ALLIED COPPER

(formerly Gold Rush Cariboo Corp.)

Consolidated Financial Statements

For the Years Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

S & W LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Allied Copper Corp. (Formerly Gold Rush Cariboo Corp.)

Opinion

We have audited the consolidated financial statements of **Allied Copper Corp. (Formerly Gold Rush Cariboo Corp.)** (the Company), which comprise the consolidated statements of financial position as at June 30, 2021 and June 30, 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency) 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 June 30, 2021 and June 30, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Howard Wolle.

S + W LLP

October 28, 2021 — S & W LLP
Toronto, Canada — Chartered Professional Accountants, Licensed Public Accountants

ALLIED COPPER CORP. ***(formerly Gold Rush Cariboo Corp.)***
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2021 and 2020
(Expressed in Canadian dollars)

	Note	**2021**	2020
		$	$
ASSETS			
Current			
Cash		**2,903,555**	7,547
Goods and sales tax receivable		**76,426**	26,637
Prepaid expenses and deposits	5	**432,812**	6,300
		3,412,793	40,484
Property, plant and equipment	6	**-**	1
Mining equipment	6	**-**	1
Right-of-use asset	6	**33,669**	70,400
Mining property and rights acquisition costs	7	**2**	2
Total assets		**3,446,464**	110,888
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8, 12	**615,947**	703,234
Interest payable	9	**172,186**	126,986
Convertible promissory note payable	9	**2,250,000**	2,250,000
Current portion of lease liability	10	**36,390**	36,780
		3,074,523	3,117,000
Lease liability	10	**-**	36,390
Total liabilities		**3,074,523**	3,153,390
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	11	**10,529,052**	7,342,715
Equity component of convertible promissory note payable	9	**984,700**	984,700
Warrant reserves	11	**1,193,148**	1,170,761
Share-based payments reserve	11	**-**	453,754
Contributed surplus		**4,321,558**	2,697,043
Deficit		**(16,656,517)**	(15,691,475)
Total shareholders' equity (deficiency)		**371,941**	(3,042,502)
Total liabilities and shareholders' equity (deficiency)		**3,446,464**	110,888

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 15)
Subsequent events (Note 18)

Approved on behalf of the Board by:

"Richard Tremblay"	***"Warner Uhl"***
Director	**Director**

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

ALLIED COPPER CORP. ***(formerly Gold Rush Cariboo Corp.)***
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended June 30, 2021 and 2020
(Expressed in Canadian dollars, except number of shares)

	Note	**2021**	2020
		$	$
Operating expenses			
Amortization expense on right-of-use asset	6	**36,731**	36,731
Consulting fees	12,15	**197,845**	167,636
Exploration and evaluation expenditures	4	**101,082**	112,664
Filing and transfer fees		**74,128**	24,325
General and administrative		**26,978**	38,466
Interest on convertible promissory note	9	**45,200**	4,997
Interest on lease liability	10	**4,524**	7,343
Investor relations		**44,199**	9,254
Impairment of property, plant and equipment	6	**2**	22,007
Marketing and promotion		**51,859**	-
Professional fees		**107,619**	44,168
Loss before other items		**690,167**	467,591
Other expense			
Loss on debt settlement	11	**274,875**	-
Loss on convertible promissory note	11	**-**	776,071
Loss and comprehensive loss	9	**965,042**	1,243,662
Loss per share			
Basic and diluted		**0.17**	0.47
Weighted average common shares outstanding			
Basic and diluted		**5,748,018**	2,642,160

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

ALLIED COPPER CORP. ***(formerly Gold Rush Cariboo Corp.)***
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian dollars, except number of shares)

