



SABRE GOLD MINES CORP. (FORMERLY "ARIZONA GOLD CORP.")
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021 AND THE
YEAR ENDED JUNE 30, 2021
(EXPRESSED IN CANADIAN DOLLARS)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Sabre Gold Mines Corp. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Sabre Gold Mines Corp. and Subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and June 30, 2021, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and June 30, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describe the events and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

The key audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the key audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the key audit matter below providing a separate opinion on the key audit matter or on the accounts or disclosures to which it relates.

Mineral Properties Impairment

Description of the Matter

We identified the impairment assessment of mineral properties as a key audit matter due to significant auditor and management judgement and estimation involved in determining the recoverable production. As disclosed in Note 10 to the consolidated financial statements, the carrying value of the Company's mineral properties were approximately \$40 million as at December 31, 2021. As discussed in Note 3 to the consolidated financial statements, the carrying value of mineral properties is reviewed each reporting period to determine whether there is any indication of impairment or reversal of impairment.

Audit Response

Our primary procedures to address this key audit matter include i) testing the operating effectiveness of certain internal controls related to the Company's process to assess indicators of impairment or reversal of impairment; ii) evaluating the appropriateness of the methods and valuation models used; and iii) evaluating the reasonableness of the significant assumptions used by management. We also assessed the competence, capabilities and objectivity of the Company's personnel involved in preparing the impairment assessment.



Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 International Financial Reporting Standards, 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 it 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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 Julia Zhou.

Kreston GTA LLP

Chartered Professional Accountants
Markham, Canada
March 28, 2022

Sabre Gold Mines Corp. (formerly " Arizona Gold Corp.")

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	As at December 31, 2021	As at June 30, 2021
ASSETS		
Current assets		
Cash	\$ 3,111,475	\$ 6,796,147
Accounts receivable and prepaid expenses (note 6)	496,550	291,997
Marketable securities (note 7)	8,126,670	-
Total current assets	11,734,695	7,088,144
Non-current assets		
Restricted investments (note 5)	1,078,595	1,043,125
Long term receivable	279,018	-
Investments	144,093	-
Property, plant and equipment (note 9)	8,383,615	7,978,754
Right-of-use assets (note 8)	62,218	42,146
Mineral properties (note 10)	39,711,211	15,477,021
Total assets	\$ 61,393,445	\$ 31,629,190
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,877,991	\$ 596,380
Other loans payable (note 13)	198,030	193,594
Lease liability (note 11)	17,913	28,258
Total current liabilities	5,093,934	818,232
Non-current liabilities		
Deferred revenue (note 12)	16,778,370	15,606,056
Promissory notes payable (note 14)	5,217,565	4,962,107
Convertible promissory notes payable (note 15)	8,264,078	7,667,288
Derivative financial liabilities (note 16)	50,698	104,651
Lease liability (note 11)	17,833	-
Deferred tax liabilities (note 24)	30,264	37,615
Decommissioning liabilities (note 17)	2,221,965	2,190,294
Total liabilities	37,674,707	31,386,243
Equity		
Share capital (note 18)	176,664,167	149,125,159
Other reserve	15,706,286	14,835,649
Share-based payments reserve (note 19)	3,447,557	2,529,610
Warrant reserve (note 20)	2,060,153	2,225,361
Equity portion of convertible debt	129,507	129,507
Accumulated other comprehensive income	(656,650)	671,474
Deficit	(173,632,282)	(169,273,813)
Total equity	23,718,738	242,947
Total liabilities and equity	\$ 61,393,445	\$ 31,629,190

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

Nature of operations and going concern (note 1)

Commitments and contingencies (note 23)

Subsequent events (note 26)

Approved on behalf of the Board:

(Signed) "William Sheriff" Director

(Signed) "Claudio Ciavarella" Director

Sabre Gold Mines Corp. (formerly " Arizona Gold Corp.")

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Six Months Ended December 31, 2021	Year Ended June 30, 2021
Operating expenses		
Exploration and evaluation expenditures	\$ 950,989	\$ 2,218,790
General and administrative	121,384	67,533
Depreciation (notes 8 and 9)	99,216	165,678
Consulting fees and salaries (note 22)	136,038	753,553
Professional fees (note 22)	94,676	501,037
Business development	178,349	225,425
	(1,580,652)	(3,932,016)
Acquisition costs	(1,398,648)	-
Receipts from insurance claim	-	1,882,969
Finance charges	(672,616)	(1,380,420)
Accretion expense	(57,523)	(338,027)
Fair value adjustment of derivative financial liabilities	63,826	285,892
Share based payments	(809,318)	(471,645)
Realized loss on sale of marketable securities	(96,588)	-
Change in fair value of marketable securities	(734,999)	-
Gain (loss) on foreign exchange	920,698	(970,229)
Loss before income taxes	\$ (4,365,820)	\$ (4,923,476)
Income tax recovery - deferred	7,351	44,471
Net loss for the period	\$ (4,358,469)	\$ (4,879,005)
Other comprehensive income (loss)		
Foreign exchange difference	(1,328,124)	507,604
Total comprehensive loss for the period	\$ (5,686,593)	\$ (4,371,401)
Basic and diluted net loss per share (note 21)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding	532,963,155	342,050,169

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

Sabre Gold Mines Corp. (formerly " Arizona Gold Corp.")

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Six Months Ended December 31, 2021	Year Ended June 30, 2021
Operating activities		
Net loss for the period	\$ (4,358,469)	\$ (4,879,005)
Adjustments for:		
Depreciation	99,216	165,678
Accretion expense	57,523	338,027
Accrued interest	672,616	1,379,982
Interest on deferred revenue	-	751,783
Gain on disposal of other assets	-	(8,177)
Share-based payments	1,051,307	471,645
Fair value adjustment on derivative liability	(63,826)	(285,892)
Accretion expense in decommissioning liability	-	(115,470)
Realised loss on sale of marketable securities	96,588	-
Change in fair value of marketable securities	734,999	-
Deferred tax	(7,351)	(44,471)
Changes in non-cash working capital items:		
Accounts receivables	283,483	47,383
Prepaid expenses and other receivables	202,785	(19,844)
Accounts payable and accrued liabilities	370,468	(511,268)
Net cash provided by (used) in operating activities	(860,661)	(2,709,629)
Investing activities		
Addition to mineral properties	(3,371,727)	(7,900,180)
Cash acquired in Golden Predator acquisition	29,204	-
Proceeds from sale of marketable securities	1,695,922	-
Proceeds from sale of mineral properties	50,000	-
Net cash used in investing activities	\$ (1,596,601)	\$ (7,900,180)
Financing activities		
Deferred revenue	-	15,484,800
Issuance of common shares and warrants, net	-	4,581,002
Repayment of convertible debentures	-	(2,770,900)
Right of use lease payments	(37,840)	(30,961)
Net cash provided by financing activities	\$ (37,840)	\$ 17,263,941
Net change in cash	(2,495,102)	6,654,132
Effect of exchange rate changes on cash	(1,189,570)	(236,316)
Cash, beginning of period	6,796,147	378,331
Cash, end of period	\$ 3,111,475	\$ 6,796,147

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

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.")

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share Capital	Reserves			Equity portion of Convertible debt	Accumulated other comprehensive income (loss)	Deficit	Total
		Other reserve	Shared based payments reserve	Warrant reserves				
Balance, June 30, 2020	\$ 145,408,462	\$ 13,457,711	\$ 2,900,587	\$ 1,787,237	\$ -	\$ 163,870	\$ (164,394,808)	\$ (676,941)
Fair value of units issued in placement	4,284,182	-	-	716,618	-	-	-	5,000,800
Share issue costs	(567,485)	-	-	147,688	-	-	-	(419,797)
Extension of warrants	-	-	-	73,605	-	-	-	73,605
Expiration of warrants	-	869,826	-	(869,826)	-	-	-	-
Issuance of warrants	-	-	-	370,039	-	-	-	370,039
Expiration of stock options	-	508,112	(508,112)	-	-	-	-	-
Equity portion of convertible debt	-	-	-	-	129,507	-	-	129,507
Share based payments	-	-	137,135	-	-	-	-	137,135
Net loss and comprehensive loss for the year	-	-	-	-	-	507,604	(4,879,005)	(4,371,401)
Balance, June 30, 2021	\$ 149,125,159	\$ 14,835,649	\$ 2,529,610	\$ 2,225,361	\$ 129,507	\$ 671,474	\$ (169,273,813)	\$ 242,947
Acquisition of Golden Predator Mining Corp	27,297,019	-	87,545	204,831	-	-	-	27,589,395
Shares issued for acquisition related costs	241,989	-	-	-	-	-	-	241,989
Expiration of warrants	-	370,039	-	(370,039)	-	-	-	-
Expiration of stock options	-	500,598	(500,598)	-	-	-	-	-
Share based payments	-	-	1,331,000	-	-	-	-	1,331,000
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,328,124)	(4,358,469)	(5,686,593)
Balance, December 31, 2021	\$ 176,664,167	\$ 15,706,286	\$ 3,447,557	\$ 2,060,153	\$ 129,507	\$ (656,650)	\$ 173,632,282	\$ 23,718,738

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

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.")

Notes to the Consolidated Financial Statements

Six Months Ended December 31, 2021 and Year Ended June 30, 2021

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp."), ("Sabre Gold" or the "Company") is incorporated under the laws of Canada. The principal business activities are directed towards exploring and developing the Copperstone gold property ("Copperstone") in La Paz County, Arizona, United States and the Brewery Creek project in the Yukon, Canada. To date, the Company has not earned significant revenue as all properties are pre-production. On December 17, 2020, the Company changed its name from Kerr Mines Inc. to Arizona Gold Corp.

