



C2C Gold Corp.

(An Exploration Stage Company)

**Condensed Interim Financial Statements
(Unaudited – Prepared by Management)**

**Three months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)**

C2C Gold Corp.

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

C2C Gold Corp.

Condensed Interim Statements of Financial Position
As at March 31, 2023 and December 31, 2022
(Unaudited – Expressed in Canadian Dollar)

	Notes	March 31, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		\$ 125,165	\$ 158,128
Accounts receivable	6	37,780	106,987
Prepaid expenses and deposits		15,966	26,345
Marketable securities	5	56,000	77,000
		<u>234,911</u>	<u>368,460</u>
Reclamation bonds	7	137,766	124,296
Equipment	8	14,647	16,960
Exploration and evaluation assets	9	12,971,481	12,898,716
		<u>\$ 13,358,805</u>	<u>\$ 13,408,432</u>
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 491,241	\$ 429,849
Due to related party	12	45,119	30,540
		<u>536,360</u>	<u>460,389</u>
Shareholders' equity			
Share capital	10	29,783,023	29,783,023
Contributed surplus	11	4,847,945	4,799,155
Deficit		(21,808,523)	(21,634,135)
		<u>12,822,445</u>	<u>12,948,043</u>
		<u>\$ 13,358,805</u>	<u>\$ 13,408,432</u>

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved by the board of directors:

"Trey Wasser" Director

"Peter Bures" Director

See accompanying notes to the condensed interim financial statements

C2C Gold Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

Three months ended March 31, 2023 and 2022

(Unaudited – Expressed in Canadian Dollar)

	Notes	2023	2022
Expenses			
Management and consulting fees	12	\$ 53,588	\$ 52,788
Professional fees	12	18,898	17,187
Office and miscellaneous	12	9,903	9,380
Transfer agent and filing fees		9,867	10,504
Conferences and promotion	12	12,921	10,568
Stock-based compensation	11,12	48,790	52,242
		<u>(153,967)</u>	<u>(152,669)</u>
Other items			
Interest income		579	135
Fair value adjustment on marketable securities	5	(21,000)	3,000
Impairment of exploration and evaluation assets	9	-	(189,221)
		<u>(20,421)</u>	<u>(186,086)</u>
Net loss and comprehensive loss for the period		\$ (174,388)	\$ (338,755)
Basic and diluted loss per share		\$ (0.002)	\$ (0.004)
Weighted average number of common shares outstanding		105,099,903	81,770,473

See accompanying notes to the condensed interim financial statements

C2C Gold Corp.

Condensed Interim Statements of Changes in Shareholders' Equity
Three months ended March 31, 2023 and 2022
(Unaudited – Expressed in Canadian Dollar)

	Number of Shares	Share Capital (\$)	Contributed Surplus (\$)	Deficit (\$)	Total (\$)
Balance, December 31, 2021	81,049,015	26,389,858	4,265,094	(20,412,410)	10,242,542
Private placement	9,275,888	1,706,260	-	-	1,706,260
Share issue costs	-	(125,303)	-	-	(125,303)
Finder's warrants issued	-	(76,292)	76,292	-	-
Stock-based compensation	-	-	52,242	-	52,242
Net loss and comprehensive loss for the period	-	-	-	(338,755)	(338,755)
Balance, March 31, 2022	90,324,903	27,894,523	4,393,628	(20,751,165)	11,536,986
Balance, December 31, 2022	105,099,903	29,783,023	4,799,155	(21,634,135)	12,948,043
Stock-based compensation	-	-	48,790	-	48,790
Net loss and comprehensive loss for the period	-	-	-	(174,388)	(174,388)
Balance, March 31, 2023	105,099,903	29,783,023	4,847,945	(21,808,523)	12,822,445

See accompanying notes to the condensed interim financial statements

C2C Gold Corp.

Condensed Interim Statements of Cash Flows
Three months ended March 31, 2023 and 2022
(Unaudited – Expressed in Canadian Dollar)

	<u>2023</u>	<u>2022</u>
Cash provided by (used in):		
Operating activities:		
Net loss and comprehensive loss for the period	\$ (174,388)	\$ (338,755)
Adjustments for:		
Stock-based compensation	48,790	52,242
Fair value adjustment on marketable securities	21,000	(3,000)
Impairment of exploration and evaluation assets	-	189,221
Change in non-cash working capital items		
Accounts receivable	69,207	(60,716)
Prepaid expenses	10,379	11,947
Accounts payable and accrued liabilities	180,363	9,425
Due to related party	14,579	(17,401)
	<u>169,930</u>	<u>(157,037)</u>
Financing activities:		
Private placement	-	1,706,260
Share issue costs	-	(125,303)
	<u>-</u>	<u>1,580,957</u>
Investing activities:		
Investment in exploration and evaluation assets	(189,423)	(593,163)
Set up for reclamation bonds	(13,470)	-
	<u>(202,893)</u>	<u>(593,163)</u>
Change in cash	(32,963)	830,757
Cash – beginning of period	158,128	296,418
Cash – end of period	\$ <u>125,165</u>	\$ <u>1,127,175</u>

Supplementary cash flow information (see Note 13)

See accompanying notes to the condensed interim financial statements

C2C Gold Corp.

