

**CDN MAVERICK CAPITAL CORP.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CDN Maverick Capital Corp.

### Opinion

We have audited the consolidated financial statements of CDN Maverick Capital Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive loss, cash flows, and changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

May 2, 2022



An independent firm  
associated with Moore  
Global Network Limited

**CDN MAVERICK CAPITAL CORP.**

Consolidated Statements of Financial Position

As at December 31, 2021 and 2020

(Expressed in Canadian Dollars)

	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 282,611	\$ 675,310
Prepaid expenses	394	3,730
GST recoverable	19,318	15,660
Marketable securities (Note 4)	1,606,976	1,084,138
	1,909,299	1,778,838
<b>Equipment (Note 5)</b>	60,701	13,441
<b>Mineral properties exploration (Note 6)</b>	381,132	179,459
	\$ 2,351,132	\$ 1,971,738
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable (Note 10)	\$ 53,248	\$ 60,517
Accrued liabilities (Note 10)	35,000	33,000
	88,248	93,517
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	14,017,653	13,891,403
Reserves (Note 7)	2,721,258	1,748,766
Deficit	(14,476,027)	(13,761,948)
	2,262,884	1,878,221
	\$ 2,351,132	\$ 1,971,738

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

Director "Peter Born"  
Peter Born, DirectorDirector "Sandy MacDougall"  
Sandy MacDougall, Director*The accompanying notes are an integral part of these consolidated financial statements*

**CDN MAVERICK CAPITAL CORP.**

Consolidated Statements of Comprehensive Loss  
For the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

	2021	2020
<b>EXPENSES</b>		
Accounting and audit fees	\$ 28,020	\$ 24,370
Consulting fees	143,797	172,750
Depreciation (Note 5)	11,502	2,960
Filing fees	38,570	17,486
Corporate communications	-	1,996
Legal	6,734	8,318
Management fees (Note 10)	258,000	274,500
Office and general	37,843	67,486
Promotion and travel	11,365	19,794
Rent	-	17,047
Share-based compensation (Note 8)	-	54,902
Transfer agent and regulatory fees	3,725	17,087
<b>Loss before other items</b>	<b>(539,556)</b>	<b>(678,696)</b>
<b>Other income (expense)</b>		
Interest income	-	3,000
Write-off of mineral property (Note 6)	(174,523)	(50,000)
Gain on settlement of loan receivable (Note 4)	-	175,277
Interest income	(174,523)	128,277
<b>Net loss</b>	<b>(714,079)</b>	<b>(550,419)</b>
<b>Other comprehensive items</b>		
Items that will not be subsequently reclassified to net income or loss:		
Gain on exercise of warrants (Note 4)	-	232,123
Gain (loss) on sale of marketable securities (Note 4)	304,785	(50,077)
Change in fair value of investment (Note 4)	667,707	1,106,869
<b>Comprehensive income</b>	<b>258,413</b>	<b>738,496</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.08)</b>	<b>\$ (0.14)</b>
<b>Weighted average number of common shares outstanding</b>	<b>8,927,499</b>	<b>4,067,400</b>

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

**CDN MAVERICK CAPITAL CORP.**  
Consolidated Statements of Cash Flows  
For the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss	\$ (714,079)	\$ (550,419)
Add (Deduct): items not involving cash		
Depreciation	11,502	2,960
Share-based compensation	-	54,902
Write-off of mineral property	174,523	50,000
Interest income	-	(3,000)
Gain on settlement of loan receivable	-	(175,277)
Non-cash working capital items		
GST recoverable	(3,658)	(521)
Prepaid expenses	3,336	9,020
Accounts payable and accrued liabilities	(5,269)	(6,814)
<b>Net cash used in operating activities</b>	<b>(533,645)</b>	<b>(619,149)</b>
<b>Investing activities</b>		
Proceeds from sale of marketable securities	1,137,297	877,436
Purchase of marketable securities	(687,643)	(92,382)
Purchase of equipment	(58,762)	(3,210)
Loan to Noram Ventures Inc.	-	(60,000)
Mineral properties acquisition and exploration	(249,946)	(198,295)
<b>Net cash provided by investing activities</b>	<b>140,946</b>	<b>523,549</b>
<b>Financing activities</b>		
Issuance of common shares	-	480,000
Issuance of flow through shares	-	127,500
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>607,500</b>
<b>Change in cash during the year</b>	<b>(392,699)</b>	<b>511,900</b>
<b>Cash, beginning of the year</b>	<b>675,310</b>	<b>163,410</b>
<b>Cash, end of the year</b>	<b>\$ 282,611</b>	<b>\$ 675,310</b>
<b>Interest and income taxes paid</b>	<b>\$ -</b>	<b>\$ -</b>

