ETRUSCUS RESOURCES CORP.

Condensed Interim Financial Statements

December 31, 2021

(Expressed in Canadian Dollars)

ETRUSCUS RESOURCES CORP.

Index to Condensed Interim Financial Statements

For the nine-month period ended December 31, 2021

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND NOTICE OF NO AUDITOR REVIEW

The accompanying condensed interim financial statements of Etruscus Resources Corp. (the "Company") are the responsibility of management and have not been reviewed by the Company's auditors.

These condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Company has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the condensed interim financial statements and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

ETRUSCUS RESOURCES CORP.
Condensed Interim Statements of Financial Position
As at December 31, 2021
(Expressed in Canadian Dollars)
(prepared by management)

	December 31, 2021 (unaudited)	*March 31, 2021 (audited)*
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,374,351**	$ 31,106
Receivables *(Note 3)*	**21,957**	247,505
Deposits and prepaid expenses *(Note 4)*	**80,747**	-
Total current assets	**1,477,055**	278,611
Exploration and evaluation assets (*Note 5*)	**3,725,722**	2,836,989
Reclamation deposits	**24,900**	20,000
Property and Equipment *(Note 6)*	**13,460**	29,681
Total assets	**$ 5,241,137**	$ 3,165,281
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 7)*	**$ 30,444**	$ 15,000
Due to related parties *(Note 9)*	**496**	20,475
Lease liability *(Note 7)*	**9,959**	19,143
Flow-through share premium liability *(Note 8)*	**55,396**	53,844
Total current liabilities	**96,295**	108,462
Lease liability *(Note 7)*	**-**	5,029
Total liabilities	**96,295**	113,491
EQUITY		
Share capital *(Note 8)*	**7,087,436**	4,575,149
Equity reserves	**719,874**	640,217
Deficit	**(2,662,468)**	(2,163,576)
Total equity	**5,144,842**	3,051,790
Total liabilities and equity	**$ 5,241,137**	$ 3,165,281

Nature of Operations and Going Concern *(Note 1)*
Events After the Reporting Period (*Note 13*)

Approved and authorized on behalf of the Board on February 11, 2022.

Gordon Lam Director

Fiore Aliperti Director

(the accompanying notes are an integral part of these condensed interim financial statements)

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss

For the three and nine-month periods ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	Nine months ended December 31, 2021	*Nine months ended December 31, 2020*	***Three months ended December 31, 2021***	*Three months ended December 31, 2020*
Operating Expenses:				
Advertising, marketing, promotion	**$ 50,512**	$ 381,007	**$ -**	$ 43,297
Consulting fees (*Note 9*)	**343,613**	175,118	**132,417**	39,350
Depreciation (*Note 6*)	**16,221**	16,791	**5,024**	5,597
Investor relations fees	**60,000**	27,667	**15,000**	25,500
Office and general	**42,973**	24,925	**12,750**	5,605
Professional fees	**20,645**	34,110	**2,611**	2,217
Property investigation	**19,290**	-	**19,290**	-
Regulatory and transfer agent fees	**16,381**	31,015	**7,151**	7,343
Rent	**11,801**	11,363	**3,934**	3,708
Share-based compensation (*Note 8*)	**11,606**	187,810	**-**	25,451
Total operating expenses	**(593,042)**	(889,806)	**(198,177)**	(158,068)
Finance income	**4,244**	1,206	**4,131**	1,023
Amortization of discount	**(974)**	(2,063)	**(230)**	(600)
Other income from settlement of flow-through share premium liability	**90,880**	83,155	**14,796**	-
Loss and comprehensive loss for the period	**$ (498,892)**	$ (807,508)	**$ (179,480)**	$ (157,645)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.03)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding:				
Basic and diluted	**34,787,624**	24,405,031	**37,386,622**	24,966,330

(the accompanying notes are an integral part of these condensed interim financial statements)