Notes to the Condensed Interim Financial Statements
Three months ended March 31, 2023 and 2022
(Unaudited – Expressed in Canadian Dollar)

1. NATURE AND CONTINUANCE OF OPERATIONS

C2C Gold Corp. (the “Company”) was incorporated on July 19, 1999, under the laws of the province of British Columbia, Canada, and its principal activity is acquisition and exploration of mineral properties in Canada. The principal address of the Company is at 1771 Robson Street – 1221, Vancouver, British Columbia, Canada.

The Company is a reporting issuer in the provinces of Alberta and British Columbia. Effective November 25, 2020, reflecting the Company’s new focus in Newfoundland, the Company changed its name from Taku Gold Corp. to C2C Gold Corp. The Company is currently trading under its new name and ticker symbol “CTOC” (formerly “TAK”) on the Canadian Securities Exchange (“CSE”) and “CTCGF” (formerly “TAKUF”) on the OTCQB.

The Company has no source of operating cash flow and operations to date have been funded primarily from the issue of share capital. As at March 31, 2023, the Company had an accumulated deficit of \$21,808,523 (December 31, 2022 - \$21,634,135) and incurred a net loss and comprehensive loss for the three-month period of \$174,388 (2022 - \$338,755). As at March 31, 2023, the Company has a working capital deficiency of \$301,449 (December 31, 2022 - working capital deficiency of \$91,929).

The Company is an exploration stage company focused on the acquisition and exploration of mineral properties in Canada and has not yet determined the existence of economically recoverable reserves. The recoverability of the amounts shown for interests in mineral properties is dependent upon the discovery of economically recoverable reserves or proceeds from the disposition thereof, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the properties and on future profitable operations. The Company’s continued operations are dependent on its ability to raise additional funding from equity financings, loans, or other arrangements. There is no assurance that future financing activities will be successful. These conditions give rise to a material uncertainty, which casts significant doubt on the Company’s ability to continue as a going concern, and therefore, its ability to realize its assets and discharge its liabilities in the ordinary course of operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption not appropriate. Such adjustments could be material.

C2C Gold Corp.

Notes to the Condensed Interim Financial Statements
Three months ended March 31, 2023 and 2022
(Unaudited – Expressed in Canadian Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

These condensed interim financial statements have been prepared in accordance with the International Accounting Standards (“IAS”) 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The policies applied in these condensed interim financial statements are based on IFRS issued and effective as of March 31, 2023. The Board of Directors approved the condensed interim financial statements for issue on May 26, 2023.

b. Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, and are presented in Canadian dollars, which is the functional currency of the Company.

c. Significant accounting policies

These condensed interim financial statements follow the same accounting policies and methods of computation as the most recent audited annual financial statements of the Company for the year ended December 31, 2022. Accordingly, these condensed interim financial statements should be read in conjunction with the Company’s most recent annual audited financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of change, if the change affects that year only, or in the year of the change and in future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and evaluation assets

The application of the Company’s accounting policy for exploration and evaluation assets requires significant judgment in determining if a mineral property is impaired. The Company follows the guidance in IFRS 6 to determine when a mineral property is impaired. In making this judgement, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the Company’s future plans to explore and evaluate the property.

C2C Gold Corp.

Notes to the Condensed Interim Financial Statements
Three months ended March 31, 2023 and 2022
(Unaudited – Expressed in Canadian Dollar)

Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Going concern

The determination of the Company's ability to continue as a going concern requires significant judgement. Adjustments to the condensed interim financial statements are required if the going concern assumption proved inappropriate could be material.

4. ASSET ACQUISITION

On June 24, 2022, the Company and The Rock Gold Corp. entered into a share purchase agreement pursuant to which the Company acquired all of the issued and outstanding common shares of The Rock Gold Corp. in consideration of 12,250,000 shares of the Company.

The acquisition was accounted for as an acquisition of net assets and the consideration as a share-based transaction accounted for in accordance with IFRS 2 Share-based Payment. Significant judgement and estimates were required to determine the appropriate application of accounting treatment for the transaction and the transaction did not qualify as a business combination under IFRS 3 Business Combinations.

The allocation of the total consideration to the assets and liabilities acquired are as follows:

<u>Total consideration</u>	
Value of 12,250,000 common shares issued	\$ 1,592,500
Transaction costs	23,246
Total consideration	\$ 1,615,746
<u>Allocation of net assets</u>	
Prepays	\$ 84,500
Exploration and evaluation assets	1,531,246
Net assets acquired	\$ 1,615,746

5. MARKETABLE SECURITIES

As at March 31, 2023, marketable securities comprise 200,000 common shares (December 31, 2022 - 200,000) in publicly traded company, Independence Gold Corp., valued at \$26,000 (December 31, 2022 - \$27,000) and 2,000,000 common shares (December 31, 2022 - 2,000,000) in publicly traded company, Engineer Gold Mines Ltd., valued at \$30,000 (December 31, 2022 - \$50,000).