On September 2, 2021, the Company merged with Golden Predator Mining Corp. ("Golden Predator") by exchanging all of the outstanding common shares of Golden Predator for common shares of Sabre Gold on the basis of 1.65 common shares of Sabre Gold per one common share of Golden Predator. On September 8, 2021, the Company changed its name to Sabre Gold Mines Corp. The Company is listed on the Toronto Stock Exchange, trading under the symbol SGLD. The Company's corporate office and principal place of business is located at 200 Burrard Street, Suite 250, Vancouver, British Columbia, V6C 3L6, Canada.

As at December 31, 2021, the Company had working capital of \$6,640,761 (June 30, 2021 - \$6,269,912). The Company has incurred losses in previous periods and has not yet achieved profitable operations, with a current loss of \$2,959,821 for the period ended December 31, 2021 (June 30, 2021 - loss of \$4,879,005) and expects to incur future losses in the development of its business and requires additional financing to continue to be able to operate, retain rights to its properties and carry out exploration and development of its properties, all of which casts significant doubt about the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These consolidated financial statements have been prepared on a going-concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. While the Company expects to be able to obtain sufficient financing to continue as a going concern, it is not possible to predict whether financing efforts will be successful.

As at December 31, 2021, the Company is an emerging North American gold producer advancing the restart of production at its 100-per-cent owned, fully permitted past-producing Copperstone mine project, located in mining-friendly Arizona and the 100-per-cent owned, fully permitted, past-producing Brewery Creek mine project in the Yukon, Canada. The Company's current focus is on maximizing the Copperstone Mine's ("Copperstone") potential by defining and expanding current resources and further optimizing the mine's economics for the purpose of the restart of production in 2022.

2. Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are presented in Canadian dollars.

These consolidated financial statements were approved and authorised for issue by the Board of Directors of the Company on March 28, 2022.

Change of year-end

During the six months ended December 31, 2021 the Company approved a change of its year end from June 30th to December 31st. The Company's transition period is the six months ended December 31, 2021. The comparative period is the twelve months ended June 30, 2021.

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.")

Notes to the Consolidated Financial Statements

Six Months Ended December 31, 2021 and Year Ended June 30, 2021

(Expressed in Canadian Dollars)

3. Significant accounting policies

Basis of consolidation

The consolidated financial statements are prepared by consolidating the financial statements of the Company and its wholly-owned subsidiaries. This includes American Bonanza Gold Corp. and its subsidiary, Bonanza Explorations Inc., Golden Predator Mining Corp, Golden Predator Exploration Ltd, Yukon Mint Corp and Bear Lake Gold Ltd. Bear Lake Gold Ltd. is now a dormant company.

The acquisition of a business is accounted for using the acquisition method. The cost of the acquisition is measured based on the fair value of the consideration provided and allocated to the identified assets and liabilities of the acquiree. The goodwill arising, if any, is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the fair value of net identifiable assets acquired and the liabilities assumed.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all inter-company balances and transactions between entities in the Company, including any unrealized profits or losses, have been eliminated.

Exploration, evaluation and care and maintenance expenditures

All exploration and evaluation costs (including the cost of acquiring exploration rights), net of incidental revenue, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized to mineral property. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

Mineral properties

Mine development costs, including acquisition costs and reclassified exploration and evaluation assets are recorded at cost less accumulated amortization and accumulated impairment losses. Costs associated with commissioning new assets, net of incidental revenue, are capitalized as mineral property costs until commercial production has commenced. The Copperstone project had not reached commercial production as at December 31, 2021.

Mine development and stope access incurred during the development of a mine are capitalized into mineral property. Mine development and stope access incurred during the commercial production phase are production costs that are included in the costs of inventories produced during the period that these costs are incurred, unless the mine development and stope access activity can be shown to give rise to future benefits from the mineral property such as increased reserves, in which case the costs would be capitalized to mineral property. In November 2020, the Company entered into a gold purchase agreement with a US\$18,000,000 prepayment to finance the restart of underground operations and gold production at Copperstore Gold Mine in Arizona, USA. As of December 1, 2020, the Company commenced capitalizing the related expenditures.

The carrying values of mineral properties, plant and equipment are depreciated to their estimated residual values over their estimated useful lives or the estimated useful life of the associated mine, if shorter. Mineral property acquisition and development costs and certain plant and equipment are depreciated on a unit of production basis based upon proven and probable reserves. Depreciation related to production activities is initially recorded in inventories when ore is extracted from the mine. As the Company is in the commissioning stage, the depreciation is recorded in mineral property in the same period as the capitalized revenue from the sale of the inventories.

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.")

Notes to the Consolidated Financial Statements

Six Months Ended December 31, 2021 and Year Ended June 30, 2021

(Expressed in Canadian Dollars)

Deferred revenue

Deferred revenue arises from up-front payments received by the Company or obligations acquired in consideration for future commitments as specified in its various streaming arrangements. The accounting for streaming arrangements is dependent on the facts and terms of each of the arrangements. Revenue from streaming arrangements are recognized when the customer obtains control of the gold metal and the Company has satisfied its performance obligations.

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up-front consideration received and delivery of the promised goods. Interest expense on deferred revenue is recognized in finance costs. The interest rate is determined based on the rate implicit in each streaming agreement at the date of inception or acquisition.

Warrants

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in warrant reserve. Unit proceeds are allocated to common shares and warrant reserve using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. Upon expiration of warrants, the amount applicable to expired warrants is moved from warrant reserve to other reserve.

Foreign currencies

Foreign currency translations

IAS 21, the effects of changes in foreign exchange rates, takes a functional currency approach, looking at each entity separately. The parent and each subsidiary determine their functional currency, which is the currency of the primary economic environment in which the entity operates. Management reviewed the primary and secondary indicators in IAS 21 and determined the functional currency of each entity is Canadian dollar except for its United States subsidiaries which are in the United States dollar ("US\$").

When the Company translates the financial statements of subsidiaries from their functional currency to presentation currency, assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Share capital, equity reserves, shares to be (cancelled) issued, accumulated other comprehensive income, and accumulated deficit are translated into Canadian dollars at historical exchange rates. Revenues and expenses are translated into Canadian dollars at the average exchange rate for the year. Foreign currency translation adjustment is included in accumulated other comprehensive income.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of each subsidiary at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Cash

Cash is comprised of cash and highly liquid investments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

Restricted investments are excluded from cash.

Taxation

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statements of income and comprehensive income. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.")

Notes to the Consolidated Financial Statements

Six Months Ended December 31, 2021 and Year Ended June 30, 2021

(Expressed in Canadian Dollars)

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

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

Earnings (loss) per share

The basic earnings or loss per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. The diluted earnings or loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Property, plant and equipment

Property, plant and equipment other than land are carried at cost less accumulated depreciation and accumulated impairment losses. Land is carried at cost less accumulated impairment losses. The cost of property, plant and equipment comprises their purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with the asset.

Depreciation is recorded over the shorter of the useful life of the asset or the remaining life of the mine. Depreciation for the major categories of property, plant and equipment is as follows;

Straight-line basis

Assets within operations for which usage is not expected to fluctuate significantly from one year to another are depreciated on a straight-line basis as follows:

Buildings	15 years
Computer equipment	1 - 5 years
Motor vehicles	10 years
Mine and mill equipment	3 - 15 years
Right of use asset (leases)	Term of lease

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount.

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.")

Notes to the Consolidated Financial Statements

Six Months Ended December 31, 2021 and Year Ended June 30, 2021

(Expressed in Canadian Dollars)

Financial instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9, such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial assets

The Company classifies its financial assets into three categories, depending on the cash flow characteristics of the assets and the business objective for managing the assets. Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. The Company's accounting policy for each category is as follows:

Amortized cost - Assets are held within a business model with the objective of collecting their contractual cash flow; and the contractual cash flows consist solely of payments of principal and interest. They are recognized initially at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost less cumulative impairment losses. A gain or loss on a debt investment is recognized in profit and loss when the asset is derecognized or impaired.

Fair value through other comprehensive income ("FVTOCI") – Assets are held within a business model that includes both hold to collect their contractual cash flow and sell the assets; and the contractual cash flows consist solely of payments of principal and interest. For debt instruments measured at FVTOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss. The cumulative fair value gains or losses recognized in OCI are reclassified to profit or loss when the asset is derecognized. An election may be made to classify an equity investment, that is neither held for trading nor represents contingent consideration recognized by an acquirer in a business combination, as held at FVTOCI. The option to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in OCI except dividend income which is recognized in profit or loss.

Fair value through profit and loss ("FVTPL") - Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a financial asset measured at FVTPL that is not part of a hedging relationship is recognized in profit and loss and presented on a net basis in the period in which it arises. IFRS 9 contains an option to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial asset at FVTPL is available at initial recognition and is irrevocable.

Financial assets should be reclassified when and only when an entity changes its business model for managing financial assets. Any such reclassifications are applied prospectively from the date of the reclassification.

Financial liabilities

Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company's accounting policy for each category is as follows:

FVTPL - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception. IFRS 9 contains an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial liability at FVTPL is available at initial recognition and is irrevocable.