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

**CDN MAVERICK CAPITAL CORP.**

Consolidated Statements of Changes in Equity  
For the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

			<u>Reserves</u>				
	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Share-based Payment</b>	<b>Held for Sale</b>	<b>Deficit</b>	<b>Total Equity</b>	
<b>Balance December 31, 2019</b>	3,371,215	\$13,283,903	\$ 1,202,949	\$ (798,000)	\$ (13,211,529)	\$ 477,323	
Issue of common shares for cash pursuant to private placement (Note 7)	4,000,000	480,000	-	-	-	480,000	
Issue of flow through shares for cash pursuant to private placement (Note 7)	850,000	127,500	-	-	-	127,500	
Share-based compensation (Note 8)	-	-	54,902	-	-	54,902	
Gain on exercise of warrants (Note 4)	-	-	-	232,123	-	232,123	
Loss on sale of marketable securities (Note 4)	-	-	-	(50,077)	-	(50,077)	
Change in fair value of investment (Note 4)	-	-	-	1,106,869	-	1,106,869	
Net loss	-	-	-	-	(550,419)	(550,419)	
<b>Balance December 31, 2020</b>	8,221,215	13,891,403	1,257,851	490,915	(13,761,948)	1,878,221	
Issue of common shares for property interests (Note 7)	800,000	126,250	-	-	-	126,250	
Gain on sale of marketable securities (Note 4)	-	-	-	304,785	-	304,785	
Change in fair value of investment (Note 4)	-	-	-	667,707	-	667,707	
Net loss	-	-	-	-	(714,079)	(714,079)	
<b>Balance December 31, 2021</b>	9,021,215	\$14,017,653	\$ 1,257,851	\$ 1,463,407	\$ (14,476,027)	\$ 2,262,884	

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

**CDN MAVERICK CAPITAL CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

**1. NATURE AND CONTINUANCE OF OPERATIONS**

CDN Maverick Capital Corp (the “Company”), incorporated in British Columbia, is a public company listed on the Canadian Securities Exchange (“CSE” or the “Exchange”) under the symbol CDN. On November 4, 2020, the Company completed a share consolidation at a ratio of one new, post-consolidated share for every two old, pre-consolidated shares and concurrently changed its name to CDN Maverick Capital Corp. from Caelan Capital Inc. All share amounts in these financial statements are reflected on a post-consolidated basis. The address of the Company’s corporate office and its principal place of business is #2150 - 555 West Hastings Street, Vancouver, British Columbia, Canada, V6B 4N6.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties in North and South America. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related capitalized exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has incurred losses since its inception and has an accumulated deficit of \$14,476,027 at December 31, 2021 which has been funded primarily by issuance of shares. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. If the Company is unable to raise the necessary capital and generate adequate cash flows to meet obligations as they come due, the Company may have to reduce or curtail its activities or obtain financing at unfavorable terms. Furthermore, failure to continue as a going concern would require the Company’s assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak has had a significant impact on businesses through the restrictions put in place by governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus, and the duration of the outbreak, including the duration of travel restrictions, business closures, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries to fight the virus.



**CDN MAVERICK CAPITAL CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

**1. NATURE AND CONTINUANCE OF OPERATIONS, continued**

The Company continues to monitor its impact of its operations and financing activities and assess the impact COVID-19 will have on its business activities. The extent of the effect of COVID-19 pandemic on the Company is uncertain.