6. ACCOUNTS RECEIVABLE

As at March 31, 2023, accounts receivable consists of goods and services tax receivable of \$37,780 (December 31, 2022 - goods and services tax receivable of \$106,987).

C2C Gold Corp.

Notes to the Condensed Interim Financial Statements
Three months ended March 31, 2023 and 2022
(Unaudited – Expressed in Canadian Dollar)

7. RECLAMATION BONDS

As at March 31, 2023, the Company has \$137,766 (December 31, 2022 - \$124,296) on deposit as security bonds for the Newfoundland properties.

8. EQUIPMENT

	<u>Vehicle</u>
<u>Cost</u>	
Balance – December 31, 2021	\$ 30,838
Addition	-
Balance – December 31, 2022 and March 31, 2023	\$ 30,838
<u>Accumulated Depreciation</u>	
Balance – December 31, 2021	\$ 4,626
Depreciation	9,252
Balance – December 31, 2022	\$ 13,878
Depreciation	2,313
Balance – March 31, 2023	\$ 16,191
<u>Net Book Value</u>	
Balance – December 31, 2022	\$ 16,960
Balance – March 31, 2023	\$ 14,647

C2C Gold Corp.

Notes to the Condensed Interim Financial Statements
 Three months ended March 31, 2023 and 2022
 (Unaudited – Expressed in Canadian Dollar)

9. EXPLORATION AND EVALUATION ASSETS

	Badger (\$)	Millertown (\$)	Barrens Lake (\$)	Other Newfoundland* (\$)	Sonora Gulch (\$)	Rosebute (\$)	Lucky Joe (\$)	Sulphur (\$)	Quartz (\$)	Other Yukon** (\$)	Total (\$)
Acquisition Costs											
Balance – December 31, 2022	596,950	528,665	525,354	2,899,376	1,218,435	470,545	184,887	297,418	92,904	246,897	7,061,431
Acquired through asset acquisition	-	-	-	-	-	-	-	-	-	-	-
Payment – cash	-	-	-	-	-	-	-	-	-	-	-
Payment – shares	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	7,345	-	-	26,670	-	-	6,930	40,945
Impairment of mineral properties	-	-	-	-	-	-	-	-	-	-	-
Balance – March 31, 2023	596,950	528,665	525,354	2,906,721	1,218,435	470,545	211,557	297,418	92,904	253,827	7,102,376
Exploration & Evaluation Expenditures											
Balance – December 31, 2022	706,219	1,153,400	690,765	584,057	39,674	1,346,008	110,704	1,004,255	94,790	107,413	5,837,285
Personnel	2,177	2,177	2,177	9,386	467	467	1,400	467	233	1,632	20,583
Field and general	625	500	500	375	-	-	-	-	-	-	2,000
Geochemistry	-	-	-	184	-	-	-	-	-	-	184
Logistics and support	-	6,600	-	140	-	-	-	-	-	-	6,740
Amortization	-	-	-	2,313	-	-	-	-	-	-	2,313
Impairment of mineral properties	-	-	-	-	-	-	-	-	-	-	-
Balance – March 31, 2023	709,021	1,162,677	693,442	596,455	40,141	1,346,475	112,104	1,004,722	95,023	109,045	5,869,105
Exploration & Evaluation Assets											
Balance – December 31, 2022	1,303,169	1,682,065	1,216,119	3,483,433	1,258,109	1,816,553	295,591	1,301,673	187,694	354,310	12,898,716
Balance – March 31, 2023	1,305,971	1,691,342	1,218,796	3,503,176	1,258,576	1,817,020	323,661	1,302,140	187,927	362,872	12,971,481

* Other Newfoundland includes Tom Joe and Rocky Brook, Jumpers Brook, Rocky Pond and Brunt Lake, Lake Douglas, South Tally, Black Raven, Mega Vein and other Newfoundland properties acquired through asset acquisition from The Rock Gold Corp.

** Other Yukon includes Wounded Moose, Korat, Bishop, Chopin and MLC/Keynote properties.

C2C Gold Corp.

