VR RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
VR Resources Ltd.

Opinion

We have audited the accompanying consolidated financial statements of VR Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity 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 March 31, 2022 and 2021, 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 audit 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 audit 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 as at March 31, 2022, the Company had working capital of $1,724,253 and an accumulated deficit of $11,781,303 and expects to incur further losses in its business. 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 Zachary Faure.

Davidson & Company LLP

Vancouver, Canada   Chartered Professional Accountants

July 14, 2022

VR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31,
(Expressed in Canadian Dollars)

	2022	2021
ASSETS		
Current		
Cash and cash equivalents (Note 3)	$ 1,968,469	$ 2,931,748
Receivables (Note 4)	8,730	36,411
Prepaid expenses	65,364	27,169
	2,042,563	2,995,328
Equipment (Note 5)	2,264	3,234
Exploration and evaluation assets (Note 6)	9,146,463	8,398,242
Reclamation bond (Note 7)	55,357	-
	$ 11,246,647	$ 11,396,804
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 109,552	$ 189,167
Flow-through premium liability (Note 9)	208,758	-
	318,310	189,167
Shareholders' equity		
Share capital (Note 9)	20,161,916	18,248,469
Reserves (Note 9)	2,407,994	1,955,666
Deficit	(11,781,303)	(9,168,743)
Accumulated other comprehensive income	139,730	172,245
	10,928,337	11,207,637
	$ 11,246,647	$ 11,396,804

Nature of operations and going concern (Note 1)

On behalf of the Board
on July 14, 2022

"Michael Gunning" Director *"Craig Lindsay"* Director

VR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31,
(Expressed in Canadian Dollars)

	2022	2021
EXPENSES		
Consulting fees (Note 11)	$ 24,000	$ 48,500
Depreciation (Note 5)	970	1,386
Foreign exchange	12,552	38,346
Investor relations and promotion	119,414	54,299
Office	58,231	51,405
Professional fees	41,066	61,806
Rent	24,000	20,770
Salaries (Note 11)	277,932	269,814
Share-based payments (Notes 9(b) and 11)	426,574	216,867
Regulatory and transfer agent	46,619	49,986
Travel	-	194
	(1,031,358)	(813,373)
OTHER		
Interest income	7,669	18,540
Other income – flow-through (Note 9(a))	123,322	-
Impairment of exploration and evaluation assets (Note 6)	(1,712,193)	(12,093)
Loss for the year	(2,612,560)	(806,926)
Other comprehensive loss to be reclassified to profit or loss in subsequent years:		
Translation adjustment	(32,515)	(511,493)
Loss and comprehensive loss for the year	$ (2,645,075)	$ (1,318,419)
Loss per common share		
-Basic and diluted	$ (0.03)	$ (0.01)
Weighted average number of common shares outstanding		
-Basic and diluted	81,126,475	70,309,409

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

VR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31,
(Expressed in Canadian Dollars)

	2022	2021
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	$ (2,612,560)	$ (806,926)
Items not affecting cash:		
Share-based payments	426,574	216,867
Depreciation	970	1,386
Flow-through premium liability	(123,322)	-
Impairment of exploration and evaluation assets	1,712,193	-
Changes in non-cash working capital items:		
Receivables	27,681	77,282
Prepaid expenses	(38,195)	(4,994)
Accounts payable and accrued liabilities	(70,643)	63,569
Net cash used in operating activities	(677,302)	(452,816)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Net proceeds from the issuance of shares	2,253,281	3,952,941
Net cash provided by financing activities	2,253,281	3,952,941
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(2,483,901)	(2,037,028)
Reclamation bond	(55,357)	-
Net cash used in investing activities	(2,539,258)	(2,037,028)
Change in cash and cash equivalents during the year	(963,279)	1,463,097
Cash and cash equivalents, beginning of year	2,931,748	1,468,651
Cash and cash equivalents, end of year	$ 1,968,469	$ 2,931,748
Cash paid during the year for:		
Income taxes	$ -	$ -
Interest	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 10)