	Note	Common shares	Share capital	Equity component of convertible promissory note	Warrant reserves	Share-based payments reserve	Contributed surplus	Deficit	Total shareholders' equity (deficiency)
		#	$	$	$	$	$	$	$
As at June 30, 2019		2,642,082	7,342,715	984,700	1,183,961	453,754	2,683,843	(14,447,813)	(1,798,840)
Expiry of warrants	11(e)	-	-	-	(13,200)	-	13,200	-	-
Loss for the year		-	-	-	-	-	-	(1,243,662)	(1,243,662)
As at June 30, 2020		**2,642,082**	**7,342,715**	**984,700**	**1,170,761**	**453,754**	**2,697,043**	**(15,691,475)**	**(3,042,502)**
Exchange of special warrants	11(c)	7,333,333	1,268,848	-	643,999	-	-	-	1,912,847
Shares issued for private placement	11(c)	8,333,333	1,917,489	-	549,149	-	-	-	2,466,638
Expiry of warrants	11(e)	-	-	-	(1,170,761)	-	1,170,761	-	-
Cancellation of stock options	11(f)	-	-	-	-	(453,754)	453,754	-	-
Loss for the year		-	-	-	-	-	-	(965,042)	(965,042)
As at June 30, 2021		**18,308,748**	**10,529,052**	**984,700**	**1,193,148**	**-**	**4,321,558**	**(16,656,517)**	**371,941**

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

ALLIED COPPER CORP. ***(formerly Gold Rush Cariboo Corp.)***
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

	2021	2020
	$	$
OPERATING ACTIVITIES		
Net loss	**(965,042)**	(1,243,662)
Items not affecting cash		
Amortization expense on right-of-use asset	**36,731**	36,731
Interest expense on convertible promissory note	**45,200**	4,997
Interest expense on lease liability	**4,524**	7,343
Impairment of property, plant and equipment	**2**	22,007
Loss on convertible promissory note	**-**	776,071
Change in provision	**(46,822)**	-
Loss on debt settlement	**274,875**	-
Changes in non-cash working capital		
Goods and sales tax receivable	**(49,789)**	(6,490)
Prepaid expenses and deposits	**(426,512)**	(6,300)
Accounts payable and accrued liabilities	**417,660**	428,077
Net cash (used in) provided by operating activities	**(709,173)**	18,774
FINANCING ACTIVITIES		
Proceeds from private placements, net of share issue costs	**2,466,638**	-
Proceeds from issuance of special warrants, net of share issued costs	**1,179,847**	-
Principal lease liability payments	**(36,780)**	(33,962)
Interest paid on lease liability	**(4,524)**	(7,343)
Net cash provided by (used in) financing activities	**3,605,181**	(41,305)
Net change in cash and restricted cash	**2,896,008**	(22,531)
Cash, beginning of year	**7,547**	30,078
Cash, end of year	**2,903,555**	7,547
SUPPLEMENTAL CASH FLOW INFORMATION		
Special warrants issued for debt	**458,125**	-
Incomes taxes paid in cash	**-**	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Allied Copper Corp. (formerly Gold Rush Cariboo Corp.) (the "Company") is principally engaged in the acquisition and exploration of mineral properties in North America. The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain enough mineral deposits, such that their recovery would be economically viable. The Company trades on the TSX Venture Exchange under the symbol CPR. The address of the Company's corporate office and principal place of business is 520 – 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2.

Subsequent to June 30, 2021, the Company completed the definitive agreement with 1269280 B.C. Ltd. through its wholly owned subsidiary 1303288 B.C. Ltd. (see Notes 4 and 18). Pursuant to the agreement 1269280 B.C. Ltd. will acquire control of the Company through a reverse takeover acquisition.

The Company has taken steps to verify title to the properties on which it is conduction exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties; however, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

On April 5, 2021, under Article of Amendment, the Company changed its name to Allied Copper Corp. Additionally, the Company consolidated its issued and outstanding common shares on the basis of 15 pre-consolidation common shares to 1 post consolidation common share. All information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in these consolidated financial statements have been adjusted retroactively to reflect the share consolidation.

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations and the Company has incurred significant losses to date resulting in a cumulative deficit of $16,656,517 as at June 30, 2021 (June 30, 2020 - $15,691,475). The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful, and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advances its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. As of June 30, 2021, the Company had current assets of $3,412,793 (June 30, 2020 - $40,484) to cover current liabilities of $3,074,523 (June 30, 2020 - $3,117,000). The Company has no proven history of performance, earnings or success. These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern over the next 12 months should it not be able to obtain the necessary financing to fund exploration programs and working capital requirements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

The financial statements were approved and authorized for issuance by the Board of Directors of the Company on October 28, 2021.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting. All dollar amounts presented are in Canadian dollars unless otherwise specified.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, the functional and presentation currency of the Company and its subsidiaries.