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Changes in Equity

For the periods ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	Number of Shares	*Amount*	*Equity Reserves*	*Deficit*	*Total*
Balance at March 31, 2020	**21,228,501**	**$ 2,404,152**	**$ 438,089**	**$ (1,164,638)**	**$ 1,677,603**
Shares issued for cash- private placement	7,210,805	2,336,000	-	-	2,336,000
Share issuance costs- cash	-	(56,658)	-	-	(56,658)
Share issuance costs- fair value of finders' warrants	-	(21,391)	21,391	-	-
Flow-through share premium liability	-	(121,844)	-	-	(121,844)
Shares issued for cash- options exercised	75,000	18,750	-	-	18,750
Fair value of exercised options	-	17,079	(17,079)	-	-
Deposit in advance of options exercised	-	-	-	-	-
Share-based compensation	-	-	187,810	-	187,810
Loss for the period	-	-	-	(807,508)	(807,508)
Balance at December 31, 2020	**28,514,306**	**$ 4,576,088**	**$ 630,211**	**$ (1,972,146)**	**$ 3,234,153**
Share issuance costs	-	(939)	-	-	(939)
Share-based compensation	-	-	10,006	-	10,006
Loss for the period	-	-	-	(191,430)	(191,430)
Balance at March 31, 2021	**28,514,306**	**$ 4,575,149**	**$ 640,217**	**$ (2,163,576)**	**$ 3,051,790**
Shares issued for property	500,000	175,000	-	-	175,000
Shares issued for cash- private placements	8,372,316	2,604,127	-	-	2,604,127
Share issuance costs	-	(106,357)	-	-	(106,357)
Share issuance costs- fair value of finders' warrants	-	(68,051)	68,051	-	-
Flow-through share premium liability	-	(92,432)	-	-	(92,432)
Share-based compensation	-	-	11,606	-	11,606
Loss for the period	-	-	-	(498,892)	(498,892)
Balance at December 31, 2021	**37,386,622**	**$ 7,087,436**	**$ 719,874**	**$ (2,662,468)**	**$ 5,144,842**

(the accompanying notes are an integral part of these condensed interim financial statements)

ETRUSCUS RESOURCES CORP.
Condensed Interim Statements of Cash Flows
For the nine-month periods ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)
(unaudited – prepared by management)

	2021	*2020*
Cash flows provided by (used in) operating activities		
Loss for the period	**$ (498,892)**	$ (807,508)
Add-back non-cash items:		
Depreciation	**16,221**	16,791
Share-based compensation	**11,606**	187,810
Amortization of lease liability discount	**974**	2,063
Finance income	**-**	(1,023)
Other income from settlement of flow-through share premium liability	**(90,880)**	(83,155)
Changes in non-cash working capital items:		
Receivables	**(10,863)**	27,763
Retainers, deposits and prepaid expenses	**(80,747)**	(30,982)
Accounts payable and accrued liabilities	**(8,604)**	(21,092)
Due to related parties	**(19,979)**	(48,534)
Net cash used in operating activities	**(681,164)**	(757,867)
Cash flows used in investing activities		
Investment in exploration and evaluation assets	**(689,685)**	(1,614,911)
Tax credit received	**236,411**	270,908
Finance income received	**-**	1,023
Payment of reclamation deposit	**(4,900)**	-
Net cash used in investing activities	**(458,174)**	(1,342,980)
Cash flows provided by (used in) financing activities		
Shares issued for cash	**2,604,127**	2,354,750
Share issuance costs	**(106,357)**	(56,658)
Lease payments	**(15,187)**	(15,187)
Net cash provided by financing activities	**2,482,583**	2,282,905
Increase in cash and cash equivalents during the period	**1,343,245**	182,058
Cash and cash equivalents, beginning of period	**31,106**	45,961
Cash and cash equivalents, end of period	**$ 1,374,351**	$ 228,019

Cash and cash equivalents consist of:		
Bank deposits	**$ 1,374,351**	$ 228,019

Supplemental Disclosure with Respect to Cash Flows *(Note 12)*

(the accompanying notes are an integral part of these condensed interim financial statements)

1. NATURE OF OPERATIONS AND GOING CONCERN

Etruscus Resources Corp. ("the Company") was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company's registered office is located at Suite #1400 - 1125 Howe St., Vancouver, British Columbia, V6Z 2K8, and its operating office is located at Suite #604 - 850 West Hastings St., Vancouver, British Columbia V6C 1E1. The Company's common shares were listed for trading on the Canadian Securities Exchange ("CSE") on January 15, 2019 (the "Listing Date").

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

These financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, at December 31, 2021 the Company has incurred an accumulated deficit since its inception of $2,662,468 (March 31, 2021 - $2,163,576). The ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to ultimately develop profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Since incorporation on July 1, 2017, the Company raised equity financing from investors to provide for its early-stage exploration and working capital needs. The Company may also consider convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of Company's exploration activities. To the extent future financing is not available, future working capital commitments may not be satisfied and future exploration programs would face curtailment and could result in a loss of property ownership or earning opportunities for the Company.

