



XANDER RESOURCES INC.

FINANCIAL STATEMENTS

Year Ended March 31, 2022 and 2021

(EXPRESSED IN CANADIAN DOLLARS)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Xander Resources Inc.

Opinion

We have audited the financial statements of Xander Resources Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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.

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 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters or conditions that indicate the existence of 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 comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Barry Hartley.

Dma

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 26, 2022



An independent firm
associated with Moore
Global Network Limited

**XANDER RESOURCES INC.**

Statements of Financial Position

As at March 31, 2022 and 2021

(Expressed in Canadian dollars)

	Note	March 31 2022	March 31 2021
ASSETS			
Current assets			
Cash		\$ 124,572	\$ 638,176
Taxes receivable		13,616	23,151
Prepaid expenses		17,170	66,511
Investment In QL Minerals Inc.	4	20,000	-
Total current assets		175,358	727,838
Total assets		\$ 175,358	\$ 727,838
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	\$ 191,272	\$ 43,569
Due to related parties	6	146,483	13,068
Liability component of convertible debentures	7	9,937	-
Total current liabilities		347,692	56,637
Non-current liabilities			
Liability component of convertible debentures	7	-	9,491
Total non-current liabilities		-	9,491
Total liabilities		347,692	66,128
EQUITY			
Share capital	8	4,337,539	3,167,447
Reserves	7,9	522,916	433,474
Deficit		(5,032,789)	(2,939,211)
Total equity		(172,334)	661,710
Total liabilities and equity		\$ 175,358	\$ 727,838

Nature of operations and going concern (Note 1)

Subsequent Events (Note 16)

Approved and authorized for issue by the Board of Directors on July 26, 2022:

"Dwayne Yaretz"

Dwayne Yaretz, Director

"Deepak Varshney"

Deepak Varshney, Director

Accompanying notes are an integral part of these financial statements.

**XANDER RESOURCES INC.**

Statements of Loss and Comprehensive loss
For the year ended March 31, 2022 and 2021
(Expressed in Canadian dollars)

	Note	Year ended	
		March 31, 2022	March 31, 2021
Expenses:			
Exploration and Evaluation Expenditures	4	\$ 1,170,198	\$ 654,257
Consulting and Management fees	6	393,289	464,182
Business promotion		217,887	38,645
Share-based payments	6,8	217,158	288,397
Property investigation		66,932	4,736
Professional fees	6	56,482	52,442
Transfer agent and filing fees		50,404	124,747
Office and miscellaneous		9,226	10,999
Insurance		-	3,900
Loss before other expenses		(2,181,576)	(1,642,305)
Other income (expenses):			
Foreign exchange loss		(574)	(695)
Gain on debt settlement		-	3,552
Interest expenses	7	(1,140)	(3,355)
Interest accretion	7	(447)	(1,473)
Net and comprehensive loss		\$ (2,183,737)	\$ (1,644,276)
Net loss per share, basic and diluted		\$ (0.08)	\$ (0.09)
Weighted average number of shares outstanding		27,195,291	18,121,412

Accompanying notes are an integral part of these financial statements



XANDER RESOURCES INC.

Statements of Changes in Equity
For the years ended March 31, 2022 and 2021
(Expressed in Canadian dollars)

	Share capital			Reserves			Equity component of convertible debentures (Note 7)	Deficit	Total
	Number of shares (Note 8)	Amount	Shares to be issued	Share-based payment reserve (Notes 8 and 9)	Warrants reserve (Note 9)				
Balance March 31, 2020	11,342,541	\$ 1,106,112	\$ -	\$ 103,200	\$ 1,766	\$ -	\$ (1,340,690)	\$ (129,612)	
Net and comprehensive loss	-	-	-	-	-	-	(1,644,276)	(1,644,276)	
Shares issued for private placement, net of issuance cost	8,311,780	1,469,349	-	-	104,353	-	-	1,573,702	
Shares issued for share warrants exercised	458,600	93,361	-	-	(1,641)	-	-	91,720	
Shares issued for stock options exercised	475,000	41,497	-	(17,747)	-	-	-	23,750	
Shares issued as debt settlement	236,842	41,447	-	-	-	-	-	41,447	
Shares issued for exploration and evaluation assets	1,285,000	347,850	-	-	-	-	-	347,850	
Conversion of convertible debentures	1,333,443	67,831	-	-	-	(5,854)	-	61,977	
Fair value of stock options cancelled	-	-	-	(45,755)	-	-	45,755	-	
Fair value adjustment for convertible debentures	-	-	-	-	-	6,755	-	6,755	
Fair value of options vested	-	-	-	288,397	-	-	-	288,397	
Balance, March 31, 2021	23,443,206	\$ 3,167,447	\$ -	\$ 328,095	\$ 104,478	\$ 901	\$ (2,939,211)	\$ 661,710	
Balance, March 31, 2021	23,443,206	\$ 3,167,447	\$ -	\$ 328,095	\$ 104,478	\$ 901	\$ (2,939,211)	661,710	
Net and comprehensive loss	-	-	-	-	-	-	(2,183,737)	(2,183,737)	
Shares issued for Private Placement, net of issuance cost	4,200,000	417,050	-	-	-	-	-	417,050	
Subscriptions received for Private Placement	-	-	104,655	-	-	-	-	104,655	
Shares issued for exploration and evaluation assets	3,247,000	563,330	-	-	-	-	-	563,330	
Shares issued for stock options exercised	350,000	85,057	-	(37,557)	-	-	-	47,500	
Fair value of stock options expired	-	-	-	(47,095)	-	-	47,095	-	
Fair value of stock options cancelled	-	-	-	(43,064)	-	-	43,064	-	
Fair value of options vested	-	-	-	217,158	-	-	-	217,158	
Balance, March 31, 2022	31,240,206	\$ 4,232,884	\$ 104,655	\$ 417,537	\$ 104,478	\$ 901	\$ (5,032,789)	\$ (172,334)	

Accompanying notes are an integral part of these financial statements

**XANDER RESOURCES INC.**

Statements of Cash Flows
For the years ended March 31, 2022 and 2021
(Expressed in Canadian dollars)

