocks and in adjacent sedimentary strata of Late Cretaceous and Tertiary age.

**Drilling.** No additional drilling has been done on the Aguas Calientes project since the completion of the 2019 drill campaign (see PR dated February 6, 2020 for details).

**Other Properties**

In addition to the Rio Grande and Aguas Calientes projects, Aldebaran acquired four other Argentine projects and mineral rights covering approximately 25,000 hectares from Regulus in connection with the Plan of Arrangement. No material resources have been dedicated to these early stage properties since they were acquired by Regulus. These early stage properties are summarized below.

<b>Property</b>	<b>Location</b>	<b>Ownership</b>	<b>Hectares</b>
Catua	Jujuy Province, Argentina	100%	900
El Camino	Salta Province, Argentina	100%	4,100
La Frontera	Catamarca Province, Argentina	100%	1,200
Oscara	Salta Province, Argentina	100%	19,004

No work is currently planned for the other projects in the Aldebaran portfolio; however, the Company is evaluating and planning how to move those projects forward. In parallel, the Company has been engaged with third parties to discuss potential for joint venture or other partnerships to advance these projects.

**Selected Annual Information**

The following selected annual financial information is derived from the audited annual consolidated financial statements of the Company prepared in accordance with IFRS guidelines.

	2021	2020	2019
Working capital	\$7,323,170	\$462,196	\$ 5,096,225
Net loss	(1,783,774)	(1,994,582)	(544,216)
Loss per share	(0.02)	(0.03)	(0.01)
Total assets	74,019,390	65,035,941	64,682,678
Exploration and evaluation assets	66,617,900	64,481,686	59,484,187

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**Summary of Quarterly Results**

The following is a summary of certain selected financial information for the most recent eight fiscal quarters.

All in \$1,000's except loss per share	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Working Capital	\$7,323	\$1,072	\$3,245	\$4,531
Loss (gain)	\$39	\$255	\$397	\$1,093
Loss (gain) per share	\$0.01	\$0.00	\$0.00	\$0.01
Loss (gain) per common share (diluted)	\$0.01	\$0.00	\$0.00	\$0.01
Total Assets	\$74,019	\$68,887	\$69,103	\$69,602
Total Liabilities	\$530	\$479	\$419	\$562
Deficit	\$4,323	\$4,284	\$4,028	\$3,632

All in \$1,000's except loss per share	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Working Capital (Deficiency)	\$462	\$1,404	\$3,405	\$4,441
Loss (gain)	\$318	\$249	\$708	\$719
Loss (gain) per share	\$0.00	\$0.01	\$0.01	\$0.01
Loss (gain) per common share (diluted)	\$0.00	\$0.01	\$0.01	\$0.01
Total Assets	\$65,036	\$64,077	\$63,961	\$64,494
Total Liabilities	\$497	\$604	\$333	\$527
Deficit	\$2,539	\$2,221	\$1,972	\$1,263

**Results of Operations**

*Results of Operations for the Year Ended June 30, 2021 Compared to the Year Ended June 30, 2020*

During the year ended June 30, 2021, loss from operating activities was \$1,783,774 (2020 – \$1,994,582). Significant variances from the same period in the prior year are as follows:

- Consulting was \$146,635 for the year ended June 30, 2021 (2020 – \$77,007). The variance was mainly due to the addition of new consultants in the current year.
- Investor relations was \$75,600 for the year ended June 30, 2021 (2020 – \$40,320). The variance was mainly due to increased shareholder communication expenses in the current year.
- Share-based compensation was \$838,058 for the year ended June 30, 2021 (2020 - \$1,231,777). The variance is due to the timing of vested stock options issued in June 2019, July 2019 and September 2020.
- Transfer agent and filing fees was \$102,374 for the year ended June 30, 2021 (2020 – \$39,581). The variance is due to increased filing and stock exchange fees in the current year.
- Gain on foreign exchange was \$496,039 for the year ended June 30, 2021 (2020 – \$575,471). The variance was mainly the result of fluctuations of the US\$, the A-Peso and the CAD\$.