Notes to the Condensed Interim Financial Statements
 Three months ended March 31, 2023 and 2022
 (Unaudited – Expressed in Canadian Dollar)

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

	Badger (\$)	Millertown (\$)	Barrens Lake (\$)	Other Newfoundland* (\$)	Sonora Gulch (\$)	Rosebute (\$)	Lucky Joe (\$)	Sulphur (\$)	Quartz (\$)	Other Yukon** (\$)	Total (\$)
Acquisition Costs											
Balance – December 31, 2021	524,845	421,665	437,354	907,275	1,218,385	445,545	184,887	281,038	67,494	518,717	5,007,205
Option payment - cash	-	-	-	-	-	25,000	-	-	-	-	25,000
Other	-	-	-	-	-	-	-	16,380	-	6,930	23,310
Impairment of mineral properties	-	-	-	-	-	-	-	-	-	(185,640)	(185,640)
Balance – March 31, 2022	524,845	421,665	437,354	907,275	1,218,385	470,545	184,887	297,418	67,494	340,007	4,869,875
Exploration & Evaluation Expenditures											
Balance – December 31, 2021	367,733	1,059,844	594,069	88,773	20,452	1,346,008	106,764	1,004,255	94,740	118,461	4,801,099
Personnel	7,260	33,801	26,589	9,821	-	-	2,700	-	-	-	80,171
Field and general	23	102	79	23	-	-	-	-	-	-	227
Geochemistry	889	4,001	3,112	889	-	-	-	-	-	-	8,891
Logistics and support	802	3,656	3,227	802	-	-	-	-	-	-	8,487
Amortization	579	578	578	578	-	-	-	-	-	-	2,313
Impairment of mineral properties	-	-	-	-	-	-	-	-	-	(3,581)	(3,581)
Balance – March 31, 2022	377,286	1,101,982	627,654	100,886	20,452	1,346,008	109,464	1,004,255	94,740	114,880	4,897,607
Exploration & Evaluation Assets											
Balance – December 31, 2021	892,578	1,481,509	1,031,423	996,048	1,238,837	1,791,553	291,651	1,285,293	162,234	637,178	9,808,304
Balance – March 31, 2022	902,131	1,523,647	1,065,008	1,008,161	1,238,837	1,816,553	294,351	1,301,673	162,234	454,887	9,767,482

* Other Newfoundland includes Tom Joe and Rocky Brook, Jumpers Brook, Rocky Pond and Brunt Lake, Lake Douglas and South Tally properties.

** Other Yukon includes Wounded Moose, Korat, Bishop, Chopin and MLC/Keynote properties.

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Newfoundland Gold Projects

Badger Property

On October 30, 2020, the Company entered an option agreement with Shawn Ryan and Wildwood Exploration Inc., together the “Optionors,” to acquire a 100% interest in the Badger property located in the Central Newfoundland Gold Belt. The agreement was amended on January 8, 2021, and the revised terms include:

- a) Cash payment as follows:
 - \$35,000 on closing (paid);
 - \$99,385 on amendment (paid) with \$71,500, \$12,675 and \$15,210 being allocated to Badger, Millertown and Barrens Lake properties respectively;
 - \$35,000 on or before October 30, 2021 (paid);
 - \$45,000 on or before October 30, 2022 (accrued);
 - \$45,000 on or before October 30, 2023;
 - \$45,000 on or before October 30, 2024; and
 - \$45,000 on or before October 30, 2025.

- b) Issuance of common shares as follows:
 - 750,000 on closing (issued);
 - 500,000 on amendment (issued) with \$68,345, \$12,116 and \$14,539 of value being allocated to Badger, Millertown and Barrens Lake properties prospectively;
 - 1,000,000 on or before October 30, 2021 (issued);
 - 237,500 on or before October 30, 2022 (issued);
 - 237,500 on or before October 30, 2023;
 - 237,500 on or before October 30, 2024; and
 - 237,500 on or before October 30, 2025.

- c) Incur expenditure as follows:
 - \$455,800 on or before November 15, 2021 (completed);
 - Additional \$250,000 on or before November 15, 2022 (completed);
 - Additional \$250,000 on or before November 15, 2023;
 - Additional \$250,000 on or before November 15, 2024; and
 - Additional \$100,000 on or before November 15, 2025;

- d) The Optionors retain a 2.0% Net Smelter Returns (“NSR”) royalty, of which the Company can purchase 1.0% at any time for \$2,500,000.

On June 27, 2022, the agreement was further amended to reflect the reduced claims of the Badger property the Company chose to move forward with, while all the other terms of the agreement remained the same.

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Newfoundland Gold Projects (Continued)

Millertown Property

On October 30, 2020, the Company entered an option agreement with Shawn Ryan and Wildwood Exploration Inc., together the “Optionors,” to acquire a 100% interest in the Millertown property located in the Central Newfoundland Gold Belt. The agreement was amended on January 8, 2021, and the revised terms include:

- a) Cash payment as follows:
 - \$75,000 on closing (paid);
 - \$75,000 on or before October 30, 2021 (paid);
 - \$75,000 on or before October 30, 2022 (accrued);
 - \$75,000 on or before October 30, 2023;
 - \$100,000 on or before October 30, 2024; and
 - \$100,000 on or before October 30, 2025.

- b) Issuance of common shares as follows:
 - 1,000,000 on closing (issued);
 - 400,000 on or before October 30, 2021 (issued);
 - 400,000 on or before October 30, 2022 (issued);
 - 400,000 on or before October 30, 2023;
 - 400,000 on or before October 30, 2024; and
 - 400,000 on or before October 30, 2025.