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

VR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share capital										
	Number of Shares		Amount		Reserves		Deficit		Accumulated Other Comprehensive Income		Total
Balance as at March 31, 2020	60,717,801	$	14,192,733	$	1,715,719	$	(8,361,817)	$	683,738	$	8,230,373
Private placement	15,807,108		3,983,703		-		-		-		3,983,703
Share issue cost	-		(153,680)		-		-		-		(153,680)
Broker warrants	-		(23,080)		23,080		-		-		-
Warrants exercised	478,032		122,918		-		-		-		122,918
Property acquistion	375,000		125,875		-		-		-		125,875
Share-based payments	-		-		216,867		-		-		216,867
Translation adjustment	-		-		-		-		(511,493)		(511,493)
Loss for the year	-		-		-		(806,926)		-		(806,926)
Balance as at March 31, 2021	77,377,941	$	18,248,469	$	1,955,666	$	(9,168,743)	$	172,245	$	11,207,637
Private placement	5,250,626		2,000,000		-		-		-		2,000,000
Flow-through premium	-		(332,080)		-		-		-		(332,080)
Exercise of warrants	1,023,375		358,181		-		-		-		358,181
Share issue cost	-		(104,900)		-		-		-		(104,900)
Reclassification of reserves on exercise of warrants	-		9,504		(9,504)		-		-		-
Residual value of warrants	-		(14,286)		14,286		-		-		-
Finders fees - warrants issued	-		(20,972)		20,972		-		-		-
Share-based payments	-		-		426,574		-		-		426,574
Property acquistion	50,000		18,000		-		-		-		18,000
Translation adjustment	-		-		-		-		(32,515)		(32,515)
Loss for the year	-		-		-		(2,612,560)		-		(2,612,560)
Balance as at March 31, 2022	83,701,942	$	20,161,916	$	2,407,994	$	(11,781,303)	$	139,730	$	10,928,337

1. NATURE OF OPERATIONS AND GOING CONCERN

VR Resources Ltd. (the "Company") was incorporated on May 7, 2015, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) and continued in British Columbia. The Company's head office address is at 409 Granville Street, Suite 1500, Vancouver, BC, V6C 1T2. The Company's registered and records office address is at 550 Burrard Street, Suite 2300, Vancouver, BC, V6E 2B5. To date, the Company has not earned operating revenue.

As at March 31, 2022, the Company had working capital of $1,724,253 and an accumulated deficit of $11,781,303. The Company expects to incur further losses in the development of its business. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing, realizing the carrying values of exploration and evaluation assets, and achieving future profitable operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company is in the process of exploring its own mineral exploration properties and evaluating new properties for potential acquisition. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared based on accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal courses of business rather than through a process of forced liquidation. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. Since the declaration, the COVID-19 pandemic has adversely affected workforces, economics, and financial markets globally. The spread of COVID-19 resulted in temporary travel restrictions to USA and in Canada, which made work more challenging, however disruptions were minimal to the Company's business.

The extent to which COVID-19 may impact the Company's business and operations will depend on future developments that are highly uncertain and cannot be accurately estimated at this time, including new information which may emerge concerning the severity of and the actions required to contain COVID-19 or remedy its impact.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain balances on the statement of loss and comprehensive loss were reclassified to conform with current year presentation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of consolidation

These consolidated financial statements represent the results of the Company and its wholly owned subsidiaries. Amounts are reported in Canadian dollars, unless otherwise indicated.

Subsidiary	Location	Ownership Interest
Renntiger Resources Ltd. ("Renntiger")	Canada	100%
Renntiger Resources USA Ltd ("Renntiger USA")	USA	100%

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity 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.