	Year ended	
	March 31, 2022	March 31, 2021
Cash Provided By (Used In)		
Operating Activities:		
Net and comprehensive loss for the year	\$ (2,183,737)	\$ (1,644,276)
Items not affecting cash:		
Shares Issued for exploration and evaluation assets	563,330	347,850
Share-based payments	217,158	288,397
Shares received on option of exploration and evaluation assets	(20,000)	-
Interest expenses	1,140	3,355
Interest accretion	447	1,473
Gain on debt settlement	-	(3,552)
Changes in working capital:		
(Increase) decrease in taxes receivable	9,535	(20,351)
(Increase) decrease in prepaid expenses	49,341	(61,311)
Increase (decrease) in accounts payable and accrued liabilities	146,562	(18,039)
Increase (decrease) in due to related parties	133,415	(19,252)
Net cash used in operating activities	(1,082,809)	(1,125,706)
Financing Activities:		
Proceeds from issuance of common shares, net of share issuance cost	417,050	1,573,702
Proceeds subscriptions received in advance, net of share issuance cost	104,655	-
Proceeds from exercise of options	47,500	23,750
Proceeds from Issuance of convertible debentures	-	75,000
Repayment of interest	-	(742)
Proceeds from exercise of share warrants	-	91,720
Net cash provided by financing activities	569,205	1,763,430
Increase (decrease) in cash	(513,604)	637,724
Cash, beginning of the year	638,176	452
Cash, end of the year	\$ 124,572	\$ 638,176

Additional cash flow information (Note 11)

Accompanying notes are an integral part of these financial statements



1. NATURE OF OPERATIONS AND GOING CONCERN

Xander Resources Inc. (the “Company”) was incorporated under the Business Corporations Act of British Columbia, Canada on December 9, 2010. The head office, principal address and records office of the Company are located at Suite 400 – 1681 Chestnut Street, Vancouver, BC V6J 4M6. The Company’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “XND.V”.

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in Quebec. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. It is not known whether the Company’s mineral properties contain reserves that are economically recoverable.

These financial statements have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company’s future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. As at March 31, 2022, the Company has a working capital deficit of \$172,334 (2021 – working capital of \$671,201) and a cumulative deficit of \$5,032,789 (2021 – \$2,939,211). Consequently, there is a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. For significant expenditures and resource property development, the Company will depend almost exclusively on external capital. Such external capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company’s operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company will result in dilution to the equity interests of current shareholders. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and ultimately generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

2. BASIS OF PRESENTATION

The financial statements were authorized for issue on July 26, 2022, by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

These 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 preparation

The Company’s financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 12, and are presented in Canadian dollars except where otherwise indicated.

The functional currency of the Company is the Canadian dollar.

2. BASIS OF PRESENTATION (continued)

Significant accounting estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the recoverability and measurement of deferred tax asset, and provisions for restoration and environmental obligations. Actual results may differ from current estimates.

Significant accounting judgments

Information about critical judgments, apart from those involving estimates, in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the Financial statement are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding availability for its exploration projects and working capital requirements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash consist of cash on hand, deposits held at banks.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration 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 the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

The increase in the restoration provision due to the passage of time is recognized as interest expense. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Flow-through shares

On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through tax liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the income (loss) attributable to common shareholders equals the reported income (loss) attributable to owners of the Company. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

As the Company has reported losses for the years presented, the effect of stock options and warrants is anti-dilutive; therefore, basic loss per share equals diluted loss per share.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black–Scholes Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Cash and investment in QL Minerals Inc. is classified as FVTPL. Accounts payable, due to related parties and convertible debentures are classified as amortized cost.

ii) Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net income (loss) in the period in which they arise.

iii) Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial assets at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net income (loss).

Foreign currency translation

The functional currency of the Company is Canadian Dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated at rates in effect at the time of the transaction. Monetary assets and liabilities are translated at period end rates. Gains and losses are included in profit and loss.

Valuation of equity units issued in private placements

The Company adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most reliably measurable component based on fair value and then the residual value, if any, to the less reliably measurable component.

Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.



4. EXPLORATION AND EVALUATION EXPENDITURES

As of March 31, 2022 and 2021, the Company has incurred following exploration and evaluation expenditures:

	Senneville Properties	Blue Ribbon Property	Bachelor North Property	CNC Property	Total
Balance as at March 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition cost:					
Shares issued	\$ 280,350	\$ 52,000	\$ 15,500	\$ -	\$ 347,850
Cash payment	32,000	-	2,318	-	34,318
	312,350	52,000	17,818	-	382,168
Exploration and evaluation expenditures:					
Consulting and labour	96,213	91,478	-	-	187,691
Staking and permits	3,717	2,984	-	-	6,701
Travel	1,116	44,050	-	-	45,166
Equipment rentals	1,750	28,619	-	-	30,369
Supplies and other	296	1,866	-	-	2,162
	103,092	168,997	-	-	272,089
Balance March 31, 2021	\$ 415,442	\$ 220,997	\$ 17,818	\$ -	\$ 654,257
Acquisition cost:					
Shares issued	\$ 348,600	\$ -	\$ 88,730	\$ 126,000	\$ 563,330
Cash payment	143,000	-	-	-	143,000
	491,600	-	88,730	126,000	706,330
Exploration and evaluation expenditures:					
Option payment received	(20,000)	-	-	-	(20,000)
Consulting and labour	392,269	255	-	63,125	455,649
Staking and permits	10,152	1,178	-	700	12,029
Travel	13,025	-	-	2,293	15,318
Supplies and other	871	-	-	-	871
	396,317	1,433	-	66,118	463,867
Balance March 31, 2022	\$ 1,303,359	\$ 222,430	\$ 106,548	\$ 192,118	\$ 1,824,455



4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Val-d'Or Senneville West Property (Block #1)

On May 18, 2020, the Company entered into an agreement with North American Exploration Ltd. to acquire a 100% interest in the Val-d'Or Senneville West Property. Pursuant to the agreement, the Company will make a total cash payment of \$89,600, issue 1,510,000 common shares of the Company and incur \$625,000 of exploration expenditure in three years as follows:

- i. Issue 510,000 common shares (issued on July 7, 2020 – Note 8) of the Company and pay \$9,600 cash (paid) on or before the closing date (May 18, 2020);
- ii. Pay \$8,000 cash (paid) within 90 days of the closing date (August 16, 2020);
- iii. Issue 660,000 common shares of the Company (issued on October 26, 2021 – Note 8) and pay \$24,000 cash (paid on October 22, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iv. Issue 340,000 common shares of the Company (issued on October 26, 2021 – Note 8) and pay \$48,000 cash (paid on October 22, 2021) on the date that is 30 months from the closing date (November 17, 2022);

The Company has been considered to have acquired 100% interest in the property since all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 2% to the optionor.