There can be no assurance that the Company will be able to raise the funds necessary to continue future operations beyond 2022. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. These condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

On March 11, 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak has continued to spread resulting in adverse public health developments. Vaccination efforts are global in nature, just as new variants of the virus continue to emerge. The pandemic has adversely affected global workforces, economies, and financial markets, triggering economic upheavals. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its future impacts on the Company's business or operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are presented in Canadian dollars which is the financial currency of the Company. These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are classified as fair value through profit or loss. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim financial statements should be read in conjunction with the Company's annual financial statements and notes thereto for the year ended March 31, 2021. These condensed interim financial statements do not include all disclosures required in annual financial statements but rather they follow recommendations for condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of their application as those followed in the March 31, 2021 annual financial statements.

Future changes in accounting policies

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2021 reporting period. These standards have been assessed by the Company and are not expected to have a significant impact on the Company's financial statements.

3. RECEIVABLES

	December 31, 2021	*March 31, 2021*
Recoverable sales taxes	$ 21,957	$ 11,094
BC Mineral Exploration Tax Credit	-	236,411
Total receivables	$ 21,957	$ 247,505

(Expressed in Canadian Dollars)

4. DEPOSITS AND PREPAID EXPENSES

The deposits and prepaid expenses of the Company consist of the following:

	December 31, 2021	March 31, 2021
Third party consulting fees paid in advance	**$ 20,950**	$ -
Advances on exploration surveys and helicopters	**55,000**	-
Prepaid insurance	**9,797**	
	$ 80,747	$ -

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	Lewis Gold Property	*Rock & Roll Property*	*Sugar Property*	*Total*
Balance, March 31, 2020	$ -	$ 1,403,667	$ 22,564	$ 1,426,231
Additions:				
Acquisition costs	-	1,302	-	1,302
Accommodation and camp costs	-	326,429	12,831	339,260
Assays and laboratory analysis	-	28,447	-	28,447
Drilling	-	412,326	-	412,326
Field expenses	-	28,755	-	28,755
Geological and geophysical consulting	-	186,475	9,088	195,563
Helicopters and aircraft support	-	324,865	24,177	349,042
Licenses, claim fees and permits	-	36,265	-	36,265
Surveying	-	254,774	16,262	271,036
*Less: Recoveries**	-	(242,294)	(8,944)	(251,238)
Balance, March 31, 2021	$ -	$ 2,761,011	$ 75,978	$ 2,836,989
Additions:				
Acquisition costs	285,000	-	-	285,000
Accommodation and camp costs	36,596	61,340	7,755	105,691
Assays and laboratory analysis	52,033	29,458	2,416	83,907
Community relations	-	40,000	-	40,000
Field expenses	2,923	29,668	-	32,591
Geological and geophysical consulting	142,057	119,848	8,486	270,391
Helicopters and aircraft support	-	67,234	28,665	95,899
Licenses, claim fees and permits	-	2,652	-	2,652
Surveying	-	4,936	-	4,936
Less: Recoveries	-	(32,334)	-	(32,334)
Net additions for the period	**$ 518,609**	**$ 322,802**	**$ 47,322**	**$ 888,733**
Balance, December 31, 2021	**$ 518,609**	**$ 3,083,813**	**$ 123,300**	**$ 3,725,722**

*Comprised of 2020 BCMETC credit of $236,411 and 2019 BCMETC credit of $14,827.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Lewis Gold Property, Newfoundland, Canada

On July 20, 2021, the Company announced it had received an option (the "Lewis Option Agreement") to earn a 100% interest in the Lewis Gold Property (the "Lewis Property") in central Newfoundland from the vendors, a group of three parties independent to the Company. The Lewis Property consists of two claim blocks in the heart of the Peyton Linear gold trend: the Peyton South claims and the Linear claims. Together, the Lewis Property totals 25.67 square kilometers (2,567 Hectares ("Ha")) and establishes the Company in a key location within central Newfoundland's highly active exploration region. Each claim block carries a two percent (2%) Net Smelter Returns royalty, subject to the purchase of one percent (1%) for $2,000,000 on or before commercial production.

The Lewis Option Agreement requires aggregate staged payments each year over a four-year period as follows:

Date	Cash	Shares
Acceptance Date**	$110,000	500,000
First Anniversary	$150,000	625,000
Second Anniversary	$150,000	650,000
Third Anniversary	$195,000	650,000
Fourth Anniversary	$265,000	675,000
Total	$870,000	3,100,000

**In July 2021, cash of $110,000 was paid and 500,000 shares were issued at a fair value of $0.35, for share compensation totalling $175,000.