(d) Basis of consolidation

Subsidiaries are entities controlled by the Company and are included in these financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly and indirectly, to govern the financial operating policies of an entity and be exposed to the variable returns from its activities

All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation. These financial statements incorporate the accounts of the company and the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership	Functional currency
Gold Rush Cariboo Inc.	Canada	100%	CAD
1303288 B.C. Ltd.	Canada	100%	CAD
Allied Nevada Inc.	USA	100%	CAD

3. SIGNIFICANT ACCOUNT POLICIES

(a) Estimates and critical judgements by management

The preparation of financial statements requires management to make judgements, estimates and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgements, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgements which may cause a material adjustment to the carrying amounts of assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The areas which require management to make critical judgements include:

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the consolidated financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position would be necessary (see Note 1).

The areas which require management to make significant estimates and assumptions include:

Common share purchase warrants

The Company determines the fair value of share purchase warrants issued using the Black Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the warrant. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management’s estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and cash held in trust.

(c) Mineral property and right acquisition costs

Costs directly related to exploration and evaluation expenditures prior to the determination of feasibility of mining operations are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs and share based payments to employees and consultants, are also expended in the period in which they occur. The acquisitions of mineral property and rights are initially measured at cost. Mining property and right acquisitions costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed in production, sold or allowed to lapse.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mining property and right acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interest pursuant to the terms of the relevant agreements. These costs will be amortised over the estimated life of the property following commencement of commercial production, or writing off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred, together with the related exploration and evaluation expenditures.

Management annually assess the carrying values of its properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if (i) the property has been abandoned; (ii) there are unfavourable changes in the property economics; (iii) there are restrictions on development; or (iv) when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

(d) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An asset's recoverable amount is the higher of fair value less costs of disposal 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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in the consolidated statements of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal of impairment is recognized in the consolidated statements of loss and comprehensive loss.

(f) Leases

Upon lease commencement, a right-of-use asset and lease liability is recognized. The right-of-use asset is initially measured at the amount of lease liability plus any initial direct costs incurred by the lessee. After lease commencement, the right-of-use asset is measured at cost less accumulated amortization. Right-of-use assets are amortised over the term of the life, including the term of likely extensions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Subsequently, the lease liability is measured on an amortised cost basis using an effective interest method.

(g) Share capital

Common shares are classified as share capital. Costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

(h) Common share purchase warrants

Share purchase warrants are classified as a component of equity. Share purchase warrants are recognized based on their relative fair value using the Black-Scholes option pricing model at the date of issue. Share purchase warrants are initially recorded as a part of warrant reserves in equity at their proportional fair value. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from warrant reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital.

On expiry the recognized fair value of the warrants are reallocated from warrant reserves to contributed surplus.

(i) Income taxes

Income tax reported in the consolidated statements of loss and comprehensive loss for the period presented comprises current and deferred income tax. Income tax is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date and includes any adjustments to tax payable or recoverable with regards to previous periods.

Deferred income tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the expected future tax rates enacted or substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The following financial assets are valued at amortized cost: cash.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the consolidated statements of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at June 30, 2021 and 2020.

Financial liabilities at amortized cost

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. The following financial liabilities are valued at amortized cost: accounts payable and accrued liabilities, interest payable, convertible promissory note payable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. The diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

(l) 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 operation 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. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4. DEFINITIVE AGREEMENT

On May 5, 2021, the Company entered into a definitive agreement with 1269280 B.C. Ltd. ("BCCo") through its wholly owned subsidiary 1303288 B.C. Ltd. ("Subco") whereby the Company will acquire all issued and outstanding shares of BCCo (the "Proposed Transaction"). BCCo's sole asset is an option agreement with Goodspring Exploration LLC whereby BCCo has the option to earn 100% interest in the Silver King project in the State of Nevada. Under the definitive agreement, the Company will issue 6,691,000 common shares in the capital of the Company at a deemed price of $0.30 per share to the shareholders of BCCo. The completion of the Proposed Transaction is subject to the satisfaction of certain conditions precedent, including:

I. Receipt of all necessary consents, approvals and other authorizations of any regulatory authorities, shareholders or third parties has been obtained, including but not limited to the approval of the TSX Venture Exchange.

II. The representations and warrants of the parties in the definitive agreement remaining accurate at and as of the closing date.