On July 6, 2021, the Company staked additional claims contiguous to its Senneville West property.

On November 23, 2021, the Company entered into an agreement with QL Minerals Inc. ("QL Minerals") to sell 100% of the rights, title and interest to the additional mineral claims staked located in the Val-d'Or Senneville West Property (Block #1). Pursuant to the agreement, QL Minerals issued 400,000 common shares at a price of \$0.05 for an aggregate consideration of \$20,000, which represents the fair value at year end.

Val-d'Or Senneville East Property (Block #2)

On May 18, 2020, the Company entered into an agreement with Silverwater Capital Corp. to acquire a 100% interest in the Val-d'Or Senneville East Property. Pursuant to the agreement, the Company will make a total cash payment of \$45,400, issue 1,090,000 common shares of the Company and incur \$625,000 of exploration expenditure in three years as follows:

- i. Issue 450,000 common shares (issued on July 7, 2020 – Note 8) of the Company and pay \$5,400 cash (paid) on or before the closing date (May 18, 2020);
- ii. Pay \$4,000 cash (paid) within 90 days of the closing date (August 18, 2020);
- iii. Issue 410,000 common shares of the Company (issued on October 26, 2021 – Note 8) and pay \$12,000 cash (paid on October 22, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iv. Issue 230,000 common shares of the Company (issued on October 26, 2021 – Note 8) and pay \$24,000 cash (paid on October 22, 2021) on the date that is 30 months from the closing date (November 17, 2022);

The Company has been considered to have acquired 100% interest in the property since all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 2% to the optionor.

On April 23, 2021, the Company entered into an agreement to acquire a 100% interest in mineral claims located contiguous to the Senneville East Property (Block #2) in exchange for \$1,340 cash (paid on May 20, 2021), 400,000 common shares (issued on May 18, 2021 – Note 8), and a 2% Net Smelter Royalty.



4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Val-d'Or Senneville East Property (Block #2) (continued)

The Company is required to incur the following exploration and evaluation expenditure together for Block #1 and Block #2:

- i. Incur \$175,000 of exploration expenditure on or before 18 months of the closing date (November 17, 2021); and
- ii. Incur \$450,000 of exploration expenditure on or before 36 months of the closing date (May 17, 2023)

Pursuant to the cash payment on October 22, 2021, and the share issuance on October 26, 2021, North American Exploration Ltd and Silverwater Capital Corp. agreed to relieve the Company of the obligation to spend \$625,000 in exploration expenditure in exchange for the above cash and shares. Accordingly, the Company has fulfilled all the obligations for the Val D'Or #1(Senneville West) property and Val D'Or #2 (Senneville East) property and the title of the properties is under the Company's name.

The Company has further agreed that in the event of abandonment of any of the claims, the Company will provide North American Exploration Ltd and Silverwater Capital Corp. six months notice of the intended abandonment, and in the event of a third party sale of the claims that North American Exploration Ltd. and Silverwater Capital Corp. will be entitled to receive 20% of the sale proceeds, such percentage reducing to 15% if the Company spends \$250,000 in qualified exploration expenditures on the property, and to 10% by the Company spending \$500,000 in qualified exploration expenditures on the property. The claims remain subject to a 2% NSR. The company had spent \$197,234 in qualified exploration expenditures till the year ending March 31, 2022.

Val-d'Or Senneville South Property

On May 27, 2020, the Company entered into an agreement with Terrance Coyle and 9093-6725 Quebec Inc. to acquire a 100% interest in the Val-d'Or Senneville South Property. Pursuant to the agreement, the Company will make a total cash payment of \$40,000, issue 165,000 common shares of the Company and incur \$75,000 of exploration expenditures in three years as follows:

- i. Issue 25,000 common shares (issued on September 17, 2020 – Note 8) of the Company and pay \$5,000 cash (paid) on or before the closing date (May 27, 2020);
- ii. Issue 60,000 common shares of the Company (issued on October 18, 2021 – Note 8) and pay \$15,000 cash (paid on October 18, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iii. Issue 80,000 common shares of the Company (issued on October 18, 2021 – Note 8) and pay \$20,000 cash (paid on October 18, 2021) on the date that is 30 months from the closing date (November 17, 2022);
- iv. Incur \$40,000 of exploration expenditure (incurred) on or before 18 months of the closing date (November 27, 2021); and
- v. Incur \$35,000 of exploration expenditure (incurred) on or before 36 months of the closing date (May 27, 2023)

The Company has been considered to have acquired 100% interest in the property since all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 2% to the optionor.

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Blue Ribbon Property

On May 15, 2020, the Company entered into an agreement with Silverwater Capital Corp. to acquire 100% interest in the Blue Ribbon Property. Pursuant to the agreement, the Company issued 200,000 common shares of the Company and paid cash of \$2,652 (Note 8). The property is subject to a 2% Net Smelter Royalty upon commencement of commercial production and the Company will have the right to purchase 0.50% of the Net Smelter Royalty at any time for the aggregate amount of \$500,000. The Company has met all the conditions per option agreement and the title of the property has been transferred to the Company.

In October 2021, the Company staked an additional claims contiguous to its Blue Ribbon Property.

Bachelor North Property

On January 8, 2021, the Company entered into an agreement with Silverwater Capital Corp. to acquire a 100% interest in the Bachelor North Property. Pursuant to the agreement, the Company will issue 1,501,000 common shares and pay \$2,318 in one year as follows:

- i. Issue 100,000 common shares (issued on February 4, 2021 – Note 8) of the Company and pay \$2,319 cash (paid on February 8, 2021) on or before the date of agreement (January 8, 2021);
- ii. Issue 467,000 common shares (issued on May 3, 2021 – Note 8) of the Company on or before the date that is three months after the Closing (April 8, 2021);
- iii. Issue 467,000 common shares of the Company on or before the date that is six months after the Closing (July 8, 2021); and
- iv. Issue 467,000 common shares of the Company on or before the date that is twelve months after the Closing (January 8, 2022);

The Company will be considered to have acquired 100% interest in the property once all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 2% to the optionor.

On August 20, 2021, the Company decided not to proceed with the option agreement for Bachelor North Property. Therefore, the Company is not pursuing the property and no further exploration activities will be conducted on this property.