The reporting currency of the Company is Canadian dollars. 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 Renntiger is the Canadian dollars ("CAD"), while the functional currency of Renntiger USA is the United States dollars ("USD"). 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 ("IAS 21").*

Foreign currency transactions

<u>Translation of foreign transactions and balances into the functional currency</u>

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

<u>Translation of the functional currency into the presentation currency</u>

The results of foreign operations which have a different functional currency than the Company are translated to Canadian dollars at appropriate average rates of exchange during the period. The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operations to Canadian dollars at period end are recognized in accumulated other comprehensive income as a translation adjustment.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with banks and redeemable investment-grade short-term deposit certificates readily convertible into cash, and/or have maturities of three months or less from acquisition.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, and costs associated with exploration and evaluation activity. All costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are expensed through profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to development assets within property and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

Decommissioning and Restoration Provisions

Decommissioning and restoration provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Decommissioning and restoration provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized in profit or loss.

Decommissioning and restoration provisions are recognized at the present value of management's best estimate of fair value of the expenditures required to settle the present obligation at the reporting date. Subsequent to initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion whereas increases/decreases due to changes in the estimated future cash flows are added to or deducted from the related asset. Actual costs incurred upon settlement of decommissioning and restoration provisions are charged against the provision to the extent the provisions were established.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably. Changes in reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost.

The Company did not have any decommissioning and restoration provisions for the periods presented.

Impairment of long-lived assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any 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 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 the impairment loss is recognized in profit or loss for the period. 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 subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recorded over the estimated useful lives of the assets on a declining balance basis:

Computer equipment	30%

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and other equity instruments are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program on its Canadian assets. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Where the flow-through common share is issued as part of a unit, the value is first allocated between the unit and the flow-through premium, and then bifurcated between the common share and the warrant on a residual value basis.

As qualified flow-through expenses are incurred the Company relieves the liability and recognizes the premium in profit or loss as other income.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds, renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset. At inception or on assessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the Company's estimate or assessment of the expected amount payable under a residual value guarantee, purchase, and extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term. Total amounts expensed during the year ended March 31, 2022 related to short-term leases are $24,000 (2021 - $20,770).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVPL"), or fair value through other comprehensive income ("FVOCI").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held with the objective of collecting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

All financial assets not classified as amortized cost or FVOCI are classified as and measured at FVPL. This includes all derivative assets. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as FVPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVPL or FVOCI. Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method. For assets and liabilities measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The Company has classified and measured its financial instruments as described below:

- Cash is classified as FVPL.
- Receivables are classified as and measured at amortized cost.
- Reclamation bond is classified as and measured at amortized cost.
- Accounts payable and accrued liabilities are classified as and measured at amortized cost.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments

The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in reserves. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. The Company annually revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to reserves.

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 payment. Otherwise, share-based payments are measured at the fair value of goods and services received.

Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. 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.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions 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.

The information about significant areas of judgment considered by management in preparing these consolidated financial statements is as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Critical accounting estimates and judgments (cont'd…)

Going concern

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

The information about significant areas of estimation uncertainty considered by management in preparing these consolidated financial statements is as follows:

Income taxes

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. 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.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, profit or loss and cash flows.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and these assets have been accounted for under the assumption that the carrying value 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 development, and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves.

Share-based payments

Estimating the fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

New standards and interpretations adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods which are not expected to have a material effect on the Company's consolidated financial statements. There were no new standards adopted by the Company during the year ended March 31, 2022 having a material effect on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consists of the following:

	March 31, 2022	March 31, 2021
Cash	$ 1,968,469	$ 290,958
Cash equivalents	-	2,640,790
Total	$ 1,968,469	$ 2,931,748

4. RECEIVABLES

Receivables consist of GST receivable of $8,730 (2021 - $27,646) and other receivable of $Nil (2021 - $8,765). The Company does not have any significant balances that are past due. All receivables are current, and the Company does not have any allowance for doubtful accounts as at March 31, 2022 and 2021. Due to their short-term maturities, the fair value of receivables approximates their carrying value.