III. The completion by BCCo of an equity financing for gross proceeds of a minimum of $1,500,000 and a maximum of $3,000,000 at an offering price of $0.30 per subception receipt.

Subsequent to year-end, on October 27, 2021, the Company completed the Proposed Transaction (see Note 18).

During the year ended June 30, 2021, the Company incurred exploration and evaluation expenditures of $101,082 related to the Silver King project. During the year ended June 30, 2020, the Company incurred exploration and evaluation expenditures of $112,664 related to its Horseshoe Bend project (Note 7).

(Expressed in Canadian dollars)

5. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits were comprised of the following as at June 30, 2021 and 2020:

	2021	2020
	$	$
Prepaid expenses	**255,912**	-
Prepaid insurance	**12,000**	-
Retainer deposit (Note 12)	**101,700**	-
Exploration deposits	**56,900**	-
Rent deposit	**6,300**	6,300
	432,812	6,300

(Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment	Construction vehicles	Mining equipment	Right-of-use asset (Note 10)	Total
	$	$	$	$	$
Cost					
Balance on June 30, 2019	7,300	29,990	1	-	37,291
Additions	-	-	-	107,131	107,131
Impairment	(7,300)	(29,989)	-	-	(37,289)
Balance on June 30, 2020	-	1	1	107,131	107,133
Impairment	-	(1)	(1)	-	(2)
Balance June 30, 2021	**-**	**-**	**-**	**107,131**	**107,131**
Accumulated depreciation					
Balance on June 30, 2019	5,014	10,268	-	-	15,282
Depreciation	-	-	-	(36,731)	(36,731)
Impairment	(5,014)	(10,268)	-	-	(15,282)
Balance on June 30, 2020	**-**	**-**	**-**	**(36,731)**	**(36,731)**
Depreciation	-	-	-	(36,731)	(36,731)
Balance June 30, 2021	**-**	**-**	**-**	**(73,462)**	**(73,462)**
Carrying value					
As at June 30, 2020	-	1	1	70,400	70,402
As at June 30, 2021	**-**	**-**	**-**	**33,669**	**33,669**

During the year ended June 30, 2021, the Company recognised an impairment loss of $2 (2020 - $22,007) of property, plant and equipment.

(Expressed in Canadian dollars)

7. MINING PROPERTY AND RIGHTS ACQUISITION COSTS

	Casa Berardi project	Horseshoe Bend project	Total
	$	$	$
As at June 30, 2021 and 2020	**1**	**1**	**2**

As a result of inactivity in furthering the development of these projects along with no recognized revenue stream in the future as a result of the assets not meeting management's expectations in generating the expected future benefits the Casa Barardi project and Horseshoe Bend project were impaired during the year ended June 30, 2019.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at June 30, 2021 and 2020, the Company's accounts payable and accrued liabilities were composed of the following:

	2021	2020
	$	$
Accounts payable (Note 12)	**581,953**	703,234
Accrued liabilities	**33,994**	-
	615,947	703,234

9. CONVERTIBLE PROMISSORY NOTE

On September 4, 2017, Gold Rush Cariboo Inc. issued a convertible promissory note (the "Note") in connection with the acquisition of the Horseshoe Bend project mining rights. The Note bears interest of 2% per annum calculated semi-annually and is convertible at $6.00 per share. The Note originally matured on September 2, 2024 and was payable in certain installments. The fair value of the debt portion was estimated using a discounted cash flow model based on an expected life of seven years, timing of expected principal payments and a discount rate of 15%. The residual value of $984,700 was allocated to equity. As a result of administrative delays pending the resolution of certain other matters related to the acquisition principal repayments during the year ended June 30, 2020 were not made resulting in the Note entering default and becoming due on demand.

The movement in the debt portion of the Note during the years ended June 30, 2021 and 2020 was as follows:

	2021	2020
	$	$
Balance, beginning of year	**2,250,000**	1,473,929
Loss on convertible promissory note	**-**	776,071
Balance, end of year	**2,250,000**	2,250,000

During the year ended June 30, 2021, the Company recorded interest expense of $45,200 (2020 - $4,997) related to the Note. As at June 30, 2021, the Company had interest payable of $172,186 (June 30, 2020 - $126,986) on the Note.