Rock & Roll Property, Liard Mining Division, Northwest British Columbia, Canada

The Rock & Roll Property (the "Property") consists of thirty-nine (39) contiguous mineral claims totaling 21,955 Ha situated in the Liard Mining Division of British Columbia, in the Iskut River Valley of the Coast Mountains in northwestern British Columbia.

In 2018, the Company acquired the first 14 contiguous claims totalling 4,723 Ha from Equity Exploration Consultants Ltd. ("Equity"), for $50,000 cash and 800,000 common shares of the Company at a value of $0.10 per share, for a total initial acquisition cost of $130,000. Those claims are subject to a 2% net smelter return ("NSR") royalty, held by a group of six parties (the "Royalty Holders"). The Company received an option to purchase one-half of the 2% NSR (the "NSR Buyout Option") for a future payment of $2,000,000 to the Royalty Holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier. The NSR Buyout Option was granted to the Company by the issuance of 300,000 shares to the Royalty Holders immediately after the Listing Date, issued at a fair value of $0.25 per share for a total fair value of $75,000, capitalized to exploration and evaluation assets. During the year ended March 31, 2020, the Company staked an additional 25 mineral claims contiguous to the Property, totaling 17,233 Ha at a cost of $36,013.

Equity has notified the Company that there may be unregistered royalties on the Property in favour of Prime Equities International Corporation. To the Company's best information and belief, such royalties (i) are not evidenced by any completed legal instrument and (ii) have not been the subject of any notice or claim to Equity asserting such royalties. The Company has agreed to indemnify Equity against all costs, charges, and expenses, including any amount paid to settle a threatened or an actual action or to satisfy a judgment, reasonably incurred by Equity in the event that such possible royalties are validated as existing legal obligations binding on the Property.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Sugar Property - Liard Mining Division, Northwest British Columbia, Canada

During the year ended March 31, 2020, the Company staked 11 contiguous mineral claims totaling 5,181 Ha at a cost of $9,566. The group of claims is known as the Sugar Property ("Sugar") and is located approximately 7 km northwest of the Company's Rock & Roll Property and 25 km southwest of Teck Resources/Newmont Gold's Galore Creek joint venture project. No historical drilling has been recorded at Sugar.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties, and, to the best of its knowledge, titles are in good standing.

6. PROPERTY AND EQUIPMENT

	Right-of-use assets	*Computers and software*	*Furniture and fixtures*	Total
Cost:				
Balance, March 31 and December 31, 2021	$ 60,827	$ 4,938	$ 8,938	$ 74,703
Accumulated depreciation:				
Balance, March 31, 2020	$ 14,858	$ 3,942	$ 3,836	$ 22,636
Depreciation	20,308	548	1,530	22,386
Balance, March 31, 2021	35,166	4,490	5,366	45,022
Depreciation	15,231	186	804	16,221
Balance, December 31, 2021	$ 50,397	$ 4,676	$ 6,170	$ 61,243
Net book value - March 31, 2021	$ 25,661	$ 448	$ 3,572	$ 29,681
Net book value – December 31, 2021	**$ 10,430**	**$ 262**	**$ 2,768**	**$ 13,460**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

Accounts payable and accrued liabilities for the Company are comprised as follows*:*

	December 31, 2021	*March 31, 2021*
Accounts payable	$ 30,444	$ -
Accrued liabilities	-	15,000
	$ 30,444	$ 15,000

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

Lease liability:

On July 1, 2019, the Company entered into a premises sublease for a three-year period, with terms following those of the head lease. The lessor is Metallis Resources Inc. ("MTS"), a public company related by two common directors and a common officer. The sublease is for ½ of the space leased by MTS for fixed monthly lease payments of $1,688 per month. The sublease falls under the scope of IFRS 16. Accordingly, the lease liability was measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate of 8%, the same discount rate as that used by MTS for its head lease accounting. At the inception of the sublease, the Company recognized on the statement of financial position a lease liability of $54,210 and a corresponding ROU asset of the same amount. Leasehold improvement costs of $6,617 were also recorded as ROU assets.