CNC Timmins Property

On October 19, 2021, the Company entered into an agreement with North American Exploration Ltd and Jonathon Deluce to acquire 100% interest in CNC Timmins property. Pursuant to the agreement, the Company will issue 3,500,000 common shares and pay \$150,000 in cash in two (2) years as follows:

- i. Issue 600,000 common shares of the Company (issued on November 3, 2021 – Note 8) on or before the closing date (October 19, 2021);
- ii. Cash payment of \$50,000 (subsequently paid on April 29, 2022 – Note 16) payable within 90 days of closing date (January 17, 2022);
- iii. Issue 1,000,000 common shares (subsequently issued on April 29, 2022 – Note 16) of the Company within 90 days of closing date (January 17, 2022);
- iv. Issue 1,000,000 common shares of the Company and cash payment of \$50,000 on or before one year after the closing date (October 19, 2022);
- v. Issue 900,000 common shares of the Company and cash payment of \$50,000 on or before two years after the closing date (October 19, 2023)



4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

CNC Timmins Property (continued)

The Company is required to incur a total of \$1,250,000 exploration and evaluation expenditures on the property within two years as follows:

- i. \$120,000 within six months after the Closing (April 19, 2022). As of March 31, 2022, the Company has incurred \$66,118 in exploration and evaluation expenditures;
- ii. \$500,000 and 1,500 meters of diamond drilling within one year after the Closing (October 19, 2022);
- iii. \$630,000 within two years after the closing date (October 19, 2023).

The Company will be considered to have acquired 100% interest in the property once all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 3% to the optionor.

Pursuant to the agreement, the Company has agreed to pay North American Exploration Ltd and Jonathon Deluce 20% of the proceeds received on the sale of the property to a third party once the option is complete and 100% ownership is obtained.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022	March 31, 2021
Accounts payable	\$ 126,908	\$ 16,206
Accrued liabilities	64,364	27,363
	\$ 191,272	\$ 43,569

6. RELATED PARTY TRANSACTIONS

Related party balances

As at March 31, 2022, \$146,483 (2021 - \$13,068) were due to related parties as follows:

	March 31, 2022	March 31, 2021
Company controlled by the CEO	\$ 56,755	\$ -
CFO	16,800	4,725
Former CEO	15,861	3,968
Directors	12,067	4,375
Party related to CEO of the Company	45,000	-
	\$ 146,483	\$ 13,068

The amounts due to related parties are due to directors and officers of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment.



6. RELATED PARTY TRANSACTIONS (continued)

Related party transactions and key management compensation

During the year ended March 31, 2022 and 2021, the Company incurred the following amounts through transactions with the directors and officers of the Company:

	March 31, 2022	March 31, 2021
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management fees	\$ 204,500	\$ 99,500
Accounting fees	25,000	12,807
Consulting fees	45,000	-
Share-based payments	99,016	143,813
	\$ 373,516	\$ 256,120

Management fees consists of the following:

	March 31, 2022	March 31, 2021
Company controlled by the CEO	\$ 71,000	\$ -
CFO	31,500	2,500
Directors	51,000	42,000
Former CEO	51,000	33,500
Former CFO	-	21,500
	\$ 204,500	\$ 99,500

During the year ended March 31, 2022, the Company paid \$25,000 (2021 – \$12,807) in accounting fees to the CFO.

Share-based compensation consists of the following:

	March 31, 2022		March 31, 2021	
	Number of options	Share-based payment - \$ -	Number of options	Share-based payment - \$ -
CEO	420,000	37,955	-	-
Directors	400,000	44,603	400,000	34,335
Former CEO	100,000	12,521	525,000	62,738
Company controlled by Former CFO	-	-	125,000	1,868
Former Directors	35,000	3,937	525,000	41,872
	955,000	99,016	1,575,000	143,813

On December 1, 2021, the Company granted 10,000 stock options to a former director of the Company and recorded \$807 as share-based compensation expense.

On October 13, 2021, the Company granted 345,000 stock options to the CEO, directors and former director of the Company and recorded \$43,197 as share-based compensation expense.



6. RELATED PARTY TRANSACTIONS (continued)

Related party transactions and key management compensation (continued)

On October 1, 2021, the Company granted 150,000 stock options to the directors of the Company and recorded \$16,188 as share-based compensation expense.

On September 15, 2021, the Company granted 150,000 stock options to the directors of the Company and recorded \$15,894 as share-based compensation expense.

On July 12, 2021, the Company granted 300,000 stock options to the CEO of the Company and recorded \$17,035 as share-based compensation expense.

On December 29, 2020, the Company granted 400,000 stock options to the former CEO and the corporate secretary of the Company and recorded \$47,586 as share-based compensation expense. Out of these, 100,000 stock options were exercised on April 14, 2021 by the former CEO of the Company for aggregate proceeds of \$15,000.

On November 23, 2020, the Company granted 625,000 stock options to the former CEO, directors, and former director of the Company and recorded \$50,275 as share-based compensation expense.

On September 28, 2020, the Company granted 125,000 stock options to the former CEO of the Company and recorded \$25,404 as share-based compensation expense.

On May 4, 2020, the Company granted 425,000 stock options to former officer, directors and former director of the Company and recorded \$20,548 as share-based compensation expense. Out of these, 50,000 stock options were exercised by the former CFO of the Company for aggregate proceeds of \$2,500, and 125,000 stock options expired unexercised.

7. CONVERTIBLE DEBENTURES

On May 20, 2020, the Company closed a non-brokered private placement of 10% unsecured convertible debentures for total gross proceeds of up to \$75,000 at a price of \$1,000 each. The Convertible Debentures bear interest at 10% per annum, from the date of issuance, payable in arrears annually until the earlier of the Maturity date, two years from the issuance date, or any conversion thereof. Each Convertible Debenture is convertible into one common share at a price of \$0.05 per share, at any time prior to the maturity date. At the time of the interest payment, such interest may be paid, at the option of the Company, in cash or by the issuance of Shares at the price of Share equal to the market price.

The Company may prepay, in cash, any or all of the Convertible Debentures at any time prior to the Maturity Date upon not less than thirty business days prior written notice for an amount equal to the principal amount of the Convertible Debentures then outstanding plus any accrued but unpaid interest.

The liability component of these debentures was calculated at \$68,245, at the date of issuance, as the present value of the principal and interest, at a rate approximating the interest rate that would have been applicable to non-convertible debt at the date the note was issued. The liability component was recorded at amortized cost and is accreted to the principal amount over the term of the convertible note by charges to accretion expense using an effective interest rate of 15%.