*Results of Operations for the Three Months Ended June 30, 2021 Compared to the Three Months Ended June 30, 2020*

During the three months ended June 30, 2021, loss from operating activities was \$38,773 (2020 – \$317,733). Significant variances from the same period in the prior year are as follows:

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- Consulting was \$57,272 for the three months ended June 30, 2021 (2020 – \$15,796). The variance was mainly due to the addition of new consultants in the current period.
- Investor relations was \$28,940 for the three months ended June 30, 2021 (2020 – \$10,327). The variance was mainly due to increased shareholder communication expenses in the current period.
- Transfer agent and filing fees was \$64,079 for the three months ended June 30, 2021 (2020 – \$10,064). The variance is due to increased filing and stock exchange fees in the current period.

**Liquidity and Capital Resources**

Cash at June 30, 2021 totaled \$7,285,359. Working capital at June 30, 2021 was \$7,323,170 compared to working capital of \$462,196 as at June 30, 2020. Exploration and evaluation assets at June 30, 2021 totaled \$66,617,900 compared to \$64,481,686 as at June 30, 2020.

In September 2020, the Company closed a financing of 15,999,999 units at \$0.30 per unit for proceeds of \$4,800,000.

In May 2021, the Company closed a financing of 20,858,573 units at \$0.45 per unit for proceeds of \$9,386,358.

As at the date hereof, the Company has sufficient working capital to continue operations for at least the next 12 months. The ability of the Company to recover the costs it has incurred to date on its exploration and evaluation assets is dependent upon the Company being able to finance its exploration and development expenditures and to resolve any environmental, regulatory or other constraints which may hinder the successful exploitation or disposal of its exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

**Share Capital**

The Company's authorized capital consists of an unlimited number of common shares without par value.

As at the date of this report, the Company had the following outstanding:

- 114,494,531 common shares
- Stock options

Number of Options	Exercise Price (\$)	Expiry Date
300,000	0.40	August 28, 2023
3,400,000	1.25	June 3, 2024
1,620,000	0.75	June 3, 2024
200,000	1.25	July 15, 2024
2,000,000	0.40	August 28, 2025
7,520,000		

- Warrants

Number of Warrants	Exercise Price (\$)	Expiry Date
7,999,996	0.70	September 15, 2022
10,723,591	0.70	May 3, 2023
18,723,587		

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**Related Party Transactions**

During the year ended June 30, 2021, the Company entered into the following transactions with key management personnel and related parties:

- a) Double Black Diamond Resources LLC. ("DBD Resources") is a private company controlled by Mr. John Black, CEO and a director of the Company. For the year ended June 30, 2021, DBD Resources was paid \$128,098 (2020 - \$134,400). Management services paid to DBD Resources are classified as management fees in the consolidated statements of profit or loss. At June 30, 2021, the Company owed \$Nil (June 30, 2020 - \$Nil) to DBD Resources.
- b) Unicus Funds Ltd. ("Unicus") is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the year ended June 30, 2021, Unicus was paid \$75,000 (2020 - \$75,000). Management services paid to Unicus are classified as management fees in the consolidated statements of profit or loss. At June 30, 2021, the Company owed \$Nil (June 30, 2020 - \$Nil) to Unicus.
- c) K.B. Heather & Socios Limitada (The Rock Doctor Limitada) ("K.B. Heather") is a private company controlled by Dr. Kevin B. Heather, CGO and a director of the Company. For the year ended June 30, 2021, K.B. Heather was paid \$160,491 (2020 - \$168,000). Management services paid to K.B. Heather are classified as management fees in the consolidated statements of profit or loss. At June 30, 2021, the Company owed \$Nil (June 30, 2020 - \$Nil) to K.B. Heather.
- d) At June 30, 2021, the Company was owed \$867 (June 30, 2020 - owed \$274) of expenses from Regulus Resources Inc., a company with common directors and management.
- e) During the year ended June 30, 2021, the Company issued 1,825,000 (2020 - 200,000) stock options to directors and officers of the Company. The Company recognized a total of \$446,069 (2020 - \$779,233) share-based compensation expense to related parties, which included vested options that had been issued in previous years.

**Key Management Personnel:**

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 executive and non-executive members of the Company's Board of Directors and corporate officers.