Amortized cost - Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

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(Expressed in Canadian Dollars)

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IFRS 9
Cash	Amortized cost
Accounts receivable	Amortized cost
Marketable securities	FVTPL
Restricted investments	Amortized cost
Long term receivable	Amortized cost
Investments	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory notes payable	Amortized cost
Convertible promissory notes payable	Amortized cost
Other loans payable	Amortized cost
Decommissioning liabilities	Amortized cost
Lease liability	Amortized cost
Deferred revenue	Amortized cost
Derivative financial liabilities	FVTPL

Allowance for expected credit losses

IFRS 9 provides a simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets. The credit loss model groups receivables based on similar credit risk characteristics and the number of days past due in order to estimate bad debt expenses. The Company assesses the lifetime expected credit loss related to its sales receivables and re-assesses the provision each reporting period. When measuring the expected credit loss, the Company considers a variety of factors including: evidence of the debtor's financial condition, the term of the receivable and any changes in economic conditions.

Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there is an indication that those assets have suffered an impairment loss or when annual impairment testing for an asset is required. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of loss and comprehensive loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

At the end of each reporting period, the Company assesses whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company will estimate the recoverable amount of the asset and reverse the impairment loss recognized in prior periods. The reversal of an impairment loss will not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

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(Expressed in Canadian Dollars)

Provisions

Decommissioning liabilities

Costs for reclamation and remediation are a normal consequence of mining, and the majority of these costs are incurred at the end of the life of the mine. Decommissioning liabilities are estimated for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of the affected areas) in the financial period when the related environmental obligation occurs, based on the estimated future costs using information available at the statement of financial position date. The costs are estimated on the basis of a closure plan which represents management's best estimate of the costs.

The decommissioning liabilities are discounted using a risk-free rate. At the time of establishing the provision, a corresponding asset is capitalized within mineral property for amounts carried on the consolidated statements of financial position and expensed as the mineral property is analyzed.

The decommissioning liabilities are reviewed on an annual basis to reflect known developments, such as revisions to cost estimates and to the estimated lives of operations, and for changes to legislation or discount rates. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted to the net present value using an appropriate current market-based pre-tax discount rate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed by way of note unless the likelihood of them crystallizing is considered remote. Contingent assets are not recognised in the consolidated financial statements but are disclosed by way of note if they are deemed probable.

Share-based payments

Under the Company's stock option plan, all stock options granted have graded vesting period and exercisable three to five years from the date of grant. Each tranche of an award with graded vesting period is considered a separate grant at each vest date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk-free rate and estimated forfeitures.

If a grant of share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Company revises the estimate to equal the number of equity instruments that ultimately vested.

After vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited at the end of the share option's life.

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Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Convertible promissory notes

The Company's convertible promissory notes are segregated into their debt and equity components or derivative liability components at the date of issue, in accordance with the substance of the contractual agreements.

The conversion feature of the convertible promissory notes is presumed to be classified as a derivative financial liability unless it meets all the criteria to recognize as equity instrument. One of criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed").

If the conversion feature meets the fixed for fixed criteria, the conversion option will be classified as equity components.

Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of the convertible promissory notes is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognizing the components of the instrument separately.

If the conversion feature does not meet the fixed for fixed criteria, the conversion option will be recorded as derivative financial liability, which must be separately accounted for at fair value on initial recognition. The carrying amount of the debt component, on initial recognition, is recalculated as the difference between the proceeds of the convertible promissory notes as a whole and the fair value of the derivative financial liabilities. Subsequent to initial recognition, the derivative financial liability is re-measured at fair value at the end of each reporting period with changes in fair value recognized in the statement of operation for each reporting period, while the debt component is accreted to the face value of the debt using the effective interest method.

Transaction costs are allocated to the debt and equity components or derivative liability components in proportion to the allocation of the proceeds on initial recognition. Transaction costs allocated to equity components will be accounted for as a deduction from equity, net of any related income tax benefit; cost allocated to the derivative financial liability component are expensed; and cost allocated to the debt component are offset against the carrying amount of the liability and included in the determination of the effective interest rate.

Transaction costs

Incremental costs incurred in respect of raising capital or debt are charged against the equity or debt proceeds raised, unless the instrument to which the transaction costs relate is classified FVTPL, in which case the incremental costs are expensed in the statements of income (loss) immediately.

Other comprehensive income

Other comprehensive income (loss) is the change in shareholders' equity, which results from transactions and other events and circumstances from non-shareholder sources. These transactions and events include unrealized gains and losses resulting from foreign currency translation of foreign subsidiaries.

Significant accounting judgments and estimates

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates.

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Judgments:

Information about critical judgments 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 consolidated financial statements within the next year are discussed below:

Development stage

In management's judgment the Company's operations moved from exploration and evaluation stage to the development stage during the year ended June 30, 2021.

Valuation of Mineral properties

Operating levels intended by management for the Mineral properties:

Prior to a mine being capable of operating at levels intended by management, costs incurred are either expensed or capitalized based on the type of costs incurred. Costs related to developing the property are generally capitalized, while care and maintenance costs and costs related to exploration and evaluating new ore bodies are expensed. The Company undertakes a review of the carrying values of mineral properties and related expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. Management concluded that there is no indication for the impairment of mineral properties as of December 31, 2021.

Functional currency

The functional currency for the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Impairment of property, plant and equipment

Assets or cash generating units are evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash-generating group of assets is measured at 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 and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal.

Present values are determined using a risk-adjusted pre-tax discount rate appropriate for the risks inherent to the asset. Future cash flow estimates are based on expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs and future capital expenditure. The Company's management is required to make these estimates and assumptions which are subject to risk and uncertainty; hence, there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the asset may be impaired and the impairment would be charged against profit or loss.

Estimates:

The following are some of the more significant estimates made in the preparation of these consolidated financial statements:

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

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The Company's mining activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management's best estimate for asset retirement obligations in the period in which they occur. Actual costs incurred in future periods could differ materially from the estimates. The ultimate cost of environmental remediation can vary in response to many factors including future changes to environmental laws and regulations, the emergence of new restoration techniques, changes in the life of mine estimates and in discount rates, which could affect the carrying amount of this provision. Refer to note 17 for more details.

Derivatives and debt valuation

The valuation of debt and embedded derivatives for convertible instruments is based on the application of a recognized option valuation formula, which is highly dependent on, amongst other things, the expected volatility of the Company's registered shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past stock trading data, adjusted for future expectations, and actual volatility may be significantly different.

The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm's length transaction. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

Share-based payments

The fair value of share-based payments is estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture of options granted.

Allowance for expected credit losses

IFRS 9 Financial instruments introduces an expected credit loss ("ECL") impairment model applicable to all debt instruments within financial assets classified as amortized cost or at fair value through other comprehensive income ("FVTOCI"), as well as certain off-balance sheet loan commitments. The general principle of the ECL model is to reflect the pattern of deterioration or improvement in the credit quality of the associated financial instruments. The calculated allowance is designed to be an unbiased and probability-weighted amount that has been determined by: evaluating possible outcomes; the time value of money; reasonable and supportable information about past events; and current and forecasted economic conditions. The IFRS 9 ECL approach has three stages:

Stage 1 – includes financial instruments that have not had a significant increase in credit risk since initial recognition, or that have low credit risk at the reporting date. An ECL equal to expected credit losses resulting from default events over the next 12 months is recognized and interest revenue is calculated on the assets' gross carrying amounts;

Stage 2 – includes financial instruments that have had significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment at the reporting date. An ECL equal to expected credit losses resulting from default events over the assets' lifetime ("lifetime ECL") is recognized and interest revenue is calculated on the assets' gross carrying amounts. In general, an asset's lifetime is considered to be its remaining contractual lifetime;

Stage 3 – includes financial instruments that have objective evidence of impairment at the reporting date. The lifetime ECL is recognized and interest revenue is calculated on the assets' net carrying amounts, which are determined as the asset amount net of their lifetime ECL.

Capital risk management

The Company manages its capital with the following objectives:

- to safeguard the Company's ability to continue as a going concern,
- to raise sufficient proceeds from share issues to meet general and administrative expenditures and project expenditures,
- to provide an adequate return to shareholders by advancing the Company's projects to production while ensuring it meets the listing requirements of the Toronto Stock Exchange, and
- to maintain the royalty prepayments within the limits allowed by the agreement.

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The Company has loans payable, accounts payable and accrued liabilities and equity, and consequently defines capital as all of the components of debt and equity which as at December 31, 2021 amount to \$59,209,733 (June 30, 2021 - \$197,274,331). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. 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 Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

The directors of the Company review the capital structure from time to time. As part of this review, the directors considered the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through issue of new shares, new debt or the redemption or extension of existing debt.

Financial instruments

Fair value hierarchy

Fair value hierarchy - IFRS 7, Financial instruments: Disclosures, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - valuation techniques using the inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. There was no movement between different levels for the period ended December 31, 2021 and the year ended June 30, 2021.

Marketable securities are marked-to-market at each period end and so the carrying amount also represents the fair value and were classified as level 1 financial instruments.

The fair value of the derivative financial liability (conversion feature) was estimated by using Black-Scholes pricing model with the assumptions and was classified as level 2 financial instruments.

The fair value of accounts receivable, restricted investments, accounts payable and accrued liabilities, promissory notes payable, convertible promissory notes payable, other loan, lease liability and decommissioning liabilities approximates their carrying values due to their short-term nature

Credit risk

The Company's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, totals the carrying amount of these assets as stated in the consolidated statements of financial position.

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(Expressed in Canadian Dollars)

The Company's principal financial assets are cash, restricted investments and accounts receivable, which represent the Company's exposure to credit risk in relation to financial assets.