- c) Incur expenditure as follows:
 - \$300,000 on or before November 15, 2021 (completed);
 - Additional \$300,000 on or before November 15, 2022 (completed);
 - Additional \$300,000 on or before November 15, 2023;
 - Additional \$300,000 on or before November 15, 2024; and
 - Additional \$300,000 on or before November 15, 2025;

- d) The Optionors retain a 2.0% NSR royalty, of which the Company can purchase 1.0% at any time for \$2,500,000.

On June 27, 2022, the agreement was further amended to reflect the reduced claims of the Millertown property the Company chose to move forward with, while all the other terms of the agreement remained the same.

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Newfoundland Gold Projects (Continued)

Barrens Lake Property

On October 30, 2020, the Company entered an option agreement with Shawn Ryan and Wildwood Exploration Inc., together the “Optionors,” to acquire a 100% interest in the Barrens Lake property located in the Central Newfoundland Gold Belt. The agreement was amended on January 8, 2021, and the revised terms include:

- a) Cash payment as follows:
 - \$35,000 on closing (paid);
 - \$35,000 on or before October 30, 2021 (paid);
 - \$45,000 on or before October 30, 2022 (accrued);
 - \$45,000 on or before October 30, 2023;
 - \$45,000 on or before October 30, 2024; and
 - \$45,000 on or before October 30, 2025.

- b) Issuance of common shares as follows:
 - 750,000 on closing (issued);
 - 500,000 on or before October 30, 2021 (issued);
 - 237,500 on or before October 30, 2022 (issued);
 - 237,500 on or before October 30, 2023;
 - 237,500 on or before October 30, 2024; and
 - 237,500 on or before October 30, 2025.

- c) Incur expenditure as follows:
 - \$150,000 on or before November 15, 2021 (completed);
 - Additional \$250,000 on or before November 15, 2022 (completed);
 - Additional \$250,000 on or before November 15, 2023;
 - Additional \$250,000 on or before November 15, 2024; and
 - Additional \$100,000 on or before November 15, 2025;

- d) The Optionors retain a 2.0% NSR royalty, of which the Company can purchase 1.0% at any time for \$2,500,000.

On June 27, 2022, the agreement was further amended to reflect the reduced claims of the Barrens Lake property the Company chose to move forward with, while all the other terms of the agreement remained the same.

During the year ended December 31, 2021, the Company completed the acquisition of a 100% ownership of two non-contiguous infill mineral licenses (7 claims and 11 claims) within the Company’s Barrens Lake property area by paying \$20,000 cash (paid) and issuing 200,000 common shares (issued). The vendor retains a 2% NSR royalty, of which the Company can purchase 1% at any time for \$1,000,000.

During the year ended December 31, 2022, the Company acquired two new licenses with the same vendor by paying \$10,000 cash (\$10,000 paid on June 28, 2022) and issuing 100,000 common shares (100,000 common shares issued on July 7, 2022).

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Newfoundland Gold Projects (Continued)

Tom Joe and Rocky Brook Properties

On May 20, 2021, the Company completed the acquisition of a 100% interest in the Tom Joe and Rocky Brook properties in the Central Newfoundland Gold Belt by paying \$25,000 cash (paid) and issuing 200,000 common shares (issued). The properties are subject to a 2.0% NSR royalty, of which the Company can purchase 1.0% at any time for \$500,000.

Jumpers Brook Property

On May 20, 2021, the Company completed the acquisition of a 100% interest in the Jumpers Brook property in the Central Newfoundland Gold Belt by paying \$65,000 cash (paid) and issuing 600,000 common shares (issued). The property is subject to a 2.0% NSR royalty, of which the Company can purchase 1.0% at any time for \$1,000,000.

Rocky Pond and Brunt Lake Properties

On May 20, 2021, the Company completed the acquisition of a 100% interest in the Rocky Pond and Brunt Lake properties in the Central Newfoundland Gold Belt by paying \$70,000 cash (paid) and issuing 700,000 common shares (issued). The properties are subject to a 2.0% NSR royalty, of which the Company can purchase 1.0% at any time for \$1,500,000.

Lake Douglas and South Tally Property

On July 22, 2021, the Company entered into an option and joint venture agreement (the “JV Agreement”) with Buchans Resources Limited (“Buchans”) whereby Buchans will grant the Company an option to acquire up to a 70% ownership interest in 364 mineral claims covering the Lake Douglas and South Tally properties (the “Properties”). Pursuant to the JV Agreement, the Company will exercise an initial option (the “First Option”) to earn a 51% ownership interest in the Properties by issuing 100,000 common shares (issued) to Buchans and incur exploration expenditures of \$1,500,000 over a four-year period. A joint venture is formed with the Company owning 51% and Buchans owning 49% upon completion of the First Option. If Buchans elects not to participate in the joint venture, the Company will have the right to exercise a second option to earn an additional 19% ownership interest by incurring additional exploration expenditures in the minimum of \$1,000,000 on the Properties on or prior to the date that is five years from the date of the JV Agreement. The JV Agreement also contains a provision that if a base-metal (not precious-metal) dominant area is identified, then Buchans would become the operator of this base metal joint venture with Buchans owning 70% and the Company owning 30%. Dilution of either party’s joint venture interest to below 10% will result in that party’s joint venture interest converting to a 2% NSR royalty, of which the majority joint venture interest owner can purchase 1% for \$1,500,000.