(Expressed in Canadian dollars)

10. LEASE LIABILITY

The Company has one lease liability consisting of leased office space with a corresponding right-of-use asset (Note 6). The movement of the lease liability for the years ended June 30, 2021 and 2020 was as follows:

	2021	2020
	$	$
Balance, beginning of year	**73,170**	-
Additions	**-**	107,131
Lease payments	**(41,304)**	(41,304)
Interest	**4,524**	7,343
Balance, end of year	**36,390**	73,170
Less: current portion of lease liability	**(36,390)**	(36,780)
Non-current portion of lease liability	**-**	36,390

Subsequent to year-end, the Company settled a statement of claim related to the leased premises and subsequently terminated the lease (see Note 15).

11. SHARE CAPITAL

On April 5, 2021, the common shares of the Company were consolidated on a basis of 15 pre-consolidation shares to 1 post-consolidation share, no fractional shares were issued. Accordingly, the Company has effected the share consolidation in these consolidated financial statements as if it had happened at the beginning of periods reported, and disclosed all share capital, warrant and stock option information respectively on a post consolidated basis.

(a) Authorized

Unlimited number of voting common shares without par value.

(b) Issued and outstanding

As at June 30, 2021, 18,308,748 common shares were issued and outstanding (June 30, 2020 - 2,642,082).

(c) Share transactions

During the year ended June 30, 2021, the Company had the following share transactions:

On April 9, 2021, the Company exchanged 109,999,999 special warrants (Note 11(d)) into one-fifteenth of a unit. Each whole unit comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company for a period of three years from the date of issuance of the special warrants at an exercise price of $0.30. As a result of the conversion a total of 7,333,333 shares and 7,333,319 common share purchase warrants were issued. On conversion the gross proceeds of $1,650,000 and the loss on debt settlement of $274,875, net of $12,028 share issuance costs raised for the special warrants were allocated $1,268,848 to share capital and $643,999 to warrant reserve based on their relative fair values. The fair value of shares issued was based on the stock price on conversion date. The fair value of the warrants was estimated using the Black-Scholes option pricing model, see Note 11(e) for assumptions used.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

On April 29, 2021, the Company closed a private placement of 8,333,333 units at a price of $0.30 units for gross proceeds of $2,500,000. Each unit comprised of one common share and one-half common share purchase warrant (fractional warrants rounded down). Each whole common share purchase warrant entitles the holder thereof to purchase one common share of the Company for a period of two years at an exercise price of $0.45 per common share.

The Company, may, however, accelerate the expiration date if the common shares of the Company exceeds $0.90 for 20 consecutive trading days. A total of 8,333,333 common shares and 4,156,779 common share purchase warrants were issued as a result of the private placement. In connection to the private placement the Company paid cash commissions of $16,380, share issuance costs of $16,982, and issued 42,000 broker warrants at the same terms as the private placement, with an estimated fair value of $12,490 using the Black-Scholes option pricing model, see Note 11(d) for assumptions. The gross proceeds, net of share issuance costs were allocated $1,917,489 to share capital and $549,149 to warrant reserve based on their relative fair values. The fair value of shares issued was based on the stock price on conversion date. The fair value of the warrants was estimated using the Black-Scholes option pricing model, see Note 11(e) for assumptions used.

(d) Special warrants

In March 2021, the Company completed two non-brokered private placements through the issuance of 109,999,999 special warrants at a price of $0.015 per special warrant for gross proceeds of $1,650,000. Each special warrant is exchangeable, upon satisfaction of exercise conditions to one-fifteenth of a unit. Each whole unit consists of one common share and one common share purchase warrants. All the special warrants were exchanged upon satisfaction of the exercise conditions on April 9, 2021 (see Note 11(c)). $458,125 of the private placements was non-cash and used to settle outstanding debt of the Company. As a result of the debt settled with special warrants the Company incurred a loss on debt settlement of $274,875. The gross proceeds of $1,650,000 and the loss on debt settlement was recorded to warrant reserves and subsequently allocated between share capital and warrant reserves on exchange.