The credit risk on cash and restricted investments is mitigated by transacting with banks with high credit ratings assigned by international credit-rating agencies.

An allowance for expected credit losses is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information when necessary. As at December 31, 2021 and June 30, 2021, there were no receivables past due.

Interest rate risk

The interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates on its promissory notes payable and convertible promissory notes payables.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had cash of \$3,119,589 (June 30, 2021 - \$6,796,147) to settle current financial liabilities of \$4,900,681 (June 30, 2021 - \$624,638). There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution.

The following table details the Company's contractual maturities for its financial liabilities as at December 31, 2021 and June 30, 2021, due by year:

	Carrying amount	Contractual cash flow	0 to 12 months	12 to 24 months	After 24 months
As at December 31, 2021					
Accounts payable and accrued liabilities	\$ 4,877,991	\$ 4,877,990	\$ 4,877,990	\$ -	\$ -
Deferred revenue	16,778,370	16,778,370	-	10,015,000	6,763,370
Promissory notes payable	5,217,565	5,217,565	-	-	5,217,565
Convertible promissory notes	8,264,078	8,489,233	-	-	8,489,233
Lease liability	35,746	36,761	20,744	5,653	10,364
Other loan	198,030	198,030	198,030	-	-
Decommissioning liabilities	2,221,965	2,427,165	-	-	2,427,165
	\$ 37,593,744	\$ 38,025,114	\$ 5,096,764	\$ 10,020,653	\$ 22,907,697
As at June 30, 2021					
Accounts payable and accrued liabilities	\$ 596,380	\$ 596,380	\$ 596,380	\$ -	\$ -
Deferred revenue	15,606,056	15,606,056	-	6,868,155	8,737,901
Promissory notes payable	4,962,107	4,962,107	-	-	4,962,107
Convertible promissory notes	7,667,288	7,954,320	-	-	7,954,320
Lease liability	28,258	29,505	29,505	-	-
Other loan	193,594	193,594	193,594	-	-
Decommissioning liabilities	2,190,294	2,330,401	-	-	2,330,401
	\$ 31,243,977	\$ 31,672,363	\$ 819,479	\$ 6,868,155	\$ 23,984,729

Currency risk

The Company's exploration activities are conducted in Arizona, United States. Major purchases and exploration expenditures are transacted in US dollars. Administrative expenditures and cash and cash equivalents balances are primarily transacted in Canadian dollars. The Company has exposure to foreign currency risk on its cash held in US bank and convertible promissory notes payable.

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As at December 31, 2021, the Company held US\$1,659,174 of monetary assets and held US\$29,646,762 in monetary liabilities. A \$0.05 fluctuation in the value of the Canadian dollar would result in an increase or decrease to profit or loss of approximately \$382,368. The Company mitigates the risk of foreign currency fluctuations by converting Canadian dollars to US currency when required to fund expenditures. The Company does not currently hedge its foreign exchange risk.

Sensitivity analysis

The carrying amount of financial instruments approximates their fair market value. The movement on cash and cash equivalents interest rates by a plus or minus 1% change would have no material impact on the value of those items. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

- The Company has restricted cash as at December 31, 2021 at a fixed interest rate of between 0.75% and 1.00% per annum. An increase in the interest rate of 1% would result in a \$5,335 (June 30, 2021 - \$10,431) increase in the interest earned on the investment.
- The Company has loans and borrowings as at December 31, 2021 with various fixed interest rates. Therefore, a percentage change in interest rates will not have a significant impact on the Company.

Acquisition accounting

The company accounted for the acquisition of Golden Predator as an asset acquisition. Significant judgement and estimates were required to determine that the application of this accounting treatment was appropriate for the transaction. These included, amongst others, the determination that Golden Predator was not considered a business under IFRS 3 – *Business Combinations* as Golden Predator did not have significant inputs, processes and outputs, that together constitute a business.

New standards adopted

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's consolidated financial statements.

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries and have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). All significant intercompany transactions and balances have been eliminated on consolidation. The consolidated financial statements have been presented in Canadian dollars ("CAD"), except where otherwise indicated.

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(Expressed in Canadian Dollars)

4. Acquisition of Golden Predator Mining Corp.

On September 2, 2021 (the "Closing"), the Company acquired all of the issued and outstanding common shares of Golden Predator in exchange for consideration of:

- 1.65 of a common share of the Company for each common share of Golden Predator, issued 284,515,638 common shares with a fair value of \$27,297,018.
- 1.65 of an option of the Company for each option of Golden Predator, issued 6,657,750 options at a weighted average exercise price of \$0.20, as adjusted in accordance with the exchange ratio.
- 1.65 of a warrant of the Company for each warrant of Golden Predator, 9,982,500 warrants at a weighted average exercise price of \$0.21, as adjusted in accordance with the exchange ratio.

The acquisition was accounted for as an asset acquisition and the consideration as a share-based payment transaction accounted for in accordance with IFRS 2 – *share based payments*. The total consideration was allocated to the assets and liabilities acquired based on their fair values:

Total Consideration	\$ 27,589,395
Allocation of net assets:	
Cash and cash equivalents	29,204
Restricted cash	11,500
Trade and other receivables	355,172
Prepaid and deposits	135,649
Marketable securities	10,445,380
Plant and equipment	565,690
Mineral properties	19,823,723
Investments	144,093
Trade and other payables	(3,911,142)
Derivative liabilities	(9,874)
Total assets and liabilities acquired	\$ 27,589,395

Total consideration in the acquisition was as follows:

Common shares	27,297,019
Warrants	204,831
Share options	87,545
Total consideration	\$ 27,589,395

5. Restricted investments

	As at December 31, 2021	As at June 30, 2021
Short-term cashable account ⁽¹⁾	\$ 1,067,095	\$ 1,043,125
Restricted cash ⁽²⁾	11,500	-
	\$ 1,078,595	\$ 1,043,125

(1) Pursuant to the term of the surety bond disclosed in (note 23) the Company provided cash collateral of \$1,067,095 or US\$841,690 (June 30, 2021 - \$1,043,125 or US\$816,000) which is held with the Bank of New York in the name of the Company to cover a portion of the decommission liabilities related to the Copperstone property (note 17).

(2) This is a GIC held on deposit with a major Canadian financial institution as security for Golden Predator's corporate credit cards.

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(Expressed in Canadian Dollars)

6. Accounts receivable

	As at December 31, 2021	As at June 30, 2021
Accounts receivable ⁽¹⁾	\$ 200,000	\$ -
Prepaid expenses ⁽²⁾	206,357	273,493
HST receivable	90,193	18,504
Current	496,550	291,997
Long term receivable ⁽¹⁾	279,018	-
Total	\$ 775,568	\$ 291,997

(1) Accounts receivable and long term receivable are the cash payments from Azarga Metals Corp. ("Azarga") for the sale of Marg property (note 10). The long term receivable of \$350,000 is due in November 2023 and was discounted to present value of \$279,018 by using the discount rate of 12%.

(2) Prepaid expenses consist of prepaid insurance and expenses advanced to employees.

7. Marketable securities and derivative instruments

Marketable securities consist of common shares of publicly traded companies.

Balance, June 30, 2021	\$ -
Marketable securities acquired from Golden Predator	10,445,380
Acquired from Azarga (note 10)	208,799
Disposals	(1,792,510)
Change in fair value of marketable securities	(734,999)
Balance, December 31, 2021	\$ 8,126,670

During the six months ended December 31, 2021, the Company had a realized loss on sale of marketable securities of \$96,588 (June 30, 2021 - \$nil).

8. Right-of-use assets

Balance, June 30, 2020	\$ 83,410
Depreciation for the period	(33,711)
Foreign exchange movements	(7,553)
Balance, June 30, 2021	42,146
Additions	41,143
Depreciation for the period	(22,614)
Foreign exchange movements	1,543
Balance, December 30, 2021	\$ 62,218

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9. Property, plant and equipment

Cost	Buildings	Mine and Mill Equipment	Surface Vehicles	Computer Equipment	Mill	Total
Balance, June 30, 2020	\$2,741,488	\$ 485,342	\$ 1,042,960	\$ 63,644	\$5,728,292	\$ 10,061,726
Additions	-	-	58,872	-	-	58,872
Disposals	-	-	(58,872)	-	-	(58,872)
Foreign exchange differences	(248,239)	(43,947)	(94,439)	(5,764)	(518,690)	(911,079)
Balance, June 30, 2021	\$2,493,249	\$ 441,395	\$ 948,521	\$ 57,880	\$5,209,602	\$ 9,150,647
Additions	412,623	-	-	-	153,067	565,690
Disposals	-	-	(686,825)	-	-	(686,825)
Foreign exchange differences	57,131	10,114	21,735	1,326	119,374	209,681
Balance, December 31, 2021	\$2,963,003	\$ 451,509	\$ 283,431	\$ 59,207	\$5,482,043	\$ 9,239,193

Accumulated Depreciation	Buildings	Mine and Mill Equipment	Surface Vehicles	Computer Equipment	Mill	Total
Balance, June 30, 2020	\$ -	\$ 338,119	\$ 581,155	\$ 63,644	\$ -	\$ 982,918
Depreciation for the year	-	88,275	197,879	-	-	286,154
Disposals	-	-	(8,177)	-	-	(8,177)
Foreign exchange differences	-	(30,616)	(52,622)	(5,764)	-	(89,002)
Balance, June 30, 2021	\$ -	\$ 395,778	\$ 718,235	\$ 57,880	\$ -	\$ 1,171,893
Depreciation for the period	60,266	46,662	62,701	-	38,950	208,579
Disposals	-	-	(551,748)	-	-	(551,748)
Foreign exchange differences	-	9,069	16,458	1,326	-	26,853
Balance, December 31, 2021	\$ 60,266	\$ 451,509	\$ 245,645	\$ 59,206	\$ 38,950	\$ 855,578