These consolidated financial statements were authorized for issue on May 2, 2022 by the directors of the Company.

**2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE**

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiaries Midas Capital Inc. (“Midas”) and Acrex Minerals (U.S.) Inc. (“Acrex US”). Midas was incorporated in the Province of British Columbia and Acrex US was incorporated in the State of Nevada. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

These consolidated financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Measurement basis** - These consolidated financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. All amounts are expressed in Canadian dollars unless otherwise stated.

**Cash and cash equivalents** - The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of 90 days or less when acquired to be cash equivalents.

**Equipment** - Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of comprehensive loss. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

**CDN MAVERICK CAPITAL CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES, continued**

The Company provides for depreciation of its equipment at the following method and annual rate:

Office equipment	20% declining balance
Vehicles	30% declining balance

The depreciation expense for each period is recognized in profit or loss.

**Mineral properties exploration** - All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as mineral properties exploration. General exploration costs not related to specific mineral properties are expensed as incurred. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units. Management regularly assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned or budgeted, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications that in an area with development likely to proceed the carrying amount is unlikely to be recovered in full by development or sale.

The recoverability of mineral properties and capitalized exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined if any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

Mineral properties are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount of reserve properties may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use (being the present value of expected future cash flows of the relevant cash-generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

**Provisions** - Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration

**CDN MAVERICK CAPITAL CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES, continued**

and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

**Government assistance** - B.C. mining exploration tax credits for certain exploration expenditures incurred in B.C. are treated as a reduction of the exploration and development costs of the respective mineral property.

**Foreign currency translation** - The presentation currency and functional currency of the Company and its US subsidiary is the Canadian dollar as this is the principal currency of the economic environment in which they operate and because the Company's US subsidiary is financially and operationally dependent on the Company. The Company translates transaction in foreign currencies into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rates in effect at the period end date. Non-monetary assets and liabilities are translated at historical rates. The resulting exchange gains or losses are recognized in income.

**Income taxes** - The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that it is probable the asset will be realized.

**Share capital** – The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of shares and warrants are allocated between the common share and warrant component.

The fair value of the common shares issued in a private placement unit of shares and warrants is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded in share-based payment reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes Option Pricing Model and recognized in equity as a deduction from the proceeds.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in share-based payment reserve.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

**Flow-through shares** - The Company finances certain exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes

**CDN MAVERICK CAPITAL CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES, continued**

are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference (“premium”) between the amounts recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the statement of comprehensive loss within other income when the eligible expenditures are incurred.

**Share-based payment expenses** - The Company records all share-based payment expenses at their fair value. The share-based payment costs are charged to operations over the stock option vesting period and agents’ options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents’ options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to share-based payment reserve.

The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based expense for stock options or warrants granted to employees. Where stock options or warrants are granted to non-employees, they are recorded at the fair value of the goods or services received, at the date the goods or services are received. When the value of goods or services received in exchange for the share-based expense cannot be reliably estimated, the fair value is measured by use of the Black-Scholes Option Pricing Model.

**Loss per share** - Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all potentially dilutive common shares if their effect is anti-dilutive.

**Share issuance costs** - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

**Financial instruments**

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

**CDN MAVERICK CAPITAL CORP.**  
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As at and for the years ended December 31, 2021 and 2020  
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**3. SIGNIFICANT ACCOUNTING POLICIES, continued**

**Financial instruments, continued**

The following table shows the classification under IFRS 9.

<u>Financial assets/liabilities</u>	<u>Classification</u>
Cash	FVTPL
Marketable securities	FVTOCI
Accounts payable	Amortized cost

*(ii) Measurement*

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*(iii) 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 Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

**CDN MAVERICK CAPITAL CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the years ended December 31, 2021 and 2020  
(Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES, continued**

**Financial instruments, continued**

*(iv) Derecognition*

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

**Use of estimates and judgements** - The preparation of these financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors that it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

*Exploration and Evaluation Expenditures* - The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

*Impairment* - The carrying value of non-financial assets is reviewed each reporting period upon the occurrence of events or changes in circumstances indicating that the carrying value of assets may not be recoverable and when criteria of assets held for sale are met to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the statement of comprehensive loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("CGUs") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance.