The following tables summarize the lease liability recognized in the financial statements:

Lease liability

Balance as at March 31, 2020	$ 41,848
Lease payments	(20,250)
Lease interest	2,574
Balance as at March 31, 2021	24,172
Lease payments	(15,187)
Lease interest	974
Balance as at December 31, 2021	$ 9,959

Current portion	$ 9,959
Long-term portion	-
Balance as at December 31, 2021	$ 9,959

At December 31, 2021, future lease payments, including variable costs not subject to IFRS 16, are as follows:

Year ended March 31, 2022	$ 9,334
Year ended March 31, 2023	9,334
Total	$ 18,668

8. SHARE CAPITAL

Authorized: Unlimited number of common shares, without par value.

Issued: 37,386,622 common shares (March 31, 2021 – 28,514,306 common shares) including 1,500,000 shares held in escrow until January 15, 2022.

8. SHARE CAPITAL (continued)

Transactions for the period ended December 31, 2021:

a) On June 30, 2021, the Company completed a non-brokered private placement for total gross proceeds of $2,604,127. The financing consisted of 6,523,672 non-flow-through units at a price of $0.30 per unit for proceeds of $1,957,102 and 1,848,644 flow-through units at a price of $0.35 per unit for proceeds of $647,025. Each non-flow-through unit consists of one common share and ½ of a common share purchase warrant exercisable at $0.40 per share for a period of 2 years. Each flow-through unit consists of one flow-through common share and ½ of a non-flow-through common share purchase warrant exercisable at $0.45 per share for a period of 2 years. No residual value was assigned to the warrant component of either the flow-through or non-flow-through units.

   The Company recorded a flow-through premium liability of $92,432 as a deduction from share capital, being the difference between the amounts recognized in common shares and the amounts investors paid for the units. Total finders' fees of $90,832 were paid and 478,273 finders' warrants were issued to arm's length parties, as permitted by securities law. The finders' warrants are exercisable at $0.33 per share for a two-year period, and were valued at $68,051 following the Black Scholes pricing model.

   All shares issued under the private placement completed by the Company are subject to a hold period of four months and one day from the date of issuance. Proceeds of all non-flow-through financings are used for exploration and general working capital. The proceeds from the issuance of flow-through shares are only used to fund Canadian Exploration Expenses (within the meaning of the *Income Tax Act* (Canada)) which shall qualify as "flow-through mining expenditures", for purposes of the *Income Tax Act* (Canada). The Company will renounce these expenses to the purchasers with an effective date of no later than December 31, 2021, and as required under the Act.

b) On July 15, 2021, 1,500,000 common shares were released from escrow.

c) On July 23, 2021 the Company issued 500,000 common shares to the vendors of the Lewis Property pursuant to the Lewis Option Agreement. The shares were fair valued at $0.35 per share, for total share compensation of $175,000.

Transactions for the year ended March 31, 2021:

d) On June 2, 2020, the Company completed a non-brokered private placement for gross proceeds of $306,250 by the issuance of 1,225,000 units at a price of $0.25 per unit. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.40 per share for a two-year period. Total finders' fees of $525 were incurred. No residual value was assigned to the warrant component of the private placement.

e) On September 15, 2020, the Company announced the closing of a non-brokered private placement, raising a total of $1,499,550 in two tranches. The financing consisted of 3,520,000 non-flow-through units at a price of $0.35 per unit for proceeds of $1,232,000 and 594,555 flow-through units at a price of $0.45 per unit for proceeds of $267,550. Each non-flow-through unit consisted of one common share and one common share purchase warrant exercisable at $0.50 per share for a period of 3 years. Each flow-through unit consisted of one flow-through common share and one non-flow-through common share purchase warrant exercisable at $0.60 per share for a period of 3 years. No residual value was assigned to the warrant component of either the flow-through or non-flow-through units. The Company recorded a flow-through premium liability of $59,456 as a deduction from share capital, being the difference between the amounts recognized in common shares and the amounts investors paid for the units.

8. SHARE CAPITAL (continued)

Transactions for the year ended March 31, 2021: (continued)

The Company incurred finder's fees of $23,222 and 65,061 finder's warrants were issued to arm's length parties, as permitted by securities law. The finders' warrants were valued at $13,989 following the Black Scholes pricing model and are exercisable at $0.45 per common share for a three-year period.

f) On July 15, 2020, 1,500,000 common shares were released from escrow.

g) On July 29, 2020, 40,000 consultants' stock options were exercised at $0.25 per share for proceeds of $10,000.

h) On October 6, 2020, 35,000 consultants' stock options were exercised at $0.25 per share for proceeds of $8,750.