Carrying value	Buildings	Mine and Mill Equipment	Surface Vehicles	Computer Equipment	Mill	Total
Balance, June 30, 2020	\$2,741,488	\$ 147,223	\$ 461,805	\$ -	\$5,728,892	\$ 9,078,808
Balance, June 30, 2021	\$2,493,249	\$ 45,617	\$ 230,286	\$ -	\$5,209,602	\$ 7,978,754
Balance, December 31, 2021	\$2,902,736	\$ -	\$ 37,785	\$ -	\$5,443,093	\$ 8,383,615

10. Mineral properties

	Copperstone	Brewery Creek	Marg	Grew Creek	Gold Dome	Total
Balance, June 30, 2020	\$ 7,270,466	\$ -	\$ -	\$ -	\$ -	\$ 7,270,466
Expenditures capitalised	8,206,555	-	-	-	-	8,206,555
Balance, June 30, 2021	\$ 15,477,021	\$ -	\$ -	\$ -	\$ -	\$ 15,477,021
Acquired from Golden Predator	-	18,888,576	737,817	192,500	4,830	19,823,723
Expenditures capitalised	5,123,284	-	-	25,000	-	5,148,284
Disposals	-	-	(737,817)	-	-	(737,817)
Balance, December 31, 2021	\$ 20,600,305	\$ 18,888,576	\$ -	\$ 217,500	\$ 4,830	\$ 39,711,211

The Company is engaged in exploring and developing the Copperstone gold property in La Paz County, Arizona, United States and the Brewery Creek gold property in the Yukon, Canada.

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(a) Copperstone Gold Property, Arizona

The Company holds a 100% leasehold interest in the Copperstone Project. The landlord is The Patch Living Trust. The current lease expires June 12, 2026. The lease is renewable for one or more ten-year terms at the Company's option under the same terms and conditions. The Company is obligated to pay for all permitting and state lease bonding, insurance, taxes, and is also required to pay an annual lease payment of US\$40,000 to the Patch Living Trust. In addition, the Company is obligated to pay a quarterly production gross royalty equal to 1.5% of the disposition of Metal Products by the Company. Total annual production gross royalty obligations for the Copperstone Property total 6%. Of the annual gross production royalty, 4.5% is payable to TOMCL, a company controlled by Fahad Al Tamimi, a Director of the Company and 1.5% payable to the Patch Living Trust. During the year ended June 30, 2021, the Company entered into an agreement to acquire a 3% royalty from TOMCL, which will reduce the aggregate Royalty on the Copperstone Gold Mine from 6% to 3%. The purchase agreement entered into between the Company's subsidiary, Bonanza Explorations Inc. ("Bonanza"), and TOMCL provides for the buyback of a 3% Royalty held by TOMCL for US\$2,500,000 which expired January 31, 2022. The Company and TOMCL are currently in discussion regarding a further extension.

On November 12, 2020, the Company entered into a US\$18 million precious metals delivery and purchase agreement (the "Purchase Agreement") with Star Royalties to finance the restart of underground operations and gold production at the Copperstone Gold Mine ("Copperstone") in Arizona. As at December 31, 2021, the Company had received the first two tranches amounting to \$15,336,000 (US\$12 million). The remaining tranche of US\$6 million will be advanced subject to certain closing conditions inclusive of the acquiring the 3% gross production royalty (notes 9 and 24) from Trans Oceanic Mineral Company Ltd. ("TOMCL") and ensuring sufficient capital to complete the restart of production in accordance with the updated development and mine plan.

As of December 1, 2020 the Company has commenced capitalizing the related expenditures. Amounts capitalized in the period includes drilling services expenses, direct labour costs incurred and other expenses deemed to be recovered in future.

All required property payments were made with respect to the Copperstone Project as of December 31, 2021 and all claims are in good standing. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's ability to retain the rights to certain of its properties is dependent upon the Company continuing to make option payments and meet other commitments.

(b) Brewery Creek, Yukon

The Company owns 100% of the Brewery Creek Project ("Brewery"), subject to the following royalties:

- 2% NSR royalty to Alexco Resources Corp. on the first 600,000 ounces of gold produced, increasing to 2.75% thereafter. The Company can purchase 0.625% of the increased NSR royalty for \$2,000,000;
- 5% net profits interest ("NPI") over a portion of the property; and
- 2.5% NPI to the Tr'ondek Hwech'in First Nation ("THFN") on areas outside the existing mining permits (part of an Amended and Restated Socio and Economic Accord between the Company and THFN).

During the year ended December 31, 2019, the Golden Predator received formal notification from the Yukon Government confirming the validity of its existing Quartz Mining License and Water License, which allows the Company to immediately commence work to restart the Brewery Creek Mine.

(c) Marg, Yukon

On November 11, 2021, the Company closed the sale of its 100% interest in the Marg property ("Property Purchase Agreement") with Azarga. The sale consideration included cash advance of \$50,000 as a non-refundable deposit, 5,219,985 common shares of Azarga valued at \$208,799 (note 7) based on the market price of \$0.04 per share on the transaction closing date, cash receivable of \$200,000 on the one-year anniversary date of closing and cash receivable of \$350,000 on the two-year anniversary date of the closing (note 6).

(d) Gold Dome, Yukon

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The Company owns a 100% interest in the Gold Dome property, consisting of multiple intrusion-related gold targets over 170 km² land package.

(e) Grew Creek, Yukon

The Company owns 100% of the Grew Creek property, subject to a 4% NSR royalty. An annual \$25,000 advance royalty is payable on the property.

11. Lease liability

On September 1, 2019, the Company entered into a thirty-six month lease agreement for mobile equipment. The total lease payments of \$87,036 have been discounted at the implicit interest rate of 7% and resulted in a present value of \$78,551. Under the lease agreement, the Company is required to pay a quarterly payment of \$7,605 (US\$5,951).

On October 12, 2021, the Company entered into a forty-eight month lease agreement for mobile equipment. The total lease payments of \$25,347 have been discounted at the implicit interest rate of 7% and resulted in a present value of \$22,052. Under the lease agreement, the Company is required to pay a quarterly payment of \$542 (US\$424).

	Total
Balance, June 30, 2020	\$ 60,060
Interest expense	3,296
Lease payments	(30,959)
Foreign exchange movements	(4,139)
Balance, June 30, 2021	28,258
Addition	21,408
Interest expense	1,109
Lease payments	(16,032)
Foreign exchange movements	1,003
Balance, December 31, 2021	\$ 35,746

Allocated as:	As at December 31, 2021	As at June 30, 2021
Current	\$ 19,171	\$ 28,258
Long-term	16,575	-
	\$ 35,746	\$ 28,258

The following table presents the contractual undiscounted cash flows for lease obligation as at December 31, 2021:

Less than one year	\$ 20,744
More than one year	16,017
Total undiscounted lease obligation	\$ 36,761

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12. Deferred revenue

On November 12, 2020, the Company entered into a US\$18 million precious metals delivery and purchase agreement (the "Purchase Agreement") with Star Royalties to finance the restart of underground operations and gold production at the Copperstone Gold Mine ("Copperstone") in Arizona. As at December 31, 2021, the Company had received the first two tranches amounting to \$15,848,800 (US\$12 million). The remaining tranche of US\$6 million will be advanced subject to certain closing conditions inclusive of the acquiring the 3% gross production royalty from Trans Oceanic Mineral Company Ltd. and ensuring sufficient capital to complete the restart of production in accordance with the updated development and mine plan.

The Company recorded the advances received on precious metals delivery as deferred revenue and will recognize the amounts in revenue as performance obligations to metals delivery are satisfied over the term of the Purchase Agreement. The advances received on precious metals delivery is expected to reduce to nil through deliveries of the Company's own production to Star Royalties. The Company determined the amortization of deferred revenue on a per unit basis to be equal to the expected total deliveries of gold ounces over the term of the Purchase Agreement.

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up-front consideration received and delivery of the promised goods and recognized the interest expenses at incremental interest rate. An interest expense of \$816,498 was recorded during the six months ended December 31, 2021 (June 30, 2021 - \$751,783).

The following are components of deferred revenue as at December 31, 2021:

Advance received	\$ 15,484,800
Accrued interest	1,568,281
Foreign exchange difference	(274,711)
Total	\$ 16,778,370

13. Other loans payable

In May 2020, the Company received a loan under the Paycheque Protection Program of US\$156,200 from the U.S. Small Business Administration, an Agency of the United States of America. The loan will mature in 2 years and the applicable interest rate is 1% per year. The Company has applied to have the loan forgiven.

14. Promissory notes payable

	Promissory note ⁽¹⁾	Promissory convertible note ⁽²⁾	Total
Balance, June 30, 2020	\$ 4,524,557	\$ 2,506,845	\$ 7,031,402
Accrued interest	437,550	-	437,550
Transferred to convertible promissory notes	-	(2,506,845)	(2,506,845)
Balance, June 30, 2021	4,962,107	-	4,962,107
Accrued interest	255,458	-	255,458
Balance, December 31, 2021	\$ 5,217,565	\$ -	\$ 5,217,565

(1) The promissory note with principal of \$3,609,763 is payable to Braydon Capital Corporation, a company controlled by Claudio Ciavarella, an Officer, a Director and Shareholder of the Company. The promissory note bears an interest rate of 8% beginning in September 2017 and has a maturity date of August 22, 2020. In November 2019, the maturity date was extended to January 20, 2021 and then again to August 22, 2021. In November 2020, the maturity date was extended again to December 31, 2023. The rate of interest payable on the principal of the notes has been increased from 8% to 10% as of November 12, 2020, with interest payable quarterly starting upon the commencement of commercial production.