5. EQUIPMENT

	Computer Equipment
Cost:	
Balance at March 31, 2021 and 2022	$ 11,020
Accumulated Depreciation:	
Balance at March 31, 2020	$ 6,400
Depreciation	1,386
Balance at March 31, 2021	$ 7,786
Depreciation	970
Balance at March 31, 2022	$ 8,756
Net Book Value:	
Balance at March 31, 2021	$ 3,234
Balance at March 31, 2022	$ 2,264

6. 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 exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

a) Bonita – Nevada, USA

The Company acquired the Bonita copper-gold property in Humboldt County, Nevada, USA, through staking. Upon initiation of a diamond drill program within the area of interest surrounding the original property (completed during the year ended March 31, 2018), the Company met its obligation to issue an additional 450,000 common shares to the original finder, which were issued with a fair value of $148,500.

The Company has a 100% interest in the claims, free and clear of any interests or royalties.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

b) Big Ten Project – Nevada, USA

The principal properties comprising the Big Ten project are Danbo, Amsel and Clipper and are summarized below.

Danbo Property

The Company owns a 100% interest in certain unpatented mining claims located in Nye County, Nevada, USA. The property is also subject to a 3% net smelter returns royalty and the Company has the right to purchase one-half of the royalty for US $3,000,000.

Amsel Property

The Company entered into an option to purchase agreement in 2018 to earn a 100% interest in the Amsel property located in Nye County, Nevada, USA. To acquire the Amsel property, the Company is required to pay US$60,000 and issue 100,000 common shares as follows:

- 50,000 common shares on closing (issued, fair value of $19,750);
- US$10,000 on closing (paid);
- 50,000 common shares on the first business day following commencement of a drill program on the property (issued, fair value of $18,000); and
- US$50,000 (paid) on the first business day following commencement of a drill program on the property.

The property is subject to a 2% net smelter returns royalty and the Company has the right to buy back up to one-half of the royalty for US$500,000 per half a percent.

Clipper Property

The Company acquired the Clipper property by staking. It is comprised of 17 claims located approximately 4 km southeast along trend from the Danbo property.

c) Ranoke Property, Ontario, Canada

The Company acquired the Ranoke property directly by staking in April 2019. The property is owned 100% by the Company, free and clear of any interests or royalties. The claims are in good standing through April 2025.

During the year ended March 31, 2022, the Company determined that the carrying value of its interest in the Ranoke property was impaired because no additional expenditures, at this time, are planned for the property. The Company accordingly wrote-off acquisition and exploration expenditures on the property of $1,701,735 as impairment of exploration and evaluation assets.

d) Hecla-Kilmer Property, Ontario, Canada

During the year ended March 31, 2021, the Company entered into an option to purchase agreement to earn a 100% interest in the Hecla-Kilmer property located in Ontario, Canada. To acquire the property, the Company was required to pay $15,000 (paid) and issue 75,000 common shares (issued, fair valued of $21,375). When the Company commenced its initial drill program on the property, an additional payment of $50,000 (paid) and the issuance of an additional 100,000 (issued, fair value of $34,500) common shares were made.

The property is subject to a 3% net smelter returns royalty and the Company has the right to buy back 1.5% of the royalty for $500,000 for each 0.5% for a maximum cost of $1,500,000.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

e) Reveille Property, Nevada, USA

During the year ended March 31, 2021, the Company entered into an option to purchase agreement to earn a 100% interest in the Reveille property located in Nevada, USA. To acquire the property, the Company is required to pay US$20,000 (paid) and issue 100,000 common shares (issued, fair value of $31,000). The Company commenced a drill program and was required to make an additional payment of US$50,000 (paid) and issue an additional 100,000 (issued, fair value of $39,000) common shares.