i) On December 30, 2020, the Company closed a non-brokered private placement, raising a total of $530,200 in two tranches. The financing consisted of 980,000 non-flow-through units at a price of $0.25 per unit for proceeds of $245,000 and 891,250 flow-through units at a price of $0.32 per unit for proceeds of $285,200. Each non-flow-through unit consists of one common share and ½ of a common share purchase warrant, with each full warrant exercisable at $0.40 per share for a period of 2 years. Each flow-through unit consists of one flow-through common share and ½ of a non-flow-through common share purchase warrant, with each full warrant exercisable at $0.50 per share for a period of 2 years. No residual value was assigned to the warrant component of either the flow-through or non-flow-through units. The Company recorded a flow-through premium liability of $62,388 as a deduction from share capital, being the difference between the amounts recognized in common shares and the amounts investors paid for the units.

   The Company incurred total private placement issuance costs of $34,386 comprised of filing fees of $2,340, legal fees of $6,644, finder's fees of $18,000 and 58,000 finder's warrants valued at $7,402, issued to arm's length parties as permitted by securities law. The finders' warrants were valued following the Black Scholes pricing model and are exercisable at $0.285 per common share for a 2-year period.

j) On January 15, 2021, 1,500,000 common shares were released from escrow.

Flow-through share premium liability:

The Company's issuances of flow-through common shares as described above results in flow-through share premium liabilities which are reduced by the incurrence of qualifying exploration expenses. As at December 31, 2021, the Company had obligations to incur qualifying exploration costs totalling $387,772 which would, upon being incurred, eliminate the current flow-through share premium liability of $55,396 with the amount recorded as other income on settlement of flow-through share premium liability. The following table shows changes in the flow-through share premium liability:

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Flow-through share premium liability: (continued)

Changes in Flow-through share premium liability:	Nine-months ended December 31, 2021	Year ended March 31, 2021
Balance, beginning of period	$ 53,844	$ 23,699
Liability incurred on flow-through shares issued	92,432	121,844
Settlement of flow-through share premium liability upon incurring eligible expenditures	(90,880)	(91,699)
Balance, end of period	$55,396	$53,844

Stock options:

At the Company's Annual General Meeting on October 22, 2021, the shareholders adopted a 10% Rolling Stock Option Plan ("SOP") under which the Company is authorized to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option equals the market price of the Company's stock as calculated on the date of grant. The options vest upon grant, except for investor relations options which vest over a minimum of a one-year period, pursuant to regulation. The fair value of the option grants is determined, and the vested portion is recorded over time pursuant to the Black-Scholes option pricing model as a credit to equity reserves.

During the period ended December 31, 2021 and the year ended March 31, 2021, the Company recognized share-based compensation for the purpose of valuing stock option grants (and for the purpose of valuing finders' warrants issued pursuant to private placements). For the nine-month period ended December 31, 2021, share-based compensation of $11,606 was recorded and which related to investor relations options granted in September 2020, that vested during the current period. In the current period, no stock options were granted, exercised or expired, but 250,000 stock options were terminated.

During the year ended March 31, 2021, the Company granted the following stock options:

a) In May 2020, the Company granted 230,000 stock options to consultants, exercisable at $0.25 per share for a period of five years. The options vested upon grant. Share-based compensation of $41,516 was recorded.

b) In September 2020, the Company granted 675,000 stock options to consultants, exercisable at $0.36 per share for a period of five years, of which 475,000 stock options vested upon grant and 200,000 stock options, granted to the Company's investor relations provider, vest over a one-year period. For the year ended March 31, 2021, share-based compensation of $120,843 was recognized in respect of the consultants options and $35,457 was recognized in respect of the vested portion of the investor relations options.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Stock options: (continued)

	Period ended December 31, 2021	Year ended March 31, 2021
Weighted average assumptions:		
Risk-free interest rate	0.97%	0.35%
Expected dividend yield	-	-
Expected option life (years)	3.5	3.5
Expected Stock price volatility	81%	100%
Weighted average share price at grant date	$0.33	$0.33
Weighted average fair value at grant date	$0.345	$0.28
Expected forfeiture rate	-	-

Number of stock options outstanding:	Number of Stock options	Weighted average exercise price
Balance at March 31, 2020	1,695,000	$ 0.25
Options granted	905,000	0.33
Options exercised	(75,000)	0.25
Balance at March 31, 2021	2,525,000	$ 0.28
Options terminated	(250,000)	0.27
Balance at December 31, 2021	2,275,000	$ 0.28

The following table shows outstanding and vested stock options as at December 31, 2021:

Expiry Date	Number of Outstanding Stock Options	Number of Vested Stock Options	Exercise Price ($)	Weighted average remaining contractual life (years)
January 15, 2024	1,250,000	1,250,000	0.25	2.04
January 21, 2024	60,000	60,000	0.25	2.06
March 15, 2024	50,000	50,000	0.28	2.21
February 27, 2025	60,000	60,000	0.25	3.16
May 25, 2025	230,000	230,000	0.25	3.40
September 21, 2025	625,000	625,000	0.36	3.73
Total outstanding options	2,275,000	2,275,000		2.67

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Warrants:

Through certain unit offerings that completed, the Company has issued warrants in addition to shares. Warrant transactions are summarized as follows:

Schedule of changes in share purchase warrants:	Number of warrants	Weighted average exercise price
Balance at March 31, 2020	3,614,250	$ 0.48
Warrants issued	6,398,241	0.48
Warrants expired	(2,697,000)	0.50
Balance at March 31, 2021	7,315,491	0.47
Warrants issued	4,664,430	0.40
Warrants expired	(917,250)	0.42
Balance at December 31, 2021	11,062,671	$ 0.45

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

Expiry Date	Number of Warrants outstanding	Exercise Price ($)	Weighted average remaining contractual life (years)
June 1, 2022	1,225,000	0.40	0.42
December 18, 2022	365,000	0.40	0.96
December 18, 2022	445,625	0.50	0.96
December 18, 2022	50,000	0.285	0.96
December 30, 2022	125,000	0.40	1.00
December 30, 2022	8,000	0.285	1.00
May 19, 2023	270,000	0.40	1.38
May 19, 2023	636,072	0.45	1.38
May 19, 2023	68,400	0.33	1.38
June 8, 2023	534,166	0.40	1.44
June 8, 2023	103,250	0.45	1.44
June 8, 2023	58,450	0.33	1.44
June 30, 2023	2,457,669	0.40	1.50
June 30, 2023	185,000	0.45	1.50
June 30, 2023	351,423	0.33	1.50
August 6, 2023	3,130,000	0.50	1.60
August 6, 2023	53,861	0.45	1.60
August 6, 2023	276,444	0.60	1.60
September 4, 2023	390,000	0.50	1.68
September 4, 2023	318,111	0.60	1.68
September 4, 2023	11,200	0.45	1.68
Total	11,062,671		1.36

9. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

During the period ended December 31, 2021, the Board of Directors appointed director Fiore Aliperti as Interim President and CEO following the resignation of Jason Leikam as President and CEO. Mr Leikam was appointed in July 2021 as President and CEO following the resignation of Gordon Lam from those positions. Both Mr. Lam and Mr. Leikam continue to serve as Directors of the Company. The Board also appointed Stephen Wetherup as its Vice-President of Exploration following the resignation of David Webb.

The following related parties for the periods presented include directors and key management personnel, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Maxus Management Corp. is a company controlled by a director, who was also the Company's President and Chief Executive Officer from July 1 to November 23, 2021, and who provided consulting services to the Company during his term as the President and CEO;

b) Hatch 8 Consulting is a company controlled by a former Chief Executive Officer who remains a director of the Company, and provides consulting services to the Company;

c) Lever Capital Corp. is a company controlled by the Chief Financial Officer and provides consulting services to the Company;

d) Avanti Consulting Inc. is a company controlled by a director of the Company who acts as the Executive Chairman of the Board of Directors, and on November 23, 2021 was appointed by the Board of Directors as Interim President and CEO, providing such services to the Company commensurate with the appointments;

e) Wetherup Geological Consultants is a business operated by the Company's Vice-President of Exploration and which has provided the Company with geological consulting services since June 1, 2021. Amounts billed are recognized as either capitalized under exploration and evaluation assets or expensed under Property investigation;

f) DRW Geological Consultants Ltd. is a company that is controlled by the Company's former Vice-President of Exploration, and which provided the Company with geological consulting services up to March 31, 2021, the amounts of which are capitalized under exploration and evaluation assets; and

g) Metallis Resources Inc. ("MTS") is a public company that has two directors and an officer in common with the Company. Etruscus subleases one-half of MTS' office premises. The Company and MTS also shared their exploration camp facilities in BC's Golden Triangle region in 2021, as their respective properties lie about 35 – 40 km apart from each other. Consequently, some administrative and exploration costs are accordingly shared or reimbursable, occasionally resulting in non-material period-end intercompany balances.