(e) Share purchase warrants

A continuity of the Company's share purchase warrants is as follows:

	Warrants outstanding	Weighted average exercise price
	#	$
Outstanding, June 30, 2019	302,833	7.50
Expired	(7,700)	7.50
Outstanding, June 30, 2020	295,133	7.50
Issued	11,532,098	0.35
Expired	(295,133)	7.50
Outstanding, June 30, 2021	**11,532,098**	**0.35**

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

The Company's share purchase warrants outstanding and exercisable at June 30, 2021 and 2020 are as follows:

Expiry date	Exercise price	**2021**	2020
	$	#	#
February 21, 2021	7.50	**-**	295,133
April 30, 2023	0.45	**4,198,779**	-
March 31, 2024	0.30	**7,333,319**	-
Total		**11,532,098**	295,133
Weighted average remaining contractual life		**2.4 years**	0.7 years

During the year ended June 30, 2021, the Company reallocated $1,170,761 (2020 - $13,200) from warrant reserves to contributed surplus on the expiry of warrants.

The fair value of warrants is estimated using the Black-Scholes option pricing model. The assumptions used during the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Risk-free interest rate	**0.27 - 0.30%**	-
Expected life	**2.0 - 3.0 years**	-
Expected volatility	**100%**	-
Forfeiture rate	**0.00%**	-
Dividend rate	**0.00%**	-

(f) Stock options

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and a maximum term of five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares.

A continuity of the Company's stock options is as follows:

	Stock options outstanding	Weighted average exercise price
	#	$
Outstanding, June 30, 2020 and 2019	246,667	2.83
Cancelled	(246,667)	2.83
Outstanding, June 30, 2021	**-**	**-**

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

The Company's stock options outstanding and exercisable at June 30, 2021 and 2020 are as follows:

Expiry date	Exercise price	**2021**	2020
	$	**#**	#
June 14, 2021	1.50	**-**	60,000
July 4, 2021	2.25	**-**	6,667
March 1, 2022	3.30	**-**	180,000
Total		**-**	246,667
Weighted average remaining contractual life		**-**	1.5 years

During the year ended June 30, 2021, the Company cancelled all outstanding stock options. Accordingly, the Company reallocated $453,754 from share-based payments reserve to contributed surplus.

12. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers.

The Company incurred expenses / (received recoveries) as result of transactions with directors and officers, or to companies associated with these individuals during the years ended June 30, 2021 and 2020:

	2021	2020
	$	$
Consulting fees	**172,500**	138,676
Rental recovery	**(17,086)**	(58,018)

During the year ended June 30, 2021, the Company settled $256,176 (2020 - $nil) of debt with related parties through the issuance of 17,078,390 special warrants (2020 - nil) (see Note 11(d)).

As at June 30, 2021, $25,334 (June 30, 2020 - $251,148) was owing to companies with directors in common. These balances are non-interest bearing, payable on demand and included in accounts payable and accrued liabilities.

As at June 30, 2021, $101,700 (June 30, 2020 - $nil) was held as a retainer deposit for CFO and consulting services.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value of financial instruments

As at June 30, 2021 and 2020, the Company's financial instruments consist of cash, goods and sales tax receivable, accounts payable and accrued liabilities, interest payable and convertible promissory note payable. Cash and goods and sales tax receivable are measured at amortized cost. Accounts payable and accrued liabilities, interest payable and convertible promissory note payable are measured at amortized cost.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value including their classification within a hierarchy the prioritized the inputs to fair value measurement. The three level of hierarchy are:

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

Level 2 – Inputs other than quoted prices included in Level that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at June 30, 2021, the Company believe that the carrying values of cash, sales tax receivable, accounts payable and accrued liabilities, interest payable and convertible promissory note payable approximate their fair values because of their nature and relatively short maturity dates or duration.

(b) Financial instruments risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

i. Credit risk

Credit risk exposure primarily arises with respect to the Company's cash and receivables. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness within Canada and continuously monitors the collection of other receivables.

ii. Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at June 30, 2021, the Company had cash of $2,903,555 and a working capital surplus of $338,270 with total liabilities of $3,074,523.

iii. Market risk

a. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A change of 100 basis points in the interest rates would not be material to the financial statements.

b. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables constant, an increase or a decrease of 10% of the U.S. dollar against the Canadian dollar, the net loss of the Company and the equity for the year ended June 30, 2021 would have varied by a negligible amount.

c. The Company had no hedging agreements in place with respect to foreign exchange rates.