The remuneration of directors and other members of key management personnel are as follows:

	Fees	Share-based Benefits	Total
Year ended June 30, 2021			
Chief Executive Officer	\$ 128,098	\$ 120,306	\$ 248,404
Chief Geological Officer	160,491	120,306	280,797
Chief Financial Officer	75,000	120,306	195,306
Non-executive directors	-	85,151	85,151
	<u>\$ 363,589</u>	<u>\$ 446,069</u>	<u>\$ 809,658</u>
Year ended June 30, 2020			
Chief Executive Officer	\$ 134,400	\$ 219,207	\$ 353,607
Chief Geological Officer	168,000	219,207	387,207
Chief Financial Officer	75,000	219,207	294,207
Non-executive directors	-	121,612	121,612
	<u>\$ 377,400</u>	<u>\$ 779,233</u>	<u>\$ 1,156,633</u>

Amounts due to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

### **Risks and Uncertainties**

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The more significant risks include:

#### *COVID-19*

As at the date of this MD&A, the global development of COVID-19 was continuing to rapidly evolve on a daily basis. The unprecedented nature and heightened uncertainty of the situation means that the extent and impact of the risks posed to Aldebaran by COVID-19 and other epidemics/pandemics/endemic diseases cannot be fully known, quantified, or predicted with any certainty. Global phenomena such as COVID-19 increase the risk of significant labour force disruption (including the supply of labour or site/country access) and the potential loss (permanent/temporary) of personnel. Our operations are located in remote locations and represent concentrations of personnel working and sometimes residing in close proximity to one another. COVID-19 has the potential to spread rapidly and place the Company's workforce at risk. As a Company, where practicably possible, steps are being continually assessed and implemented, as appropriate, to both protect employees and mitigate risks to operations from these threats and impacts, but there can be no assurance as to the level of impact the pandemic will have.

#### *Exploration and Development Risk*

The Company's properties are in the exploration stage and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries, civil unrest, general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

#### *Negative Operating Cash Flow*

## ALDEBARAN RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties; however, there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

#### *Altar Project Obligations*

If the Company fails to fund the US\$30 million of expenditures as required under the Altar JV Agreement (see Note 5 to the Financial Statements), the Company will forfeit its right to earn any interest in the Altar project.

#### *Mineral Resource Estimates*

The Company's reported mineral resources are estimations only. No assurance can be given that the estimated mineral resources will be recovered. By their nature, mineral resource estimations are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral resource estimations may require revision (either up or down). There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions. In particular, factors that may affect mineral resource estimates include:

- changes in interpretations of mineralization geometry and continuity of mineralization zones;
- input parameters used in the Whittle shell that constrains the mineral resources amenable to open pit mining methods;
- metallurgical and mining recoveries;
- operating and capital cost assumptions;
- metal price and exchange rate assumptions;
- confidence in modifying factors, including assumptions that surface rights to allow infrastructure to be constructed will be forthcoming;
- delays or other issues in reaching agreements with local or regulatory authorities and stakeholders;
- changes in land tenure requirements or permitting requirements from those discussed in the report; and
- changes in the environmental regulations or laws governing the property.

Changes in key assumptions and parameters could result in a restatement of mineral resource estimates. Mineral resources that are not mineral reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to mineral resources, there is no assurance that all or any part of Measured or Indicated mineral resources will ever be converted into mineral reserves. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition.

#### *Title Risk*

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license. The Company is earning an interest in the Altar property through an option agreement requiring exploration expenditures and acquisition of title to the properties is completed only when the option conditions have been met. If the Company does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

#### *Foreign Operations Risk*

The Company conducts exploration activities in foreign countries, including Argentina. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation,



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labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

*Metal Price Risk*

The Company's portfolios of properties and investments have exposure to predominantly copper, gold, silver and molybdenum. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the common shares of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metal prices.

Commodity prices, and in particular copper prices, may be significantly affected by both demand and supply-side disruptions as a result of COVID-19, global shutdowns as a result of COVID-19 and its continuing impact on economies around the world.

*Uncertainty of Funding*

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Recent economic events, including US-China trade disputes, the COVID-19 global pandemic, disruptions to national and international supply chains and rising inflationary trends worldwide have created further uncertainty in global financial and equity markets and may adversely impact the Company's share price and ability to raise capital.