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**3. SIGNIFICANT ACCOUNTING POLICIES, continued**

**Use of estimates and judgements, continued**

Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

*Site Closure and Reclamation Provisions* - The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are constantly changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

*Share-Based Payments* - Management uses valuation techniques in measuring the fair value of stock options granted. The fair value is determined using the Black Scholes Option Pricing Model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's financial statements.

*Deferred Income Taxes* - Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognised in the statement of financial position. Deferred tax assets, including those potentially arising from un-utilised tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognise deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

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**3. SIGNIFICANT ACCOUNTING POLICIES, continued**

**New accounting standards issued and amendments**

The Company has performed an assessment of new standards issued by the IASB and IFRIC that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's consolidated financial statements.

**4. MARKETABLE SECURITIES**

On July 17, 2020, the Company received 840,000 units in settlement of a loan plus accrued interest of \$63,000 made to Noram Lithium Corp. ("Noram") in January 2020. Each unit was comprised of one common share and one transferrable share purchase warrant exercisable at a price of \$0.10 for five years. The fair value of the warrants at acquisition was estimated at \$103,877 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate - 0.35%, expected dividend yield - 0%, share price volatility - 133%, and expected life - 2.5 years. The Company recorded a gain on settlement of the Noram loan of \$175,277. On December 30, 2020, the Noram warrants were exercised and the Company recorded a gain of \$232,123 on exercise of the warrants.

As at December 31, 2020, the Company held 2,168,275 common shares of Noram. During the year ended December 31, 2020, the Company entered into purchase and sale transactions of Noram shares and recorded a realized loss on sale of \$50,077. The closing share price on December 31, 2020 was \$0.50 and the fair value of the shares was \$1,084,138. During the year ended December 31, 2020, the Company recognized an unrealized gain of \$1,106,869 in other comprehensive income.

During the year ended December 31, 2021, the Company entered into purchase and sale transactions of Noram and other securities and recorded realized gains on sale of \$304,785. The closing share price on December 31, 2021 was \$0.97 and the fair value of the shares was \$1,606,975. During the year ended December 31, 2021, the Company recognized an unrealized gain of \$667,707 in other comprehensive income. As at December 31, 2021, the Company holds 1,656,675 common shares of Noram.



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**5. EQUIPMENT**

<b>Cost</b>	<b>Office equipment</b>		<b>Vehicle</b>		<b>Total</b>
Balance, December 31, 2019	\$	16,945	\$	-	\$ 16,945
Additions		3,210		-	3,210
Balance, December 31, 2020		20,155		-	20,155
Additions		-		58,762	58,762
Balance, December 31, 2021	\$	20,155	\$	58,762	\$ 78,917
<b>Accumulated depreciation and impairments</b>					
Balance, December 31, 2019	\$	3,754	\$	-	\$ 3,754
Depreciation		2,960		-	2,960
Balance, December 31, 2020		6,714		-	6,714
Depreciation		2,688		8,814	11,502
Balance, December 31, 2021	\$	9,402	\$	8,814	\$ 18,216
<b>Carrying Amount</b>					
Balance, December 31, 2020	\$	13,441	\$	-	\$ 13,441
<b>Balance, December 31, 2021</b>	<b>\$</b>	<b>10,753</b>	<b>\$</b>	<b>49,948</b>	<b>\$ 60,701</b>

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**6. MINERAL PROPERTIES EXPLORATION**