The conversion component of these debentures was calculated at \$6,755, as the residual value of the gross proceeds of the convertible debentures.



7. CONVERTIBLE DEBENTURES (continued)

During the year end March 31, 2021, the Company has issued 1,333,443 common shares for conversion of \$67,831 in debentures (Note 8). The fair value of the conversion component of the debentures exercised was \$5,854 resulting in a transfer of \$5,854 from reserves to share capital.

The carrying value of the liability component was \$9,937 as at March 31, 2022 (2021 – \$9,491). The carrying value of the conversion component was amounts to \$901 as at March 31, 2022 (2021 – \$901). During the year ended March 31, 2022, the Company recorded accretion expense in the amount of \$447 (2021 – \$1,473) and interest expense of \$1,140 (2021 – \$3,355) in relation to the convertible debentures.

8. SHARE CAPITAL

Authorized:

The authorized share capital of the Company consists of unlimited common shares without par value.

Issued:

As at March 31, 2022, there were 31,240,206 (2021 – 23,443,206) issued and fully paid common shares.

Transactions during the year ended March 31, 2022

On November 3, 2021, the company issued 600,000 common shares of the Company at a fair value of \$126,000 (\$0.21 per share) with respect to CNC Timmins Property (Note 4).

On October 26, 2021, the Company issued 1,640,000 common shares of the Company at a fair value of \$254,200 (\$0.155 per share) to North American Exploration Ltd (1,000,000 shares) and Silverwater Capital Corp. (640,000 shares) with respect to the Val D'Or #1 (Senneville West) property and Val D'Or #2 (Senneville East) property respectively (Note 4).

On October 18, 2021, the Company issued 140,000 common shares at a fair value of \$22,400 (\$0.16 per share) to Terrance Coyle and 9093-6725 Quebec Inc with respect to the Val D'Or #3 (Senneville South) property (Note 4).

On October 13, 2021, the Company closed a non-brokered private placement issuing an aggregate of 4,200,000 units of the Company at a price of \$0.10 per unit and received gross proceeds of \$420,000. Each unit consists of one common share and one transferable share purchase warrant of the Company exercisable at \$0.20 per share for a period of 2 years from the date of closing of the Private Placement. Pursuance to the private placement, the Company paid \$2,950 in cash as finder's fees.

On May 18, 2021, the Company issued 400,000 common shares at a fair value of \$72,000 (\$0.18 per share), pursuant to its property option agreement on the additional claims acquired located adjacent to the Senneville East Property (Note 4).

On May 3, 2021, the Company issued 467,000 common shares at a fair value of \$88,730 (\$0.19 per share), pursuant to its property option agreement on the Bachelor North property (Note 4).

During the year ended March 31, 2022, pursuant to the exercise of stock option, the Company issued 350,000 common shares for aggregate proceeds of \$47,500. The fair value of options exercised amounted to \$37,557.

During the year ended March 31, 2022, the Company received an additional \$104,655 in subscriptions in



8. SHARE CAPITAL (continued)

advance of the issuance of common shares pursuant to a private placement which closed subsequent to the year end on April 29, 2022 (Note 16).

Transactions during the year ended March 31, 2021

On February 4, 2021, the Company issued 100,000 common shares at a fair value of \$15,500 (\$0.155 per share), pursuant to its property option agreement on the Bachelor North property (Note 3).

On December 22, 2020, the Company closed a non-brokered private placement for total gross proceeds of \$275,000. The Company issued 1,527,780 units at a price of \$0.18 per Unit. Each Unit consists of one flow-through common share and one-half of a non-transferable warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company for a period of up to 2 years at a price of \$0.26. The fair value of the non-flow-through common share purchase warrant was computed as \$38,195 and was recorded as warrant reserves. Pursuant to the private placement, the Company issued 111,111 broker warrants and paid \$27,500 in cash as finder's fees and issue costs. The fair value of the warrants was determined to be \$13,295 using the Black-Scholes Option Pricing Model.

On October 20, 2020, the Company closed its non-brokered private placement financing for total gross proceeds of \$400,000. The Company issued 2,000,000 units at a price of \$0.20 per Unit. Each Unit consists of one common share and one non-transferable warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company for a period of up to 3 years at a price of \$0.30.

On September 17, 2020, the Company issued 25,000 common shares at a fair value of \$6,750 (\$0.27 per share), pursuant to its property option agreement on the Senneville South property (Note 4).

On August 24, 2020, the Company closed its non-brokered private placement financing for total gross proceeds of \$176,400. The Company issued 784,000 units at a price of \$0.225 per Unit. Each Unit consists of one common share and one non-transferable warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company for a period of up to 24 months at a price of \$0.25. Pursuant to the private placement, the Company issued 2,800 broker warrants and paid \$3,423 in cash as finder's fees. The fair value of the warrants was computed to be \$313 using Black-Scholes model.

On July 27, 2020, the Company closed its non-brokered private placement financing for total gross proceeds of \$800,000. The Company issued 4,000,000 units at a price of \$0.20 per Unit. Each Unit consists of one of common share and one non-transferable warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company for a period of up to 12 months at a price of \$0.26. Pursuant to the private placement, the Company issued 204,750 broker warrants and paid \$46,775 in cash as finder's fees. The fair value of the warrants was computed to be \$52,550 using Black-Scholes model.

On July 7, 2020, the Company issued 960,000 common shares at a fair value of \$273,600 (\$0.285 per share), pursuant to its property option agreement on the Senneville East and West properties (Note 3).

On June 16, 2020, the Company issued 200,000 common shares at a fair value of \$52,000 (\$0.26 per share), pursuant to its property option agreement on the Blue Ribbon Property (Note 4).

On June 11, 2020, the Company issued 236,842 common shares at a fair value of \$41,447 (\$0.19 per share), to the former CEO of the Company as settlement for a portion of outstanding management fees owed totaling \$45,000. The Company recorded a gain of \$3,553 on the settlement of this debt.

During the year ended March 31, 2021, the Company issued 1,333,443 common shares for a total conversion value of \$67,831 (Note 7).



8. SHARE CAPITAL (continued)

Transactions during the year ended March 31, 2021 (continued)

During the year ended March 31, 2021, the Company issued 475,000 common shares for total consideration received of \$23,750, pursuant to the exercise of the share options. The fair value of the options exercised was \$17,747 resulting in a transfer of \$17,747 from reserves to share capital.