(Expressed in Canadian dollars)

14. CAPITAL MANAGEMENT

The Company's objective when managing capital are:

i. to safeguard the Company's financial capacity and liquidity for future earning in order to continue to provide an appropriate return to shareholders and other stakeholders.
ii. To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.
iii. To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, equity or similar instruments to reduce debt levels, or make adjustments to its capital expenditure program.

There were no changes in the Company's approach to capital management during the year ended June 30, 2021 and capital management is consistent with the year ended June 30, 2020. The Company is not subject to any externally imposed capital requirements.

15. COMMITMENTS AND CONTINGENCIES

A summary of undiscounted liabilities and future operating commitments as at June 30, 2021, are as follows:

	Total	Within 1 year	2 - 5 years
	$	$	$
Maturity analysis of financial liabilities			
Accounts payable and accrued liabilities	**615,947**	615,947	-
Lease liability	**37,862**	37,862	-
Interest payable	**172,186**	172,186	-
Convertible promissory note payable	**2,250,000**	2,250,000	-
Total financial liabilities and commitments	**3,075,995**	3,075,995	**-**

The Company has informal month-to-month agreements with certain co-tenants that may generate rental recovery to offset the lease liability (see Note 12) and is recorded as a reduction in the Company's general and administrative expense.

Subsequent to year-end, on August 9, 2021, the Company settled a statement of claim filed by the sublandlord of the Company's office premises for unpaid rents and additional expenses incurred in connection with the claim for $75,000. Accordingly, the Company has included in accounts payable and accrued liabilities a provision of $38,610 representing the difference between the settlement amount and the lease liability as at June 30, 2021. The Company previously recorded a provision of $85,432 related to the claim, which resulted in a change of provision of $46,822 included in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

16. INCOME TAXES

Income tax expense differs from the amount that would result by applying the combined Canadian federal and provincial income tax rates to net income before income taxes. The statutory rate in Canada was 27% for the year ended June 30, 2021 (2020 - 27%).

	2021	2020
	$	$
Loss before income taxes	**965,042**	1,243,662
Combined federal and provincial statutory income tax rates	**27%**	27%
Income tax recovery at statutory rates	**(260,000)**	(336,000)
Non-deductible differences:		
Non-deductible expenditures and non-taxable revenues	**74,000**	210,000
Change in statutory, foreign tax, foreign exchange rates and other	**1,000**	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(1,092,000)**	-
Change in unrecognized deferred tax assets	**1,277,000**	126,000
Total income tax recovery	**-**	-

Deductible temporary differences

The components of the Company's unrecognized deferred tax assets are as follows as at June 30, 2021 and 2020:

	2021	2020
	$	$
Deferred income tax assets		
Non-capital losses available for future periods	**2,776,000**	1,177,000
Mineral resource properties	**256,000**	225,000
Allowable capital losses	**31,000**	30,000
Share issuance costs	**10,000**	19,000
Property, plant and equipment	**2,000**	347,000
Less: unrecognized deferred tax assets	**(3,075,000)**	(1,798,000)
Deferred income tax asset	**-**	**-**

The Company has non-capital losses, for which deductions against future taxable income are uncertain, of approximately $10,283,000 (2020 - $4,625,189) which, if not utilized, will expire from 2026 through 2041. Tax attributes are subject to review, and potential adjustment, by tax authorities.

17. COMPARATIVE FIGURES

Certain prior year classifications have been changed to conform to the current year's presentation.

18. SUBSEQUENT EVENTS

On August 18, 2021, the Company granted an aggregate of 775,000 stock options with a term of two years, and an exercise price of $0.405 per share to certain directors, officers and consultants of the Company.

On October 27 2021, the Company granted an aggregate of 1,325,000 stock options with a term of four years, and an exercise price of $0.405 per share to certain directors, officers and consultants of the Company.

On October 27, 2021, the Company completed the Proposed Transaction (Note 4), whereby BCCo will acquire control of the Company. The transaction is expected to be accounted for as a reverse acquisition in accordance with IFRS 2 *Share based payments.* as the Company does not qualify as a business according to the definition in IFRS 3 *Business combinations*; rather it is treated as an issuance of shares by BCCo for the net assets of the Company, and any excess consideration shall be recorded as a listing expense by BCCo. After the completion of the Proposed Transaction, the Company had 38,075,752 common shares, 18,128,500 share purchase warrants and 2,100,000 stock options outstanding.

19. COVID 19

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.