December 31, 2021	Inferno Silver	Rainbow Canyon	Ranger Lake Gold	Total
<b>Acquisition Costs</b>				
<i>Balance, December 31, 2020</i>	\$ -	\$ -	\$ -	\$ -
Additions	16,000	174,523	-	190,523
Impairment	-	(174,523)	-	(174,523)
<b>Acquisition costs, December 31, 2021</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>16,000</b>
<b>Exploration Costs</b>				
<i>Balance, December 31, 2020</i>	-	179,459	-	179,459
Additions	154,200	31,473	-	185,673
Impairment	-	-	-	-
<b>Exploration costs, December 31, 2021</b>	<b>154,200</b>	<b>210,932</b>	<b>-</b>	<b>365,132</b>
<b>Balance, December 31, 2021</b>	<b>\$ 170,200</b>	<b>\$ 210,932</b>	<b>\$ -</b>	<b>\$ 381,132</b>
December 31, 2020	Inferno Silver	Rainbow Canyon	Ranger Lake Gold	Total
<b>Acquisition Costs</b>				
<i>Balance, December 31, 2019</i>	\$ -	\$ -	\$ -	\$ -
Additions	-	-	50,000	50,000
Impairment	-	-	(50,000)	(50,000)
<b>Acquisition costs, December 31, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Exploration Costs</b>				
<i>Balance, December 31, 2019</i>	-	31,164	-	31,164
Additions	-	148,295	-	148,295
Impairment	-	-	-	-
<b>Exploration costs, December 31, 2020</b>	<b>-</b>	<b>179,459</b>	<b>-</b>	<b>179,459</b>
<b>Balance, December 31, 2020</b>	<b>\$ -</b>	<b>\$ 179,459</b>	<b>\$ -</b>	<b>\$ 179,459</b>

**Inferno Silver, British Columbia, Canada** - On October 12, 2021, the Company entered into a property option agreement to acquire a 100% interest in the Inferno Silver Property, located in British Columbia comprising four contiguous mineral claims. Under the terms of the agreement, the Company can earn a 100% interest by issuing 100,000 common shares, fair valued at \$16,000, to the vendor (*issued October 31, 2021*) and incurring \$150,000 in flow-through eligible exploration expenditures before December 31, 2021 (paid).

**CDN MAVERICK CAPITAL CORP.**  
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**6. MINERAL PROPERTIES EXPLORATION, continued**

**Rainbow Canyon, Nevada, U.S.A.** – By an agreement dated March 25, 2011, the Company purchased non-patented mineral claims and staked additional claims during the same year, in Washoe County, Nevada, USA. The purchase price for the claims was US\$125,000 (CAN\$123,719). A 3% Net Smelter Return (“NSR”) is reserved to the vendor subject to the Company’s right to purchase back up to a 2% NSR by the payment of \$500,000 for each 1% NSR interest purchased.

On February 8, 2017, the Company entered into an option agreement with Kingman Minerals Ltd. (“Kingman”) to sell 100% interest in the Rainbow Canyon gold property. To complete the exercise of the option, Kingman must pay an aggregate of \$80,000 cash by March 1, 2018. \$60,000 was received from Kingman during the year ended December 31, 2017 and an impairment of \$106,573 was recognized.

During the year ended December 31, 2018, this option agreement became in default as Kingman was unable to fulfill its commitment. The agreement was mutually terminated.

During the year ended December 31, 2019, the Company filed a Notice of Intent with the BLM for its Rainbow Canyon Property to include additional drilling.

On January 7, 2021, the Company acquired all of the outstanding share capital of Midas by paying cash of USD\$50,000 (CDN\$64,273) and issuing 700,000 common shares, fair valued at CDN 110,250, to the shareholders of Midas. As a result of this transaction, the Company holds a 100% interest in 25 mineral claims known as the Olinghouse Property, which is adjacent to the Company’s previous claims and is considered part of the Rainbow Canyon property.

As Midas did not meet the definition of a business, the Company treated this transaction as an asset acquisition. The purchase price was allocated according to the assets acquired:

Exploration and evaluation asset acquired	\$ 174,523
Total consideration	\$ 174,523

During the year ended December 31, 2021, the Company incurred \$31,473 (December 31, 2020 - \$148,295) in exploration expenditures on the Rainbow Canyon Property.

During the year ended December 31, 2021, the claims in the Olinghouse Property expired and therefore the Company recognized an impairment of \$174,523.