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(2) Braydon Capital Corporation and Trans Oceanic Minerals Corporation Ltd. each provided promissory notes of \$1,000,000 to the Company, bearing interest at 8% beginning in September 2017 and having a maturity date of August 22, 2020. The notes are secured by a general security agreement on the Copperstone Mine. In November, the maturity date was extended to January 20, 2021 and then again to August 22, 2021. In November 2020, the maturity date was extended to December 31, 2023. The rate of interest payable on the principal of the notes has been increased from 8% to 10% as of November 12, 2020, with interest payable quarterly starting upon the commencement of commercial production. The promissory notes were also amended to include a conversion feature providing that the principal amount of the notes can be converted into common shares of Sabre Gold at any time prior to maturity at a price of \$0.16 per share, subject to early conversion in the event the volume-weighted average trading price of the common shares exceeds \$0.30 for twenty consecutive trading days.

The conversion feature of a convertible financial instrument is presumed to be classified as a derivative financial liability unless it meets all the criteria to be recognized as an equity instrument under IAS 32 - Financial Instruments: Presentation. One of the criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed").

The conversion feature of the \$2,000,000 promissory notes was classified as equity since it met the fixed for fixed criteria. The Company used the residual value method to allocate the principal amount between the liability and equity components. The Company calculated the fair value of the debt component as \$1,823,805 using discount rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The remaining value of \$176,194, deducted the deferred tax liability of \$46,691, was assigned to the equity component.

15. Convertible promissory notes payable

Kerr Debenture I

The Company has a convertible promissory note in the amount of US\$2,054,570 ("Kerr Debenture I") payable to Trans Oceanic Minerals Corporation Ltd. The Kerr Debenture I had a maturity date of August 22, 2019 and an annual interest rate of 8% compounded monthly. The holder has the right to convert any part of the amount owing into common shares of the Company at a conversion price of \$0.90 per common share.

Kerr Debenture II

The Company has a convertible promissory note in the amount of US\$1,000,000 ("Kerr Debenture II") payable to Trans Oceanic Minerals Corporation Ltd. The Kerr Debenture II had a maturity date of August 22, 2019 and an annual interest rate of 8%, compounded monthly. The holder has the right to convert any part of the amount owing into common shares of the Company at a conversion price of \$0.065 per common share.

Kerr Debenture I and II

Since the convertible promissory note payables are denominated in US dollars but are convertible into common shares based upon a Canadian dollar conversion rate, therefore the fixed for fixed criteria is not met. As such, the conversion feature was classified as a derivative financial liability instead of an equity instrument. The Company has separated the convertible promissory notes payable into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In November 2018, the Kerr Debenture I and II convertible promissory notes were amended by extending the maturity date from August 22, 2019 to August 22, 2020. As a result, the Company extinguished these two convertible promissory notes when they were amended on November 28, 2018 and treated them as two new convertible promissory notes with a maturity date of August 22, 2020. The Company calculated the fair value of the conversion feature and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

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In March 2020, the Kerr Debenture I and II convertible promissory notes maturity date were extended to January 20, 2021 and then again to August 22, 2021. As a result, the Company treated them as two new convertible promissory notes with a new maturity date of August 22, 2021. The Company calculated the fair value of the conversion features and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In November 2020, the Kerr Debenture I and II convertible promissory notes maturity date was extended to December 31, 2023. The rate of interest payable upon the principal of the notes has been increased from 8% to 10% as of November 12, 2020 with the interest payable quarterly starting on the commencement of commercial production. The Company calculated the fair value of the conversion features and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

Sprott convertible note

On November 6, 2018, the Company executed a term sheet with Sprott Private Resource Lending (Collector) LP ("Sprott"), setting out the indicative terms upon which Sprott was prepared, subject to meeting prescribed project milestones including satisfactory due diligence, to provide up to US\$25 million of senior secured project financing (the "Financing Package") to fund the development and production of gold at the Copperstone Mine.

On November 28, 2018, the Company closed the CDN\$2.7 million (US\$2 million) Sprott Note financing. The Sprott Note is convertible into Common Shares at any time prior to maturity at a conversion price of CDN\$0.16 per share. The Company could redeem the Sprott Note at any time by paying the outstanding principal amount in cash, or with the agreement of the holder, in common shares of the Company, together with interest payable to maturity. In connection with the Sprott Note, the Corporation issued to Sprott one million common share purchase warrants entitling the holder to purchase one common share at a price of CDN\$0.15 until November 27, 2021, subject to acceleration.

On July 2, 2019, the Company issued 724,177 shares to Sprott as the interest payment of \$116,815 (note 15). On August 6, 2019, Sprott elected to convert \$660,850 (US\$500,000) of Sprott Note I into 4,130,313 common shares of the Company. On March 20, 2020, the maturity date of the Sprott Note I was extended to May 31, 2021 and the expiry date of the Sprott Warrants I was extended to November 28, 2023 (note 15). The original residual amount of \$106,678 assigned to the Sprott Warrants I has been moved from warrant reserve to other reserve.

The Company treated the modification as an extinguishment of the original financial liabilities and recognition of new financial liabilities. The Company recalculated the fair value of the liability component, Sprott Warrants I, and the derivative liabilities. The fair value of the financial derivative liability (conversion feature) was estimated at \$46,206 by using Black-Scholes pricing model with the assumptions; dividend yield 0%; risk free interest 0.61%; volatility 73.28% and an expected life of 14 months.

On March 20, 2020, the Company received an additional \$716,600 (US\$500,000) convertible note ("Sprott Note II") from Sprott. The Sprott Note II has a maturity date of May 31, 2021, an interest rate of 9% per annum, compounded and payable semi-annually. The Sprott Note II is convertible into Common Shares at any time prior to maturity at a conversion price of CDN\$0.13 per share. The Corporation can redeem the Sprott Note II at any time by paying the outstanding principal amount and accrued interest in cash, or with the agreement of the holder, in common shares of the Corporation. In connection with the Sprott Note II, the Company issued to Sprott an additional 650,000 common share purchase warrants ("Sprott Warrants II"). Each Sprott Warrant II entitles the holder to purchase one Common Share at a price of \$0.13 until November 28, 2023.

The warrants met the fixed for fixed criteria and was classified as an equity instrument and the residual amount of \$13,745 being the fair value of the equity (Sprott Warrants II). The fair value of the financial derivative liability (conversion feature) was estimated at \$20,355 by using Black-Scholes pricing model with the assumptions; dividend yield 0%; risk free interest 0.61%; volatility 73.28% and an expected life of 14 months. Transaction costs of \$83,660 were allocated to the debt components, equity components and derivative liability components in proportion to the allocation of the proceeds on initial recognition. Transaction costs of \$2,595 were allocated to the equity component and was accounted for as a deduction from equity; and \$81,065 was allocated to the debt component and was offset against the carrying amount of the debt and included in the determination of the accretion expenses.

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As part of the Star Royalties Purchase Agreement, the Company has repaid the outstanding US\$2 million convertible promissory note and accrued interest to the maturity date March 31, 2021. As a result of the prepayment of US\$2 million convertible promissory note, the derivative liabilities related to the conversion feature were derecognized.

The following table summarizes the debt component:

	Kerr debenture 1	Kerr debenture 2	Sprott note 1 & 11	Promissory convertible note	Total
Balance, June 30, 2020	\$ 3,508,375	\$ 1,644,889	\$ 2,522,859	\$ -	\$ 7,676,123
Transferred from promissory notes	-	-	-	2,506,845	2,506,845
Less repayment of principal	-	-	(2,00,000)	-	(2,000,000)
Less fair value of convertible feature	-	-	-	(176,194)	(176,194)
Accrued interest	318,318	156,026	167,500	242,386	884,230
Interest paid	-	-	(167,500)	-	(167,500)
Accretion expense	12,048	88,987	202,740	34,252	338,027
Amendment	(54,186)	(127,572)	-	-	(181,758)
Foreign exchange	(327,443)	(159,443)	(725,599)	-	(1,212,485)
Balance, June 30, 2021	\$ 3,457,112	\$ 1,602,887	\$ -	\$ 2,607,289	\$ 7,667,288
Accrued interest	183,222	89,231	-	141,535	413,988
Accretion expense	8,708	20,501	-	28,314	57,523
Foreign exchange	85,674	39,605	-	-	125,279
Balance, December 31, 2021	\$ 3,734,716	\$ 1,752,224	\$ -	\$ 2,777,138	\$ 8,264,078

16. Derivative financial liabilities

The following table summarizes the derivative financial liabilities:

	Kerr debenture I	Kerr debenture II	Sprott note I and II	Seabridge	Total
Balance, June 30, 2020	\$ 2,016	\$ 110,600	\$ 96,170	\$ -	\$ 208,786
Derecognition of derivative liabilities	(2,016)	(110,600)	(96,170)	-	(208,786)
Derivative liabilities on initial recognition	54,186	127,572	-	-	181,758
Fair value adjustment	(33,982)	(43,125)	-	-	(77,107)
Balance, June 30, 2021	20,204	84,447	-	-	104,651
Acquired from Golden Predator	-	-	-	9,874	9,874
Fair value adjustment	(14,856)	(40,533)	-	(8,438)	(63,827)
Balance, December 31, 2021	\$ 5,348	\$ 43,914	\$ -	\$ 1,436	\$ 50,698

The Seabridge derivative financial instruments consist of covered call and put option contracts that were issued against shares of Seabridge Gold Inc. These instruments are classified as financial liabilities at fair value through profit or loss ("FVTPL").