The property is subject to a 3% net smelter returns royalty and the Company has the right to buy back 1.5% of the royalty for US$500,000 for each 0.5% for a maximum cost of US$1,500,000.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

	Junction / New Boston	Ranoke	Hecla-Kilmer	Bonita	Big Ten	Reveille	Total
Acquisition costs							
Balance, March 31, 2021	$ -	$ 14,750	$ 132,525	$ 1,444,669	$ 131,984	$ 204,910	$ 1,928,838
Cash payment	-	-	-	-	62,645	-	62,645
Shares issued	-	-	-	-	18,000	-	18,000
Staking fees	10,458	-	-	18,478	-	107,698	136,634
Land administration	-	-	-	-	33,627	-	33,627
Translation adjustment	-	-	-	(4,234)	(959)	(556)	(5,749)
		-	-	14,244	113,313	107,142	234,699
Impairment	(10,458)	(14,750)	-	-	-	-	(25,208)
Balance, March 31, 2022	$ -	$ -	$ 132,525	$ 1,458,913	$ 245,297	$ 312,052	$ 2,148,787
Deferred exploration costs							
Balance, March 31, 2021	$ -	$ 1,686,985	$ 1,014,235	$ 2,653,328	$ 469,353	$ 645,503	$ 6,469,404
Drilling	-	-	615,304	-	230,896	385,946	1,232,146
Field	-	-	206,556	-	28,169	23,822	258,547
Geochemistry	-	-	187,272	-	-	253,376	440,648
Geological	-	-	172,531	-	46,068	141,008	359,607
Geophysical	-	-	82,624	-	-	57,618	140,242
Permitting	-	-	-	-	10,834	-	10,834
Government grant	-	-	(200,000)	-	-	-	(200,000)
Translation adjustment	-	-	-	(16,669)	(3,780)	(6,318)	(26,767)
		-	1,064,287	(16,669)	312,187	855,452	2,215,257
Impairment	-	(1,686,985)	-	-	-	-	(1,686,985)
Balance, March 31, 2022	$ -	$ -	$ 2,078,522	$ 2,636,659	$ 781,540	$ 1,500,955	$ 6,997,676
Balance, March 31, 2022	**$ -**	**$ -**	**$ 2,211,047**	**$ 4,095,572**	**$ 1,026,837**	**$ 1,813,007**	**$ 9,146,463**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

	Junction / New Boston	Ranoke	Hecla-Kilmer	Bonita	Big Ten	Reveille	Total
Acquisition costs							
Balance, March 31, 2020	$ -	$ 14,750	$ -	$ 1,505,145	$ 107,988	$ -	$ 1,627,883
Staking fees	12,093	-	11,650	1,107	-	32,887	57,737
Cash	-	-	65,000	-	-	91,435	156,435
Shares issued	-	-	55,875	-	-	70,000	125,875
Land administration	-	-	-	21,803	35,300	12,203	69,306
Translation adjustment	-	-	-	(83,386)	(11,304)	(1,615)	(96,305)
	-	-	132,525	(60,476)	23,996	204,910	300,955
Impairment	(12,093)						(12,093)
Balance, March 31, 2021	$ -	$ 14,750	$ 132,525	$ 1,444,669	$ 131,984	$ 204,910	$ 1,928,838
Deferred exploration costs							
Balance, March 31, 2020	$ -	$ 1,656,933	$ -	$ 2,990,212	$ 420,268	$ -	$ 5,067,413
Drilling	-	-	464,809	-	-	200,693	665,502
Field	-	19,055	103,258	2,042	7,919	22,681	154,955
Geochemistry	-	-	76,685	-	562	25,517	102,764
Geological	-	10,997	97,409	931	16,672	132,130	258,139
Geophysical	-	-	272,074	-	-	288,463	560,537
Permitting	-	-	-	-	75,282	-	75,282
Translation adjustment	-	-	-	(339,857)	(51,350)	(23,981)	(415,188)
	-	30,052	1,014,235	(336,884)	49,085	645,503	1,401,991
Balance, March 31, 2021	$ -	$ 1,686,985	$ 1,014,235	$ 2,653,328	$ 469,353	$ 645,503	$ 6,469,404
Balance, March 31, 2021	**$ -**	**$ 1,701,735**	**$ 1,146,760**	**$ 4,097,997**	**$ 601,337**	**$ 850,413**	**$ 8,398,242**