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**6. MINERAL PROPERTIES EXPLORATION, continued**

**Ranger Lake Gold, Quebec, Canada** - On August 20, 2020, the Company entered into a Property Option Agreement (“Agreement”) with an arms’ length vendor to acquire 100% interest in the Ranger Lake Gold Project in the Province of Quebec. Under the terms of the agreement the Company will make a cash payment of \$50,000 within five business days of the signing of the Agreement (*paid*), an additional cash payment of \$50,000 on or before six months of the signing of the Agreement, and a final cash payment of \$100,000 on or before twelve months of the signing of the Agreement. The Company must also complete \$250,000 in exploration expenditures on or before twelve months of the signing of the Agreement.

The Company terminated their option on December 28, 2020, and recognized impairment of \$50,000.

**7. SHARE CAPITAL AND RESERVES**

**Authorized**

Unlimited common shares without par value.

**Issued**

**2021**

On January 7, 2021, the Company entered into a share exchange agreement with Midas, a private, arms’ length company to acquire all of the issued and outstanding share capital of Midas. The purchase price consists of USD\$50,000 (CDN\$64,273) cash and 700,000 common shares issued by the Company to the shareholders of Midas at a fair value of \$0.1575 per share (CDN\$110,250) for a total acquisition cost of \$174,523 (Note 6).

On October 13, 2021, the Company issued 100,000 common shares at a fair value of \$0.16 per share (\$16,000) (Note 6) for the acquisition of 100% of four mineral claims in the Inferno Silver property, British Columbia.

**2020**

On April 13, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-ten-old basis. All figures as to the number of common shares, stock options, warrants, and loss-per-share in these consolidated financial statements have been retroactively restated to reflect the consolidation.

On October 30, 2020, the Company completed a private placement raising a total of \$480,000 through the sale of 4,000,000 units at a price of \$0.12 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.16 for a period of five years. Under the residual method, no value was attributed to the warrants.

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**7. SHARE CAPITAL AND RESERVES, continued**

On November 4, 2020, the Company completed a share consolidation at a ratio of one new, post-consolidated share for every two old, pre-consolidated shares and concurrently changed its name to CDN Maverick Capital Corp. All figures as to the number of common shares, stock options, warrants, and loss-per-share in these consolidated financial statements have been retroactively restated to reflect the consolidation.

On December 23, 2020, the Company completed a private placement raising a total of \$127,500 through the sale of 850,000 units at a price of \$0.15 per unit. Each unit consists of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20 for a period of five years. Under the residual method, no value was attributed to the warrants.

**Share-based payment reserve**

Share-based payment reserve records items recognized as share-based compensation expense and other share-based payments until such time as the stock options or warrants or agent's warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**Held for sale reserve**

The reserve records unrealized gains and losses arising on held for sale financial assets except for foreign exchange gains and losses.

**8. STOCK OPTIONS**

Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the pricing policies of the Exchange. Options vest immediately when granted and expire five years from the date of the grant unless the Board establishes more restrictive terms.

The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the Company.

On July 17, 2020, all stock options outstanding at that date were cancelled by the Board of Directors.

On October 20, 2020, the Company granted 325,000 incentive stock options to a consultant of the Company. These options vest immediately and are exercisable at \$0.17 per share for a period of five years, expiring October 20, 2025. The Company recorded \$54,902 as share-based compensation during the year ended December 31, 2020. The fair value of the options granted were determined using the Black-Scholes pricing model, using the following weighted average assumptions:

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**8. STOCK OPTIONS, continued**

Risk-free interest rate	0.36%
Expected dividend yield	0%
Share price volatility	244%
Expected life of options	5 years

All options granted are in accordance with the Company's 10% rolling stock option plan.