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Newfoundland Gold Projects (Continued)

Black Raven Property

On June 24, 2022, the Company acquired the option agreement for the Black Raven property through the share purchase agreement with The Rock Gold Corp. Under the terms of the option agreement, the Company could earn a 100% interest in the Black Raven property by paying \$550,000 cash (\$75,000 paid on June 25, 2022) and issuing 2,000,000 common shares (500,000 common shares issued on July 8, 2022) over the remaining four years, respectively. The property is subject to a 2.5% NSR royalty, of which 1.25% can be purchased for \$3,000,000. The property is also subject to an advance minimum royalty (“AMR”) of \$50,000 per year starting from the sixth year from the effective date of the original agreement.

Mega Vein Property

On June 24, 2022, the Company acquired the option agreement for the Mega Vein property through the share purchase agreement with The Rock Gold Corp. Under the terms of the option agreement, the Company could earn a 100% interest in the Mega Vein property by paying \$180,000 cash (\$30,000 paid on June 25, 2022) and issuing 650,000 common shares (175,000 common shares issued on July 8, 2022) over the remaining three years, respectively. The property is subject to a 2.5% NSR royalty, of which 1.0% can be purchased for \$1,000,000. The property is also subject to an AMR of \$10,000 per year starting from the sixth year from the effective date of the original agreement.

Other Newfoundland Properties

On June 24, 2022, the Company acquired a 100% interest in certain mineral claims in Newfoundland through the share purchase agreement with The Rock Gold Corp. These claims were under the following agreements and terms:

- **Hicks** - \$70,000 cash (\$30,000 paid on June 28, 2022) and 750,000 common shares (250,000 common shares issued on July 8, 2022) over the remaining two years, subject to a 2.0% NSR, of which 1.0% can be purchased for \$1,000,000.
- **United Gold** - \$360,000 cash (\$35,000 paid on June 28, 2022) and 1,250,000 common shares (375,000 common shares issued on July 8, 2022) over the remaining four years, subject to a 2.0% NSR, of which 1.0% can be purchased for \$2,000,000.
- **Lewis** - \$335,000 cash (\$35,000 paid on June 28, 2022) and 1,075,000 common shares (250,000 common shares issued on July 8, 2022) over the remaining four years, subject to a 2.0% NSR, of which 1.0% can be purchased for \$2,000,000.
- **Platoro West** - 7,750,000 common shares (previously issued by The Rock Gold Corp).
- **Bell** - 1,500,000 common shares (previously issued by The Rock Gold Corp).

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Yukon Gold Projects

Sonora Gulch Property

On August 1, 2017, the Company entered into an option agreement with Golden Predator Mining Corp. (“Golden Predator”), whereby the Company could earn a 100% interest in the Sonora Gulch property. The agreement was amended on August 1, 2018 to extend certain payment terms and was amended again on March 25, 2019. Under the final amendment, the Company completed its option by issuing Golden Predator 4,750,000 shares (in addition to the 4,500,000 shares issued in 2017 under the original agreement) and now holds 100% of the property. The property is subject to a 1.0% NSR to Golden Predator and an additional 1.0% NSR to underlying vendors, of which 0.5% can be repurchased from the underlying vendors for \$1,000,000.

Rosebute Property

The Company holds 100% of the Rosebute property that is subject to a 2.0% NSR royalty, of which 1.0% can be repurchased for \$2,000,000. An annual advance royalty payment of \$25,000 (\$25,000 paid on March 31, 2022) commenced in 2015 and continues for 10 years (\$250,000 in total). During the year ended December 31, 2020, the Company issued 500,000 common shares for the annual advance royalty payment to the vendor.

Other Yukon (White Gold District)

The Company holds 100% of the following Yukon properties, subject to the royalties indicated:

- **Lucky Joe** - is subject to a 1.5% NSR royalty to Golden Predator and a further 1.5% NSR royalty to an underlying vendor, of which 0.75% can be repurchased from the underlying vendor for \$2,000,000.
- **Sulphur** - is subject to a 2.0% NSR royalty, of which 1.0% can be repurchased for \$1,000,000.
- **Quartz** - is subject to a 2.0% NSR royalty, of which 1.0% can be repurchased for \$1,000,000.
- **Wounded Moose** - is subject to a 2.0% NSR royalty, of which 1.0% can be repurchased for \$1,000,000.
- **Korat** - is subject to a 1.0% NSR royalty to Golden Predator.
- **Bishop-Montana** - is subject to a 2.0% NSR royalty, of which 1.0% can be repurchased for \$1,000,000.
- **Chopin** – on March 31, 2022, these claims lapsed and the property was written off.