(Expressed in Canadian Dollars)

7. RECLAMATION BOND

The Company has a refundable reclamation bond related to its Big Ten Project with the USDA Forest Service in the state of Nevada, USA covering the Amsel Property for US$44,000 ($55,357) (2021 - $Nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2022		March 31, 2021
Trade payables	$	87,125	$	160,929
Accrued liabilities		22,427		28,238
	$	109,552	$	189,167

9. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

(a) Common shares issued

<u>During fiscal 2022:</u>

- The Company closed a non-brokered private placement consisting of 1,428,571 units at a price of $0.35 per unit and 1,190,476 flow-through shares at a price of $0.42 per flow-through share for total gross proceeds of $1,000,000. A flow-through premium liability of $95,238 was allocated to the flow-through obligation of this private placement, and the remainder of proceeds were allocated to share capital. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.55 per common share to November 15, 2022. A value of $14,286 was attributed to the warrants using the residual value method. The Company paid cash fees of $30,000 and issued 71,429 agent warrants valued at $8,099. Each agent warrant is exercisable at $0.55 per share to November 15, 2022. Additional share issue costs of $7,450 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at March 31, 2022, $500,000 of flow-through proceeds have been spent resulting in the flow-through premium of $95,238 recognized as other income.

- The Company closed a non-brokered private placement consisting of 2,631,579 flow-through shares at a price of $0.38 per flow-through share for gross proceeds of $1,000,000. A flow-through premium liability of $236,842 was allocated to the flow-through obligation of this private placement, and the remainder of proceeds were allocated to share capital. The Company paid cash fees of $60,000 and issued 157,894 agent warrants valued at $12,873. Each agent warrant is exercisable at $0.50 per share to June 1, 2023. Additional share issue costs of $7,450 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at March 31, 2022, $118,578 of flow-through proceeds have been spent resulting in $28,084 of the flow-through premium recognized as other income and $208,758 remaining as a flow-through premium liability. The Company must spend the remaining flow-through proceeds of $881,422 by December 31, 2022.

- The Company issued 1,023,375 common shares on the exercise of warrants for proceeds of $358,181. $9,305 was reclassified from reserves to share capital.

- The Company issued 50,000 common shares for the acquisition of exploration and evaluation assets at a fair value of $18,000 (Note 6b).

9. SHARE CAPITAL AND RESERVES (cont'd…)

During fiscal 2021:

- The Company completed a non-brokered private placement of 9,014,654 units at a price of $0.22 per unit and a flow-through private placement of 1,291,667 common shares at a price of $0.24 per share for gross proceeds of $2,293,223. There was no flow-through premium liability allocated to the flow-through obligation of this private placement. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of $0.35 to December 8, 2021 (3,207,322) and December 10, 2021 (1,300,000). The Company paid a cash finder's fee of $42,582 and issued 177,193 agent warrants valued at $21,086. Each agent warrant is exercisable at $0.35 to December 8, 2021. Additional share issue costs of $19,252 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at March 31, 2021, all flow-through proceeds have been spent.

- The Company completed a non-brokered private placement of 5,134,933 units at a price of $0.30 per unit for gross proceeds of $1,540,480 and paid a finder's fee of $68,579. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of $0.45 to July 29, 2022. Additional share issue costs of $11,067 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost.

- The Company completed a non-brokered private placement of 365,854 flow-through shares at a price of $0.41 per flow-through share for gross proceeds of $150,000. There was no flow-through premium liability allocated to the flow-through obligation of this private placement. The Company paid a cash finder's fee of $9,000 and issued 10,975 agent warrants valued at $1,994. Each agent warrant is exercisable at $0.55 to August 26, 2022. Additional share issue costs of $3,200 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at March 31, 2021, all flow-through proceeds have been spent.