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17. Decommissioning liabilities

The Company's decommissioning liability relates to the cost of removing and restoration of the Copperstone Mine in La Paz County, Arizona. Significant reclamation and closure activities include land rehabilitation, demolition of buildings and mine facilities, ongoing care and maintenance and other costs. This estimate depends on the development of environmentally acceptable mine closure plans.

A continuity for asset retirement obligations is as follows:

Asset Retirement Obligation

Balance, June 30, 2020	\$ 2,530,645
Accretion expense for the year	25,835
Foreign exchange differences	(224,879)
Adjustment	(141,307)
Balance, June 30, 2021	2,190,294
Accretion expense for the period	55,723
Foreign exchange differences	50,076
Adjustment	(74,128)
Balance, December 31, 2021	\$ 2,221,965

Copperstone:

The mine closure provision liability is based upon numerous estimates and assumptions, as follows:

- i) Total undiscounted amount of future retirement costs was estimated to be \$2,221,965 (US\$1,752,615) to which the Company has provided cash collateral as disclosed in (note 5).
- ii) Risk-free rate at 1.27%.
- iii) Expected timing of cash outflows required to settle the obligation is for the full amount to be paid in 2027.
- iv) Inflation over the period up to 2027 was estimated to be 1.82% per annum.

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18. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, June 30, 2020	310,342,553	\$ 145,408,462
Common shares issued in placement ⁽ⁱ⁾	35,720,000	5,000,800
Value allocated to warrants ⁽ⁱ⁾	-	(716,618)
Share issue costs	-	(567,485)
Balance, June 30, 2021	346,062,553	\$ 149,125,159
Purchase of Golden Predator Mining Corp ⁽ⁱⁱ⁾	284,515,638	27,297,019
Shares issued for acquisition related costs ⁽ⁱⁱⁱ⁾	2,338,059	241,989
Balance, December 31, 2021	632,916,250	\$ 176,664,167

- (i) On August 10, 2020, the Company closed a bought deal financing for aggregate gross proceeds of \$5,000,800 (the "Offering"). Pursuant to the Offering, the Company issued a total of 35,720,000 units of the Company (the "Units") at a price of \$0.14 per Unit. Each Unit consists of one common share in the capital of the Company (a "Common Share") and one half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.22 for a period of 24 months. The fair value of the 17,860,000 share purchase warrants was estimated at \$716,618 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.27%; volatility 82.11% and an expected life of 24 months. The Company incurred legal and other issuance costs of \$229,124. The Company also paid cash of \$300,048 and issued 2,143,200 broker warrants to the underwriter for the Offering. Each broker warrant entitles the holder thereof to purchase one Common Share at a price of \$0.14 for a period of 24 months. The fair value of the 2,143,200 broker warrants was estimated at \$147,686 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.27%; volatility 82.11% and an expected life of 24 months.
- (ii) On September 2, 2021, the Company acquired all of the outstanding common shares of Golden Predator. Part of consideration paid is 284,515,638 with a fair value of \$27,297,019 (note 4).
- (iii) In conjunction with the acquisition of Golden Predator a success fee was paid to Sabre Gold's financial advisors who elected to take a portion of the fee in shares of the Company.

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19. Share-based payments reserve

The purpose of the Company's stock option plan is to provide incentives to Directors, Officers, employees and consultants of the Company. The maximum number of common shares reserved for issuance upon exercise of the options is 10% of issued and outstanding shares. The Board of Directors may designate the recipients of options and determine the number of common shares covered by each option, its exercise price (which may not be less than closing market price of the common shares on the trading day prior to the grant) and its expiry date. The term of the options shall not exceed five years from the date of grant.

Option pricing models require the input of highly subjective assumptions as noted above. Changes in the subjective input assumptions can materially affect the fair value estimate.

The following table reflects the continuity of stock options for the six months ended December 31, 2021 and year ended June 30, 2021:

	Number of Stock options	Weighted Average Exercise price
Balance, June 30, 2020	21,700,000	\$ 0.170
Issued ⁽ⁱ⁾ (ii)	1,500,000	0.140
Cancelled ⁽ⁱⁱⁱ⁾	(3,700,000)	0.175
Balance, June 30, 2021	19,500,000	\$ 0.170
Issued for acquisition of Golden Predator ^(iv)	6,657,750	0.203
Issued ^(v)	21,400,000	0.100
Cancelled ^(vi)	(7,944,750)	0.190
Balance, December 31, 2021	39,613,000	\$ 0.171

- (i) On January 4, 2021, the Company issued 500,000 stock options to an Officer of the Company with an exercise price of \$0.140. Half the options vested immediately and the remainder vested on June 30, 2021. The fair value of these options at the date of grant of \$56,000 was assigned to the stock options as estimated by using the Black-Scholes option pricing model with the following assumptions: a five-year expected average life; share price of \$0.140; 114% expected volatility; risk free interest rate of 0.39%; and an expected dividend yield of 0%.
- (ii) On March 29, 2021, the Company issued 1,000,000 stock options to an Officer of the Company with an exercise price of \$0.140. The options vested immediately. The fair value of these options at the date of grant of \$81,138 was assigned to the stock options as estimated by using the Black-Scholes option pricing model with the following assumptions: a five-year expected average life; share price of \$0.140; 91.29% expected volatility; risk free interest rate of 0.97%; and an expected dividend yield of 0%.
- (iii) During the year ended June 30, 2021, 3,700,000 options were cancelled and \$508,112 was transferred from Share based payments reserve to other reserve.
- (iv) Options were issued to former stock option holders of Golden Predator on the basis of 1.65 Sabre Gold stock options for every one stock option of Golden Predator (note 4).
- (v) In October and December 2021, the Company issued 21,400,000 stock options to various Officers and Directors of the Company with an exercise price of \$0.10. The options vested immediately. The fair value of these options at the date of grant of \$1,331,000 was assigned to the stock options as estimated by using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$0.100; 85.87% expected volatility; risk free interest rate of 1.35%; and an expected dividend yield of 0%.
- (vi) During the six months ended December 31, 2021, 7,944,750 options were cancelled and \$497,171 was transferred from Share based payments reserve to other reserve.

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During the six months ended December 31, 2021, \$809,318 was expensed to share based payments (year ended June 30, 2021 - \$471,645) and \$521,682 was capitalized as mineral properties (year ended June 30, 2021 - \$109,138).

The following table reflects the actual stock options issued and outstanding as of December 31, 2021:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
February 20, 2022	0.16	0.14	165,000	165,000
May 2, 2022	0.19	0.33	2,000,000	2,000,000
June 1, 2022	0.12	0.42	99,000	99,000
July 11, 2022	0.22	0.53	115,500	115,500
August 15, 2022	0.22	0.62	726,000	726,000
August 23, 2022	0.22	0.64	1,000,000	1,000,000
September 12, 2022	0.22	0.70	412,500	412,500
January 12, 2023	0.30	1.03	2,000,000	2,000,000
April 1, 2023	0.15	1.25	330,000	330,000
May 28, 2023	0.18	1.41	33,000	33,000
November 28, 2023	0.14	1.91	500,000	500,000
December 31, 2023	0.15	2.00	132,000	132,000
January 29, 2024	0.14	2.08	500,000	500,000
April 15, 2024	0.13	2.29	800,000	800,000
November 5, 2024	0.14	2.85	2,200,000	2,200,000
April 18, 2025	0.13	3.30	5,700,000	5,700,000
January 3, 2026	0.14	4.01	500,000	500,000
March 29, 2026	0.14	4.50	1,000,000	1,000,000
October 26, 2026	0.10	4.81	20,500,000	20,500,000
December 17, 2026	0.10	4.96	900,000	900,000
	0.13	3.61	39,613,000	39,613,000

20. Warrants reserve

The following table reflects the continuity of warrants for the six months ended December 31, 2021 and the year ended June 30, 2021:

	Number of warrants	Amount
Balance, June 30, 2020	49,152,895	\$ 0.21
Issued	20,003,200	0.21
Balance, June 30, 2021	69,156,095	\$ 0.21
Issued	9,982,500	0.21
Cancelled	(21,239,409)	0.21
Balance, December 31, 2021	57,899,186	\$ 0.21

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The following table reflects the actual warrants issued as of December 31, 2021:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
22,913,486	714,964	0.21	February 28, 2022
3,350,000	213,289	0.21	April 15, 2022 ⁽¹⁾
17,860,000	716,618	0.22	August 10, 2022
2,143,200	147,686	0.14	August 10, 2022
742,500	12,002	0.24	April 1, 2023
9,240,000	192,829	0.21	May 20, 2023
1,000,000	49,020	0.15	November 28, 2023
650,000	13,745	0.13	November 28, 2023
57,899,186	2,060,153	0.21	

- (1) 3,350,000 share purchase warrants were issued on April 15, 2019 with an expiry date of April 15, 2021. On December 22, 2020, the expiry date was extended to April 15, 2022. The Company recorded the incremental difference of \$73,606 in warrants reserve for the warrants extension. These warrants were valued on the extension date using the following Black-Scholes option pricing model parameters; a risk-free interest rate of between 0.22%, a dividend yield of 0%, a volatility of between 85.13% and an expected life of between 1.31 years.
- (2) 9,982,500 warrants were issued to former warrant holders of Golden Predator on the basis of 1.65 Sabre Gold stock warrants for every one warrant of Golden Predator (note 4). These warrants were valued on the acquisition date using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 0.40%, a dividend yield of 0%, a volatility of between 83.56% and 83.98% and an expected life of between 1.58 and 1.71 years.
- (3) During the six months ended December 31, 2021, 21,239,409 warrants were cancelled and \$370,039 was transferred from Share based payments reserve to other reserve.