During the year ended March 31, 2021, the Company issued 458,600 common shares for total consideration received of \$91,720, pursuant to the exercise of warrants. The fair value of the warrants exercised was \$1,641 resulting in a transfer of \$1,641 from reserves to share capital.

Stock Options

The Company adopted a share option plan (the “Share Option Plan”) under which it may grant options to employees, officers, directors, or consultants for up to 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee in a 12 month period is limited to 5% of the issued shares of the Company.

Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors. For share options granted to employees, directors, and consultants, the Company recognizes as an expense, the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

Transactions during the year ended March 31, 2022

On December 1, 2021, the company granted 10,000 stock options to a former director of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.14 for a period of 5 years. The options vest immediately. The resulting fair value of \$807 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.53%; a risk-free interest rate of -0.06%, and an expected average life of 5 years.

On November 26, 2021, the Company granted 50,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.135 for a period of 2 years. The options vest immediately. The resulting fair value of \$5,134 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.70%; a risk-free interest rate of 0.080%, and an expected average life of 2 year.

On November 4, 2021, the Company granted 69,021 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.195 for a period of 1 year. The options vest immediately. The resulting fair value of \$6,527 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130.15%; a risk-free interest rate of 0.06%, and an expected average life of 1 year.

On October 29, 2021, the Company granted 100,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.155 for a period of 1 year. The options vest immediately. The resulting fair value of \$9,818 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130.12%; a risk-free interest rate of 0.26%, and an expected average life of 1 year.



8. SHARE CAPITAL (continued)

Stock Options (continued)

Transactions during the year ended March 31, 2022 (continued)

On October 22, 2021, the Company granted 50,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.17 for a period of 1 year. The options vest immediately. The resulting fair value of \$4,118 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130%; a risk-free interest rate of 0.06%, and an expected average life of 1 year.

On October 14, 2021, the Company granted 275,000 stock options to certain consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.135 for a period of 5 years. The options vest immediately. The resulting fair value of \$30,519 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120.32%; a risk-free interest rate of 0.14%, and an expected average life of 5 years.

On October 13, 2021, the Company granted 470,000 incentive stock options to certain directors, officers and consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.13 for a period of 5 years. The options vest immediately. The resulting fair value of \$58,847 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120.27%; a risk-free interest rate of 0.2%, and an expected average life of 5 years.

On October 1, 2021, the Company granted 200,000 stock options to certain consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.115. A total of 150,000 stock options are exercisable for a period of 5 years ending October 1, 2026, and 50,000 stock options are exercisable for a period of 2 years ending October 1, 2023. All the stock options vest immediately. The resulting fair value of \$16,188 and \$4,073 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 119.42%; a risk-free interest rate of 0.22%, and an expected average life of 5 years and 2 years respectively.

On September 15, 2021, the Company granted 150,000 stock options to the Director of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.13 for a period of 5 years September 15, 2026. The options vest immediately. The resulting fair value of \$15,894 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 118.51%; a risk-free interest rate of 0.03%, and an expected average life of 5 years.

On July 12, 2021, the Company granted 300,000 stock options to the CEO of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.12 for a period of 2 years ending July 12, 2023. The options vest immediately. The resulting fair value of \$22,931 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 128.50 %; a risk-free interest rate of 0.140%, and an expected average life of 2 years.

On June 1, 2021, the Company granted 100,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.17 for a period of 1 year ending June 1, 2022. The options vest quarterly over one year. The resulting fair value of \$8,833 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 141%; a risk-free interest rate of 0.22%, and an expected average life of 1 year.



8. SHARE CAPITAL (continued)

Stock Options (continued)

Transactions during the year ended March 31, 2022 (continued)

On April 14, 2021, the Company granted 590,000 stock options to the consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.155 for a period of 6 months ending on October 14, 2021. The options vested immediately. The resulting fair value of \$33,469 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 109%; a risk-free interest rate of 0.28%, and an expected average life of 6 months.

The weighted average fair value per option granted during the year is \$0.09 (2021 – \$0.10).

During the year ended March 31, 2022, 590,000 of the outstanding stock options expired unexercised and 594,021 of the outstanding options were cancelled. The corresponding amount of \$90,159 was transferred from share-based payment reserve.

Transactions during the year ended March 31, 2021

On December 29, 2020, the Company granted 600,000 stock options to officers, directors and consultants, at an exercise price of \$0.15 per common share for a period of 5 years and will expire on December 29, 2025. The resulting fair value of \$71,377 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 112%; a risk-free interest rate of 0.41%, and an expected average life of 5 years. The options vested immediately.

On November 23, 2020, the Company granted 425,000 stock options to officers and directors, at an exercise price of \$0.15 per common share for a period of 5 years and will expire on November 23, 2025. The resulting fair value of \$50,275 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 111%; a risk-free interest rate of 0.44%, and an expected average life of 5 years. The options vested immediately.

On September 28, 2020, the Company granted 375,000 stock options to the CEO, and consultants, at an exercise price of \$0.26 per common share for a period ranging from 1 - 5 years expiring on September 28, 2021, to September 28, 2025. The resulting fair value of \$70,314 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 110%-151%; a risk-free interest rate of 0.23% - 0.35%, and an expected average life of 1 - 5 years. The options vested immediately.

On September 17, 2020, the Company granted 100,000 stock options to an investor relations consultant, at an exercise price of \$0.25 per common share for a period ranging from 1 year and will expiring on September 17, 2021. The resulting fair value of \$15,182 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 149%; a risk-free interest rate of 0.24% and an expected average life of 1 year. The options vest 50,000 immediately and 50,000 after 3 months. These options have been fully vested.



8. SHARE CAPITAL (continued)

Stock Options (continued)

Transactions during the year ended March 31, 2021 (continued)

On June 19, 2020, the Company granted 150,000 incentive stock options to a consultant, at an exercise price of \$0.20 per common share for a period of 1 year and will expire on June 19, 2021. The resulting fair value of \$14,424 was estimated using the Black-Scholes Option Pricing Model with the following assumptions: expected dividend yield of 0%; expected volatility of 129%; a risk-free interest rate of 0.26%, and an expected life of 1 year. On September 22, 2020, these options were cancelled and the related fair value expense of \$14,424 was reversed.

On June 15, 2020, the Company granted 200,000 incentive stock options to a consultant, at an exercise price of \$0.285 per common share for a period of 1 year and will expire on June 15, 2021. The resulting fair value of \$26,661 was estimated using the Black-Scholes Option Pricing Model with the following assumptions: expected dividend yield of 0%; expected volatility of 125%; a risk-free interest rate of 0.25%, and an expected life of 1 year. On September 22, 2020, these options were cancelled and the related fair value expense of \$26,661 was reversed.