The continuity of options for the years ended December 31, 2021 and 2020 is as follows:

	2021		2020	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding - beginning of year	325,000	\$ 0.17	258,750	\$ 1.42
Granted	-	-	325,000	0.17
Cancelled	-	-	(258,750)	1.42
Outstanding - end of year	325,000	\$ 0.17	325,000	\$ 0.17

Details of the share options outstanding and exercisable as at December 31, 2021 are as follows:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Exercise Price	Weighted Average Remaining Life
October 20, 2025	325,000	325,000	Nil	\$ 0.17	3.81 years
	325,000	325,000	Nil	\$ 0.17	3.81 years

**9. WARRANTS**

As at December 31, 2021, the following warrants were outstanding:

	Number of Warrants	Weighted average exercise price	Expiry date	Remaining Life (years)
Issued in private placement	4,000,000	\$ 0.16	October 30, 2025	3.83
Issued in private placement	850,000	\$ 0.20	December 23, 2025	3.98
	4,850,000	\$ 0.16		

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**9. WARRANTS, continued**

Warrant activity for the years ended December 31, 2021 and 2020 is presented below:

	2021		2020	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of year	5,252,738	\$ 0.30	1,326,029	\$ 2.00
Issued in private placement	-	-	4,000,000	0.16
Issued in private placement	-	-	850,000	0.20
Expired	(402,738)	2.00	(923,292)	2.00
Outstanding - end of year	4,850,000	\$ 0.16	5,252,738	\$ 0.30

As at December 31, 2021, warrants outstanding had a weighted average life outstanding of 3.86 years (December 31, 2020 – 4.5 years).

**10. RELATED PARTY TRANSACTIONS AND BALANCES**

*Related Party Transactions*

Key management compensation for the year ended December 31, 2021 and 2020 consisted of the following:

Management fees in the amount of \$240,000 (2020 - \$225,000) to a company controlled by a common officer; and

Geological consulting fees in the amount of \$18,000 (2020 - \$49,500) to a company controlled by a common director of the Company.

*Related Party Balances*

At December 31, 2021, included in accounts payable and accrued liabilities was \$38,730 (2020 - \$39,390) owing to companies with common directors in respect of fees.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the years ended December 31, 2021 and 2020 other than as indicated above.

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**11. CAPITAL MANAGEMENT**

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There was no change to the Company's approach to capital management during the year.

**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at December 31, 2021 and 2020, the Company's financial instruments consist of cash, marketable securities and accounts payable.

In management's opinion, the Company's carrying values of cash, marketable securities and accounts payable approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and marketable securities are classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts, and therefore the Company is subject to low credit risk.



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**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT, continued**

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The ability to do this relies on the Company maintaining sufficient cash on hand through debt or equity financing. Liquidity risk is assessed as high.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates.

The Company does not believe it is exposed to significant market risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not believe it is exposed to significant interest rate risk.

Price Risk

The Company is not exposed to price risk.

Currency Risk

As at December 31, 2021, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

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**13. INCOME TAXES**

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2021	2020
Canadian statutory income tax rate	27%	27%
Expected income tax recovery	\$ (192,801)	\$ (148,613)
Non-deductible expenses and other	221,400	315,950
Change in unrecognized deferred income tax assets	(28,599)	(167,337)
Income tax recovery	\$ -	\$ -

Significant components of the Company's potential deferred income tax assets are as follows:

	2021	2020
Non-capital losses	\$ 1,673,000	\$ 1,495,000
Capital losses	94,000	94,000
Resource properties and other	594,000	615,000
Share issuance costs	5,000	11,000
Marketable securities	(264,000)	(83,000)
	2,102,000	2,132,000
Unrecognized deferred income tax assets	(2,102,000)	(2,132,000)
Net deferred income tax assets	\$ -	\$ -

The Company has Canadian non-capital losses for income tax purposes of \$6,195,000 which may be carried forward and offset against deferred taxable income. The non-capital losses expire as follows:

Year	Amount
2026	\$ 445,000
2027	551,000
2028	452,000
2030	471,000
2031	394,000
2033	323,000
2034	345,000
2035	77,000
2036	306,000
2037	775,000
2038	1,000
2039	941,000
2040	568,000
2041	546,000
	\$ 6,195,000

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**13. INCOME TAXES, continued**

In assessing the realizability of deferred income tax assets, management considers whether it is probable that some portion of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax assets considered realizable could change materially in the near term based on future taxable income during the carry forward period.

**14. OPERATING SEGMENT INFORMATION**

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in the province of British Columbia and the State of Nevada, USA.