21. Loss per share

For the six months ended December 31, 2021, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$2,959,821 (year ended June 30, 2021 - \$4,879,005) and the weighted average number of common shares outstanding of 532,963,155 (year ended June 30, 2021 - 342,050,169) for basic and diluted loss per share. Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

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22. Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Loans from related parties

The Company has entered into a series of financial transactions with related parties as detailed below.

Loans from related parties	December 31, 2021	June 30, 2021
Deferred revenue (note 12)	\$ 16,778,370	\$ 15,606,056
Promissory note payables (note 14)	5,127,565	4,962,107
Convertible promissory note payables (note 15)	8,264,078	7,667,288
Derivative financial liabilities (note 16)	50,698	104,651
Total	\$ 30,220,711	\$ 28,340,102

(b) The Company entered into the following transactions with related parties:

	Six Months Ended December 31, 2021	Year Ended June 30, 2021
A Director ⁽ⁱ⁾	\$ 115,072	\$ 232,929
Braydon Capital Corporation ⁽ⁱⁱ⁾	326,226	558,743
Trans Oceanic Minerals Corporation Ltd ⁽ⁱⁱⁱ⁾	343,221	595,537
Forte Fixtures & Millwork Inc ^(iv)	-	400,000
CopperBank Resources Corp	13,786	-
Nevgold Corp	13,786	-
Individuals related to a director of the Company	214,688	-
The Marrelli Group ^(v)	-	22,939
Total	\$ 1,026,779	\$ 1,853,504

- i) The director is a partner in a law firm that provided legal services to the Company, the individual concerned ceased to be a director as of September 2, 2021.
- ii) During the six months ended December 31, 2021, the Company accrued interest to Braydon Capital Corporation for the promissory notes payables (note 13).
- iii) During the six months ended December 31, 2021, the Company accrued interest to Trans Oceanic Minerals Corporation Ltd for the convertible promissory notes payable (note 14).
- iv) During the year ended June 30, 2021, the Company expensed consulting fees and rent amounting to \$400,000 (2020 - \$nil) to Forte Fixtures & Millwork Inc, a company controlled by a director of the Company. The amounts paid or accrued to the firm related to the services provided in the normal course of business.
- v) The Company paid "The Marrelli Group", which encompasses Marrelli Support Services Inc., DSA Corporate Services Inc., DSA Filing Services Limited and Marrelli Press Release Services Limited as part of related party transactions for the provision of professional fees, Bookkeeping services, Regulatory filing services, Corporate secretarial services and Press release services.

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(c) Remuneration of Directors and key management personnel, other than consulting fees, of the Company was as follows:

	Six Months Ended December 31, 2021	Year Ended June 30, 2021
Salaries and benefits	\$ 180,930	\$ 272,310
Consulting fee	239,975	454,512
Share based payments	1,175,615	137,138
	\$ 1,596,520	\$ 863,960

The Directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services.

23. Commitments and contingencies

- a) The Company has placed a surety bond of an insurance company in connection with the Copperstone Property as required by the US Bureau of Land Management. Cash collateral of \$1,067,095 (US\$841,690) (note 4) is held with the Bank of New York in the name of the Company in a short-term cashable account.
- b) The activities of the Company are subject to environmental laws and regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, endangered species and reclamation of lands disturbed by mining operations. The Company believes it complies with all laws and regulations which currently apply to its activities.
- c) On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the "MOU") with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory. Under the MOU, the Company will pay an annual Community Development fee of 2% for "on the ground" exploration expenditures incurred at the 3 Aces project. The total community fee owed to the Kaska Nation of \$341,455 from prior years will remain the responsibility of the Company.
- d) An Amended and Restated Socio-Economic Accord for the Brewery Creek Project was entered into with the Tr'ondëk Hwëch'in First Nation in September 2012. Key aspects of the Socio-Economic Accord include the Company's commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to \$60,000 per annum while the mine is operating.

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24. Income taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the six months ended December 31, 2021 and the year ended June 30, 2021 is as follows:

	December 31, 2021	June 30, 2020
Loss before income taxes	\$ (4,358,469)	\$ (4,879,005)
Combined statutory rate	26.5%	26.5%
Estimated recovery of income taxes	\$ (1,155,000)	\$ (1,293,000)
Non-deductible expenditures	433,000	178,000
Share issue costs	(25,000)	(59,000)
Foreign tax rate differential	5,000	43,000
Deferred tax asset not recognized	735,000	1,087,000
Deferred income tax recovery	\$ (7,000)	\$ (44,000)

The Canadian statutory income tax rate of 26.5% (2020 – 26.5%) is comprised of the federal income tax rate at approximately 15% (2020 – 15%) and the provincial income tax rate of approximately 11.5% (2020 – 11.5%).

The primary differences which give rise to the deferred income tax assets (liability) as at December 31, 2021 and June 30, 2021 are as follows:

	December 31, 2021	June 30, 2021
Deferred income tax assets (liability)		
Non-capital loss carry forwards	\$ 27,947,000	\$ 26,975,000
Pre-production investment tax credit	2,625,000	2,625,000
Other timing differences	(2,435,000)	(2,409,000)
Resource expenditures	39,204,000	39,204,000
Net capital losses	(216,000)	(216,000)
	67,125,000	66,179,000
Deferred tax asset not recognized	(67,125,000)	(66,179,000)
Deferred income tax assets (liabilities)	\$ -	\$ -

As at December 31, 2021, the unamortized balance, for income tax purposes, of the share issuance fees amounts to approximately \$410,941 (June 30, 2021 - \$559,616) and will be deductible over the next four years.

As at December 31, 2021, the Company has \$138,200,000 (June 30, 2021 - \$133,077,000) of unused resource expenses available to offset future taxable income. The tax benefits pertaining to these expenses are available to carry forward indefinitely. In addition, the Company has resource pools of \$67,709,000 in the United States as at December 31, 2021, which can be utilized to be deducted against future resource profits.

As at December 31, 2021, the Company has \$2,413,000 (June 30, 2021 - \$2,413,000) of certain Investment Tax Credits that can be used to offset future taxes payable.

As at December 31, 2021, the Company has Canadian loss carry-forwards of approximately \$105,240,000 (June 30, 2021 - \$63,402,290) and US tax loss carry forwards of approximately \$30,727,000 (June 30, 2021 - \$30,727,000). These non-capital losses can be used to offset future taxable income and begin to expire in 2024. The Company also has Canadian capital loss carryforwards of approximately \$5,802,000 (June 30, 2021 - \$5,802,000) that can be carried forward indefinitely and be applied against future capital gains.

The benefits of these losses, tax credits and resource expenditures, in excess of any taxable temporary differences, have not been

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recorded in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities are presented below.

The Sprott note (note 15) has been separated into liability and equity components on its initial recognition. The tax base of the convertible debenture on initial recognition is its face value and resulted in a taxable temporary difference arising from the equity components. Consequently, the Company recognized the deferred tax liability, which is charged directly to the carrying amount of the equity components.

The interest accretion expense increased the carrying value of liability component and reduced the temporary difference, and then reduced the carrying value of deferred tax liabilities. The convertible debenture extension increased the taxable temporary difference and deferred tax liability again.

The following table summarizes the deferred income tax liabilities arising from Sprott note:

Balance, June 30, 2020	\$ 35,394
Deferred tax recovery due to amendment of financial liabilities	(35,394)
Arising from convertible financial liabilities	46,692
Deferred tax recovery due to accretion expenses	(9,077)
Balance June 30, 2021	\$ 37,615
Deferred tax recovery due to accretion expenses	(7,351)
Balance December 31, 2021	\$ 30,264

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25. Segmented information

As at December 31, 2021, the Company's operations comprise of a mineral exploration and development project in La Paz County, Arizona ("USA") and a mineral exploration and development project in the Yukon, Canada and a head office in Toronto, Canada.

Six Months Ended December 31, 2021	Canada	USA	Total
Revenues	\$ -	\$ -	\$ -
Net loss	\$ (4,358,469)	\$ -	\$ (4,358,469)

Year Ended June 30, 2021

	Canada	USA	Total
Revenues	\$ -	\$ -	\$ -
Net loss	\$ (4,386,674)	\$ (492,331)	\$ (4,879,005)

As at December 31, 2021

	Canada	USA	Total
Total assets	\$ 44,091,524	\$ 17,301,921	\$ 61,393,445
Non-current assets	\$ 32,822,043	\$ 16,836,707	\$ 49,658,750

As at June 30, 2021

	Canada	USA	Total
Total assets	\$ 21,961,156	\$ 9,668,034	\$ 31,629,190
Non-current assets	\$ 16,752,305	\$ 7,788,741	\$ 24,541,046

26. Subsequent events

Subsequent to the year end a subsidiary of the Company was sold to a former executive officer of Golden Predator Mining who is related to a current Director. This transaction was in partial settlement of change of control consideration.