On May 4, 2020, the Company granted 1,075,000 stock options to officers, directors and consultants, at an exercise price of \$0.05 per common share for a period of 5 years and will expire on May 4, 2025. The resulting fair value of \$40,164 was estimated using the Black-Scholes Option Pricing Model with the following assumptions: expected dividend yield of 0%; expected volatility of 102%; a risk-free interest rate of 0.40%, and an expected life of 5 years. The options vested immediately. Out of these options, 125,000 stock options were cancelled and related fair value expense of \$4,670 was reversed.

During the year ended March 31, 2021, 475,000 of the outstanding options were cancelled. The corresponding amount of \$45,755 was transferred from share-based payment reserve.

During the year ended March 31, 2022, 350,000 (2021 – 475,000) of the outstanding stock options were exercised for aggregate proceeds of \$47,500 (2021 – \$23,750). As at March 31, 2022, the Company had 2,805,000 stock options outstanding (2021 – 1,975,000). A summary of share options outstanding is as follows:

	Options outstanding	Weighted average exercise price	Weighted average years to expiry
Balance at March 31, 2020	-	\$ -	-
Options granted ⁽¹⁾	2,925,000	0.14	3.40
Options exercised	(475,000)	0.05	4.64
Options cancelled	(475,000)	0.20	-
Balance at March 31, 2021	1,975,000	\$ 0.15	3.75
Options granted ⁽¹⁾	2,364,021	0.14	2.14
Options exercised	(350,000)	0.14	4.61
Options cancelled	(594,021)	0.15	-
Options expired	(590,000)	0.16	-
Balance at March 31, 2022	2,805,000	\$ 0.14	2.91

⁽¹⁾On December 1, 2021, the expiry date of 225,000 stock options was extended by one year for expiry on November 30, 2022.



8. SHARE CAPITAL (continued)

Stock Options (continued)

Details of options outstanding as at March 31, 2022 are as follows:

Outstanding	Exercisable	Weighted average exercise price	Expiry date	Weighted average contractual life in years
125,000	125,000	\$ 0.01	May 4, 2025	0.13
125,000	125,000	0.00	November 30, 2022	0.03
125,000	125,000	0.01	September 28, 2025	0.15
200,000	200,000	0.01	September 28, 2023	0.11
200,000	200,000	0.01	August 20, 2022	0.03
75,000	75,000	0.00	November 30, 2022	0.03
150,000	150,000	0.01	November 23, 2025	0.20
300,000	300,000	0.02	December 29, 2025	0.40
100,000	83,333	0.01	June 1, 2022	0.01
300,000	300,000	0.01	July 12, 2023	0.14
150,000	150,000	0.01	September 15, 2026	0.24
50,000	50,000	0.00	October 1, 2023	0.02
150,000	150,000	0.01	October 1, 2026	0.24
445,000	445,000	0.02	October 13, 2026	0.72
25,000	25,000	0.00	November 30, 2022	0.01
275,000	275,000	0.01	October 14, 2026	0.44
10,000	10,000	0.00	December 1, 2026	0.01
2,805,000	2,788,333	\$ 0.14		2.91

Warrants

Transactions during the year ended March 31, 2022

Pursuant to the private placement closed on October 13, 2021, the Company issued 4,200,000 share warrants exercisable at \$0.20 per share for a period of 2 years.

Transactions during the year ended March 31, 2021

During the year ended March 31, 2021, 458,600 of the outstanding share warrants were exercised for aggregate proceeds of \$91,720 and 125,000 of the outstanding share warrants expired unexercised.



8. SHARE CAPITAL (continued)

Warrants (continued)

Transactions during the year ended March 31, 2021 (continued)

As at March 31, 2022, the Company had 11,861,801 share warrants outstanding (2021 – 7,866,551). A summary of changes in outstanding warrants is as follows:

	Warrants outstanding	Weighted Average Exercise Price	Weighted Average Years to Expiry
Balance at March 31, 2020	583,600	\$ 0.20	0.42
Warrants issued ⁽¹⁾	7,866,551	0.26	1.15
Warrants exercised	(458,600)	0.21	0.04
Warrants expired	(125,000)	-	-
Balance at March 31, 2021	7,866,551	\$ 0.24	0.64
Warrants issued	4,200,000	0.20	1.54
Warrants expired	(204,750)	0.25	-
Balance at March 31, 2022	11,861,801	\$ 0.23	1.00

⁽¹⁾ On July 16, 2021, the Company extended the expiration of the 4,000,000 warrants originally issued on July 24, 2020 pursuant to a non-brokered private placement by one year to July 24, 2022. All other terms and conditions of the Warrants, including the exercise price, remain the same.

Details of warrants outstanding as at March 31, 2022, are as follows:

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average contractual life in years
4,000,000 ⁽¹⁾	\$ 0.08	July 24, 2022	0.10
784,000	0.02	August 24, 2022	0.03
2,800	0.00	August 24, 2022	0.00
2,000,000	0.05	October 20, 2023	0.26
763,890	0.01	December 22, 2022	0.05
111,111	0.00	December 22, 2022	0.01
4,200,000	0.07	October 13, 2023	0.55
11,861,801	\$ 0.23		1.00

⁽¹⁾ These warrants are subject to an acceleration provision that states "in the event that the closing price of the Company's common shares on the TSX Venture is \$0.33 per common shares or greater during any fifteen (15) consecutive trading day period at any time subsequent to four months and one day after the closing date, the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants. On July 16, 2021, the Company extended the expiration of these 4,000,000 warrants by one year to July 24, 2022. All other terms and conditions remain the same. Subsequent to the year ended March 31, 2022, all of these warrants expired unexercised.

9. RESERVES

Share-based payment reserve

The share-based payment reserve records items recognized as share-based payments expense until such time that the share options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire or are cancelled or forfeited, the corresponding amount previously recorded is transferred from share-based payment reserve to deficit. The balance in the share-based payment reserve as on March 31, 2022, was \$417,537 (2021 - \$328,095)



9. RESERVES (continued)

Warrants reserve

The warrant reserve records items recognized as warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount previously recorded remains in warrant reserves. The balance in the warrant reserve as on March 31, 2022, was \$104,478 (2021 - \$104,478).