*Future Offerings of Debt or Equity Securities*

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

*Economic and Political Instability in Argentina*

All of the Company's properties, including the Altar project, are located in Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on

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certain contractual arrangements. Prior to December 2015, the Argentinean government placed currency controls on the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multi-national companies to distribute dividends abroad in United States dollars) and revoked exemptions previously granted to companies in the oil and gas and mining sectors from the obligation to repatriate 100% of their export revenues to Argentina for conversion in the local foreign exchange markets, prior to transferring funds locally or overseas. Similarly, the government adopted a requirement that importers provide notice to the government and obtain approval for importation before placing orders for certain goods. Most of these measures were lifted by the Macri government that took office in December 2015. In October 2019, the government once again placed currency controls on the ability of companies and its citizens to obtain United States dollars. In December 2019, a Peronist government under President Alberto Fernandez took office. Past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Company's activities in Argentina or its ability to attract joint venture partners or obtain financing for its projects in the future.

#### *Currency Risk*

The Company transacts business in a number of currencies including but not limited to the Canadian Dollar, the US Dollar and the Argentine Peso. The Argentine Peso in particular has had significant fluctuations in value relative to the US and Canadian dollars. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine Peso that are greater than those experienced in the recent past. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

#### *Internal Controls*

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

#### *Information Systems and Cyber Security*

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

#### *Corruption and Bribery*

The Company is required to comply with anti-corruption and anti-bribery laws, including the Canadian *Extractive Sector Transparency Measures Act*, the Canadian *Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which the Company conducts its business. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company. The Company has adopted a comprehensive Anti-Corruption Policy in order to mitigate this risk.

#### *Competition*

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Company may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

#### *Uninsurable Risks*

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Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

*Environmental Risks*

It is possible that future regulatory developments, such as increasingly strict environmental protection laws, climate change policies, regulations and enforcement policies, and claims for damages to property and persons resulting from the Company's operations, could result in additional costs and liabilities, restrictions on or suspension of the Company's activities and delays in the exploration of and development of its properties.

The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages and extreme weather events, may have an adverse effect on our operations. Events or conditions such as flooding or inadequate water supplies could disrupt exploration activities and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on our properties. Such events or conditions could also have other adverse effects on our operations, our workforce and on the local communities surrounding our properties, such as an increased risk of food, water scarcity and civil unrest.

*Tax*

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

Disclosure For Venture Issuers Without Significant Revenue

A breakdown of the components of the Company's general and administrative expenses is disclosed in the consolidated financial statements for the year ended June 30, 2021 to which this MD&A relates. A breakdown of the components of the exploration and evaluation assets of the Company is disclosed in the consolidated financial statements for the year ended June 30, 2021 to which this MD&A relates.

Investor Relations

In January 2019, the Company executed an agreement with Ms. Laura Brangwin to provide investor relations services to the Company (the "IR Agreement"). Ms. Brangwin is paid USD\$2,500 per month and her agreement provides for the grant of 50,000 stock options of the Company under the terms and conditions of the Company's Stock Option Plan. Ms. Brangwin does not own any shares of Aldebaran.

Financial and Capital Risk Management

Please refer to the June 30, 2021 audited consolidated financial statements on [www.sedar.com](http://www.sedar.com).

Recent Accounting Policies

Please refer to the June 30, 2021 audited consolidated financial statements on [www.sedar.com](http://www.sedar.com).

Financial Instruments

Please refer to the June 30, 2021 audited consolidated financial statements on [www.sedar.com](http://www.sedar.com).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Internal Controls Over Financial Reporting

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*Changes in Internal Control over Financial Reporting ("ICFR")*

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management's Responsibility for Financial Statements

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Other MD&A Requirements

Additional information relating to the Company's operations and activities can be found by accessing the Company's news releases and filings on SEDAR at [www.sedar.com](http://www.sedar.com).

Cautionary Note - Forward Looking Statements

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of Aldebaran Resources Inc. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, the impact of COVID-19 on the Company's operations, personnel, ability to finance and outlook, as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the assumptions used in the mineral resources estimates for the Altar and Rio Grande projects, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties, the impact of the COVID-19 pandemic on the Canadian and worldwide economy, the Company's workforce, world wide demand for commodities and the Company's business generally; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A contains forward-looking statements or information pertaining to the anticipated timing or ability to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of studies and any potential development scenarios; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to

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build shareholder value; expectations with regard to adding to mineral resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, mineral resources, costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)).