Other Yukon (Keno Hill Gold District)

The Company holds 100% of the MLC/Keynote property and is subject to a 2.5% NSR royalty. During the year ended December 31, 2022, these claims lapsed and the property was written off.

10. SHARE CAPITAL

Authorized share capital:

An unlimited number of common shares without par value.

10. SHARE CAPITAL (CONTINUED)

On March 25, 2022, the Company completed a private placement and issued 8,360,888 units at a price of \$0.18 per unit and 915,000 flow-through units at a price of \$0.22 per flow-through unit, for total gross proceeds of \$1,706,260. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.25 per share for a period of two years from the closing of the private placement. Each flow-through unit is comprised of one common share issued on a flow-through, and one-half of a warrant. In connection with the private placement, the Company paid finders' fees of \$116,064 and \$9,239 in other share issue costs. In addition, 560,972 finder's warrants with a value of \$76,292 were issued. Two directors of the Company participated in the private placement for 112,000 Units for proceeds of \$20,160.

On June 24, 2022, the Company issued 12,250,000 common shares valued at \$1,592,500 in connection with the share purchase agreement with The Rock Gold Corp. (Note 4).

On July 7, 2022 the Company issued 100,000 common shares valued at \$14,000 for exploration and evaluation assets (Note 9).

On July 8, 2022 the Company issued 1,550,000 common shares valued at \$248,000 for exploration and evaluation assets (Note 9).

On May 10, 2021, the Company completed a private placement and issued 16,450,000 units at a price of \$0.16 per unit, for gross proceeds of \$2,632,000. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.20 for a period of two years from the closing date. In connection with the private placement, the Company paid finders' fees of \$122,720 in cash and \$4,378 in other share issue costs. In addition, 288,000 finder's warrants with a value of \$69,120 were issued. Each finder's warrant is exercisable into one common share at a price of \$0.16 per share for a period of two years from the issuance date.

During the year ended December 31, 2022, the Company:

- Issued 237,500 common shares valued at \$19,000 for Badger property (Note 9), issued 400,000 common shares valued at \$32,000 for Millertown property (Note 9), and issued 237,500 common shares valued at \$19,000 for Barrens Lake property (Note 9);
- Issued 100,000 common shares valued at \$14,000 for exploration and evaluation assets (Note 9);
- Issued 1,550,000 common shares valued at \$248,000 for exploration and evaluation (Note 9); and
- Issued 12,250,000 common shares valued at \$1,592,500 in connection with the share purchase agreement with The Rock Gold Corp. (Note 4).

11. STOCK OPTIONS AND WARRANTS

Stock Options

The Company has adopted an incentive stock option plan, which allows the Company to issue non-transferable stock options to directors, officers, employees, consultants and other participants of the Company at the discretion of the Board of Directors and in accordance with stock exchange requirements. Under the plan, options can be granted for a maximum term of five years and the total number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares at any time. The exercise price, expiry date, and vesting terms of each option is determined by the Board of Directors at the time of grant, provided that the exercise price may not be less than the price permitted by the policies of the stock exchange(s) on which the Company's common shares are listed.

Stock option transactions are summarized as follows:

	Outstanding Options	Weighted Average Exercise Price (\$)
Balance, December 31, 2021	4,015,000	0.19
Granted	2,270,000	0.22
Expired/Forfeited	(982,500)	0.16
Balance, December 31, 2022	5,302,500	0.21
Granted	-	-
Expired/Forfeited	-	-
Balance, March 31, 2023	5,302,500	0.21
Exercisable, March 31, 2023	2,996,250	0.19

As at March 31, 2023, outstanding incentive stock options are as follows:

Expiry Date	March 31, 2023		December 31, 2022	
	Outstanding Options	Exercise Price (\$)	Outstanding Options	Exercise Price (\$)
October 27, 2023	400,000	0.095	400,000	0.095
November 23, 2023	1,330,000	0.14	1,330,000	0.14
March 18, 2024	330,000	0.16	330,000	0.16
April 27, 2024	87,500	0.19	87,500	0.19
May 27, 2024	530,000	0.42	530,000	0.42
September 24, 2024	100,000	0.26	100,000	0.26
November 4, 2024	30,000	0.24	30,000	0.24
November 15, 2024	200,000	0.28	200,000	0.28
December 1, 2024	25,000	0.20	25,000	0.20
April 1, 2025	1,830,000	0.23	1,830,000	0.23
May 11, 2025	40,000	0.20	40,000	0.20
June 13, 2027	200,000	0.25	200,000	0.25
July 1, 2027	100,000	0.16	100,000	0.16
July 6, 2025	100,000	0.15	100,000	0.15
	5,302,500	0.21	5,302,500	0.21

11. STOCK OPTIONS AND WARRANTS (CONTINUED)

Stock Options (Continued)

During the three-month period ended March 31, 2023, the Company recognized stock-based compensation of \$48,790 (2022 - \$52,242) in relation to stock options. No stock options were granted during the three-month period ended March 31, 2023.