10. CAPITAL DISCLOSURE

The Company considers its capital structure to include cash and shareholders' equity. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its operations using equity financings, internally-generated cash flow and debt; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire, or dispose of assets, or adjust the amount of cash and cash equivalents and receivables.

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

11. ADDITIONAL CASH FLOW INFORMATION

During the year ended March 31, 2022, and 2021, the Company incurred non-cash financing activities as follows:

	March 31, 2022	March 31, 2021
Non-cash financing activities:		
Fair value of options vested	\$ 217,158	\$ 288,397
Fair value of options expired	47,095	-
Fair value of options cancelled	43,064	45,755
Fair value of options exercised	37,557	17,747
Fair value of warrants granted	-	104,353
Fair value of warrants exercised	-	1,641
Shares issued for debt settlement	-	41,447
Shares issued for exercise of conversion of debentures	-	67,831
Fair value adjustment for convertible debentures	-	6,755



12. FINANCIAL INSTRUMENTS AND RISKS

Fair Values

The Company's financial instruments consist of cash, investment in QL Minerals, accounts payable, and the liability component on convertible debentures. These financial instruments are classified as financial assets at FVTPL and financial liabilities at amortized cost. The fair values of these financial instruments approximate their carrying values at March 31, 2022, due to their short-term nature.

The following table presents the Company's financial instruments, measured at fair value on the statements of financial position as at March 31, 2022 and 2021 and categorized into levels of the fair value hierarchy:

	Fair value measurements using			Total \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
March 31, 2022				
Assets:				
Cash	124,572	-	-	124,572
Investment in QL Minerals	-	-	20,000	20,000
Liabilities:				
Accounts payable	-	126,908	-	126,908
Due to related parties	-	146,483	-	146,483
March 31, 2021				
Assets:				
Cash	638,176	-	-	638,176
Liabilities:				
Accounts payable	-	16,206	-	16,206
Due to related parties	-	13,068	-	13,068

Change in level 3 investment

	Investment in QL Minerals (Note 4)
Fair value at March 31, 2021	\$ -
Additions	100,000
Fair value adjustment	(80,000)
Fair value at March 31, 2022	\$ 20,000

12. FINANCIAL INSTRUMENTS AND RISKS (continued)

Fair Values (continued)

Change in level 3 investment (continued)

The fair value of the Company's investment is determined as follows:

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio and are valued as follows:

- Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below:
- Investments in which there has been a recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate.

Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. This risk is assessed as high.

d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have foreign currency denominated financial instruments and is not exposed to foreign exchange risk.



12. FINANCIAL INSTRUMENTS AND RISKS (continued)

Risks (continued)

e) Price risk

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

13. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, the acquisition, exploration and development of mineral properties. All of the Company's assets and expenditures are located in Canada.

14. COMMITMENT

Flow-through share liability

The Company entered into Flow-through Share Subscription Agreements in the calendar year ended December 31, 2020 whereby it was committed to incur on or before December 31, 2021 a total of \$275,000 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada. As at March 31, 2022, the Company needs to incur \$nil (2021 – \$266,505) of CEE.

15. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Net loss before tax	\$ (2,183,737)	\$ (1,644,276)
Statutory tax rate	27%	27%
Expected income tax recovery	(589,609)	(443,955)
Effect of share issuance costs not recognized	(797)	(20,978)
True-up on non-capital loss carry-forwards	(111,745)	78,083
Change in valuation allowance	643,518	308,983
Other	58,633	77,865
Income tax recovery	\$ -	\$ -

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

	March 31, 2022	March 31, 2021
Non-capital loss carry-forwards	\$ 775,304	\$ 428,934
Exploration and evaluation assets	480,316	179,213
Share issuance costs	13,622	17,578
	1,269,242	625,724
Valuation allowance	(1,269,242)	(625,724)
Net deferred tax asset	\$ -	\$ -



16. SUBSEQUENT EVENTS

On April 22, 2022, the Company granted incentive stock options to purchase a total of 319,021 shares at an exercise price of \$0.065 per share for a period of 5 years to certain directors, officers and consultants in accordance with the provisions of its stock option plan.

On April 29, 2022, pursuant to the option agreement for CNC Timmins property, the Company paid \$75,000 in cash and issued 1,000,000 common shares of the Company at \$0.08 per share (Note 4).

On April 29, 2022, the Company closed two non-brokered private placement and issued 30,903,770 units ("Units") at \$0.07 for gross proceeds of \$2,163,263 and 6,500,000 national flow-through units ("FT units") at \$0.08 for gross proceeds of \$2,683,263. Each Unit consists of one common share of the Company and one transferable common share purchase warrant exercisable at \$0.10 per share for a period of 3 years from the date of closing (the "Expiry date"). Each FT Unit consists of one flow-through common share of the Company and one transferable warrant exercisable at a price of \$0.10 per share until the Expiry date. In connection with the private placement, the Company paid an aggregate finder's fees of \$207,914 in cash and issued 269,945 Finder's warrants and 2,911,000 Broker units.

Each Finder's Warrant is exercisable into 1 common share of the Company at prices of \$0.07 and \$0.10 per share until the Expiry date. Each Broker's Warrant is exercisable to purchase one unit (a "Broker Unit") at an exercise price of \$0.07 per Broker Unit until the Expiry Date. Each Broker Unit consists of one Share and one non-transferable warrant exercisable to purchase one common share of the Company at \$0.10 per Share until the Expiry Date.

On May 2, 2022, the Company cancelled 50,000 stock options earlier granted on to a consultant of the Company.

On May 3, 2022, the Company granted incentive stock options to purchase a total of 4,490,377 shares at an exercise price of \$0.07 per share for a period of 5 years to certain directors, officers and consultants in accordance with the provisions of its stock option plan.

On May 5, 2022, the Company cancelled an aggregate of 600,000 stock options earlier granted to some consultants and former CEO of the Company.

On May 9, 2022, the Company granted incentive stock options to purchase a total of 400,000 shares at an exercise price of \$0.07 per share for a period of 5 years to certain consultants in accordance with the provisions of its stock option plan.

On July 20, 2022, the Company granted incentive stock options to purchase a total of 100,000 shares at an exercise price of \$0.06 per share for a period of 2 years to a consultant in accordance with the provisions of its stock option plan.

Subsequent to the year ended March 31, 2022, 350,000 of the outstanding stock options and 4,000,000 of the outstanding share warrants expired unexercised.