- The Company issued 478,032 common shares on the exercise of warrants for proceeds of $122,918.

(b) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years, and the exercise price of the stock options is set in accordance with the policies of the TSX-V.

As at March 31, 2022, the Company had exercisable stock options outstanding enabling the holder to acquire common shares as follows:

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (cont'd…)

(b) Stock options (cont'd…)

Number of Shares	Exercise Price	Expiry Date	Weighted Average Life Remaining
105,000	$0.30	March 21, 2027	4.98
1,790,000	$0.30	March 21, 2027	4.98
250,000	$0.30	May 16, 2027	5.13
1,350,000	$0.30	April 13, 2028	6.04
200,000	$0.35	July 6, 2028	6.27
40,000	$0.25	October 2, 2028	6.51
975,000	$0.28	August 14, 2029	7.38
300,000	$0.30	September 9, 2029	7.45
900,000	$0.28	June 10, 2025	3.20
150,000	$0.30	August 27, 2025	3.41
1,425,000	$0.45	July 14, 2026	4.29
7,485,000			5.25

Stock option transactions during the years ended March 31, 2022 and 2021 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at March 31, 2020	5,035,000	$ 0.30
Expired	(25,000)	0.28
Granted	2,050,000	0.28
As at March 31, 2021	6,060,000	$ 0.30
Granted	1,425,000	0.45
As at March 31, 2022	7,485,000	$ 0.32

During the year ended March 31, 2022, the Company recognized share-based payments expense of $426,574 (2021 - $216,867) in connection with the vesting of stock options granted.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted during the years ended March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
Share price	$ 0.42	$ 0.28
Risk-free interest rate	0.91%	0.38%
Expected life of options	5.0	5.0
Annualized volatility	94%	100%
Dividend rate	0%	0%
Weighted average fair value per option granted	$ 0.30	$ 0.28

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (cont'd…)

(c) Warrants

The following common share purchase warrants entitle the holders thereof to purchase one common share for each warrant. Warrant transactions during the years ended March 31, 2022 and 2021 are as follows:

	Number of Warrants	Weighted Average Exercise Price
As at March 31, 2020	4,379,268	$ 0.40
Agents' warrants issued	188,168	$ 0.36
Warrants issued in private placement	7,074,788	$ 0.39
Warrants exercised	(478,032)	$ 0.26
Warrants expired	(3,011,713)	$ 0.37
As at March 31, 2021	8,152,479	$ 0.40
Agents' warrants issued	229,323	$ 0.52
Warrants issued in private placement	714,285	$ 0.55
Warrants exercised	(1,023,375)	$ 0.35
Warrants expired	(4,550,663)	$ 0.38
As at March 31, 2022	3,522,049	$ 0.47

The weighted average remaining contractual life of warrants outstanding at March 31, 2022 was 0.43 (2021 – 0.82) years.

Warrants outstanding as at March 31, 2022 are as follows:

Number of Warrants	Exercise Price	Expiry Date
2,567,466	$0.45	July 28, 2022
10,975	$0.55	August 26, 2022
785,714	$0.55	November 15, 2022
157,894	$0.50	June 1, 2023
3,522,049		

The weighted average Black-Scholes inputs for the agent warrants granted during the years ended March 31, 2022 and 2021 are as follows:

	March 31, 2022	March 31, 2021
Share price	$0.31	$0.29
Risk-free interest rate	0.75%	0.32%
Expected life of warrants	1.50	1.50
Annualized volatility	100%	100%
Dividend rate	-	-
Weighted average fair value per warrant granted	$0.09	$0.12

(Expressed in Canadian Dollars)

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing activities during the year ended March 31, 2022, consisted of the following:

- Accrued $77,139 of exploration and evaluation assets in accounts payable and accrued liabilities.
- Issued 50,000 common shares with a fair value of $18,000 for the acquisition of exploration and evaluation assets.
- Issued 229,323 agents' warrants with a fair value of $20,972.
- Issued 714,285 warrants with a fair value of $14,286 determined using the residual value method.
- Transferred $9,504 from reserves to share capital related to the fair value of warrants exercised.
- Recorded a flow-through premium of $332,090.