Warrants

Share purchase warrant transactions are summarized as follows:

	Outstanding Warrants	Weighted Average Exercise Price (\$)
Balance, December 31, 2021	14,803,000	0.18
Granted	5,198,915	0.24
Expired	(6,290,000)	0.14
Balance, December 31, 2022	13,711,915	0.22
Granted/Expired	-	-
Balance, March 31, 2023	13,711,915	0.22

As at March 31, 2023, outstanding warrants are as follows:

Expiry Date	March 31, 2023		December 31, 2022	
	Outstanding Warrants	Exercise Price (\$)	Outstanding Warrants	Exercise Price (\$)
May 10, 2023	8,225,000	0.20	8,225,000	0.20
May 10, 2023	288,000	0.16	288,000	0.16
March 25, 2024	4,637,943	0.25	4,637,943	0.25
March 25, 2024	560,972	0.20	560,972	0.20
	13,711,915	0.22	13,711,915	0.22

During the three-month period ended March 31, 2023, the Company granted Nil warrants (2022 - 560,972 warrants) finder's warrants with a value of \$Nil (2022 - \$76,292).

12. RELATED PARTY TRANSACTIONS

a. Balances outstanding

As at March 31, 2023, due to related party includes \$45,119 (December 31, 2022 - \$30,540) owing to a company with a common former director and officer. The amount owing is non-interest bearing with no fixed terms of repayment.

b. Key management compensation

During the three-month period ended March 31, 2023 and 2022, the Company paid or accrued the following amount to key management (officers and directors), a company with a common former director and officer, a company controlled by a former officer and a former significant shareholder:

	2023	2022
Management and consulting fees	\$ 52,500	\$ 52,788
Promotion	4,000	-
Office and miscellaneous	2,005	-
Exploration and evaluation expenditure	68,647	14,577
Stock-based compensation	41,216	35,762
	\$ 168,368	\$ 103,127

13. SUPPLEMENTARY CASH FLOW INFORMATION

Significant non-cash transactions during the three-months ended March 31, 2023 included:

- \$30,362 in accounts payable and accrued liabilities for exploration and evaluation assets.

Significant non-cash transactions during the three-months ended March 31, 2022 included:

- \$76,292 for fair value of finder's warrants issued (Note 10 and Note 11); and
- \$146,086 in accounts payable and accrued liabilities for exploration and evaluation assets.

14. FINANCIAL INSTRUMENTS

Fair Value

Financial instruments include cash and any contract that give rise to a financial asset to one party and a financial liability or equity instrument to another party. The Company's cash and cash equivalents and accounts receivable are categorized as financial assets measured at amortized costs. Marketable securities are categorized as assets measured at fair value through profit and loss. Accounts payable and accrued liabilities, due to related party and advance are categorized as financial liabilities measured at amortized cost. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, due to related party and advance are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

The three levels of the fair value hierarchy are:

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at March 31, 2023 and December 31, 2022, the Company's marketable securities are based on level 1 inputs of the fair value hierarchy and the values are based on the closing trading price of the shares on public stock exchanges at the period-end date.

Financial Risk Management

Market risk

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

Foreign exchange risk

The Company operates mainly in Canada, but a small portion of the Company's financial assets and liabilities are denominated in US dollars. The Company does not undertake currency-hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, accounts receivable and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of cash held in bank accounts and accounts receivable consist primarily of goods and services tax receivable from the government of Canada, for which management believes the risk of loss to be minimal. Reclamation bonds consist of term deposits and guaranteed investment certificates, which have been invested with a major Canadian financial institution, from which management believes the risk of loss to be minimal.

14. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Management (Continued)

Interest rate risk

Interest rate risk mainly arises from the Company's cash and cash equivalents, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable. As at March 31, 2023, the Company has a working capital deficiency of \$301,449 (December 31, 2022 – working capital deficiency of \$91,929).

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is the risk of loss associated with movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock markets to determine appropriate actions to be taken by the Company. The Company has investments in certain publicly traded companies (marketable securities), and there can be no assurance that the Company can exit these positions if required, so there is a risk that proceeds may not approximate the carrying value of these investments.

As at March 31, 2023, a 10% fluctuation in the price of the Company's marketable securities would increase or decrease comprehensive loss by \$5,600 (December 31, 2022 - \$7,700).

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable level of risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and marketable securities.

The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the three months ended March 31, 2023 and 2022.

15. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2023, the Company closed a private placement of 8,600,000 units at a price of \$0.05 per unit for aggregate gross proceeds of \$430,000.