Significant non-cash investing and financing activities during the year ended March 31, 2021, consisted of the following:

- Accrued $86,111 of exploration and evaluation assets in accounts payable and accrued liabilities.
- Issued 375,000 common shares with a fair value of $125,875 for the acquisition of exploration and evaluation assets.

11. RELATED PARTY TRANSACTIONS

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. Key management personnel compensation for the years ended March 31, was:

		2022		2021
Short-term benefits paid or accrued:				
Salary	$	192,000	$	192,000
Consulting fees		24,000		24,000
		216,000		216,000
Share-based payments:				
Share-based payments		341,259		151,908
Total remuneration	**$**	**557,259**	**$**	**367,908**

During the year ended March 31, 2022, a company with common directors charged the Company $Nil (2021 - $16,010) for rent and other general and corporate compliance.

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company operates in one reportable segment being the acquisition and exploration of exploration and evaluation assets. Geographical information of the Company's non-current assets is as follows:

	March 31, 2022	March 31, 2021
Equipment - Canada	$ 2,264	$ 3,234
Exploration and evaluation assets - Canada	$ 2,211,047	$ 2,848,495
Exploration and evaluation assets - USA	$ 6,935,416	$ 5,549,747

13. CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest is in the exploration stage as such the Company has historically relied on equity financing to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year ended March 31, 2022.

14. FINANCIAL INSTRUMENTS AND 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 cash and cash equivalents is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, reclamation bond, and accounts payable and accrued liabilities approximate their fair value.

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The maximum credit risk is the carrying value of these assets. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company has deposited cash in high credit quality financial institutions and believes the credit risk with cash is remote.

14. FINANCIAL INSTRUMENTS AND 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 of March 31, 2022, the Company had a cash balance of $1,968,469 to settle current liabilities of $318,310. All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to raise additional equity financing in the coming fiscal year to continue to meet ongoing obligations and further its exploration programs.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in USD. Amounts exposed to foreign currency risk include cash of US$8,119 as of March 31, 2022 (Note 3). A 10% fluctuation in the USD against the CAD would result in a US$811, or an approximate $1,000 change in profit or loss for the year.

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 profit or loss 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 profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no debt and is not subject to significant exposure to interest rate risk.

15. INCOME TAXES

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

	2022	2021
Loss for the year	$ (2,612,560)	$ (806,926)
Expected income recovery	$ (705,000)	$ (218,000)
Change in statutory tax, and foreign exchange rates	43,000	74,000
Permanent differences	79,000	83,000
Impact of flow-through shares	167,000	205,000
Share issue costs	(28,000)	(41,000)
Adjustment to prior years provision versus statutory tax returns	(9,000)	(26,000)
Change in unrecognized deductible temporary differences and other	453,000	(77,000)
Total income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

15. INCOME TAXES (cont'd…)

Significant components of deductible temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statements of financial position are as follows:

		March 31, 2022	Expiry dates		March 31, 2021	Expiry dates
Share issue costs	$	258,000	2043 to 2046	$	259,000	2042 to 2045
Exploration and evaluation assets		953,000	No expiry		1,044,000	No expiry
Equipment		9,000	No expiry		8,000	No expiry
Non-capital losses		5,563,000	2030 to 2042		3,836,000	2030 to 2041
Canada		3,817,000	2030 to 2042		1,989,000	2030 to 2041
USA		1,746,000	No expiry		1,847,000	No expiry

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