Amounts owing to all related parties at December 31, 2021 is $496 (March 31, 2021 - $20,475), comprised of (I) amounts owing to management and/or (II) amounts owing to MTS, as follows:

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

I) The aggregate value of key management compensation and outstanding balances relating to the officers noted above are as follows:

		Transactions for the nine-month period ended December 31, 2021	Transactions for the year ended March 31, 2021	**Balance payable as at December 31, 2021**	Balance payable as at March 31, 2021
Short-term benefits:					
Maxus Management Corp.	**(a)**	**$ 54,000**	$ -	**$ -**	$ -
Hatch 8 Consulting	**(b)**	**72,000**	103,500	**-**	12,600
Lever Capital Corp.	**(c)**	**40,500**	36,000	**-**	4,725
Avanti Consulting Inc.	**(d)**	**30,000**	31,500	**-**	3,150
Wetherup Geological Consultants	**(e)**	**47,025**	-	**-**	-
DRW Geological Consultants Ltd.	**(f)**	**5,000**	48,000	**-**	-
Total		**$ 248,525**	$ 219,000	**$ -**	$ 20,475

II) During the period ended December 31, 2021, the company entered into transactions with MTS as follows:

	Due to MTS, March 31, 2021	Invoiced	Paid	**Due to MTS, December 31, 2021**
Rent including GST	$ -	$ 28,338	$ 28,338	**$ -**
Office expenses, net, including GST	-	1,588	1,092	**496**
Exploration costs		14,936	14,936	**-**
Total	$ -	$ 44,862	$ 44,366	**$ 496**

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments consist of financial assets and financial liabilities and are accounted for under *IFRS 9 – Financial Instruments*. Financial instruments are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

The Company classifies its financial assets and financial liabilities in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
ii) those to be measured at amortized cost.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

• The Company's financial assets are cash and cash equivalents, and reclamation deposits. Cash and cash equivalents and reclamation deposits are classified as fair value through profit or loss and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. The fair values of these financial instruments approximate their carrying values due to their short-term maturities.

• Financial liabilities comprise accounts payable, lease liability and amounts due to related parties which are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

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, with fair value measurement derived from valuation techniques.

The fair values of cash and cash equivalents and reclamation deposit are measured at fair value on a recurring basis based on Level 1 inputs of the fair value hierarchy.

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents and receivables. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables have historically consisted primarily of accrued interest on short-term money market investments for which management believes the collectability of these amounts to be assured.

Liquidity risk

Liquidity risk is related to the ability of the Company to meet its obligations as they come due. The Company's basic approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital as required but may also enter into earn-in arrangements or the sale of certain property interests. However, there can be no assurance the Company will be able to obtain its future financing needs on acceptable terms. The ability of the Company to continue on this course will depend, in part, on the prevailing market conditions, the market interest in financing the Company's mineral property exploration programs, and the scope of such programs.

The following are the contractual maturities of financial liabilities as at December 31, 2021:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years
Accounts payable and accrued liabilities	$ 30,444	$ (30,444)	$ (30,444)	$ -
Demand loans from related parties	496	(496)	(496)	-
Lease liabilities	9,959	(9,959)	(9,959)	-
Total	$ 40,899	$ (40,899)	$ (40,899)	$ -

As at December 31, 2021, the Company has working capital of $1,380,760. There is sufficient liquidity to meet day-to-day operating obligations for the ensuing year and fund its 2022 Phase I exploration programs, including its obligations to incur certain qualifying exploration expenditures by the end of December 2022. Depending on the scope of additional exploration work programs, additional financing may be required.

Interest rate risk

The Company is not exposed to material risk in the event of interest rate fluctuations. The Company has no long-term debt and has not entered into any interest rate swaps or other financial arrangements to mitigate the exposure to interest rate fluctuations, and current interest rates remain historically low. For these reasons, the Company believes it is not subject to material risks should interest rates change.

Market risk

The Company is subject to limited market risk as the price of its short-term money market investments fluctuates due to market forces. The Company has no control over their fluctuating prices, does not hedge its investments and the fluctuations are limited in scope and volatility. As at December 31, 2021, the Company held no short-term money market investments.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign currency risk

The Company's functional currency is the Canadian dollar, and an immaterial amount of transactions are in other currencies. Management believes the foreign exchange risk derived from currency conversions is immaterial and therefore does not need to hedge its foreign exchange risk.

11. CAPITAL MANAGEMENT

Capital is comprised of all components of shareholders' equity, and the Company is not subject to externally imposed capital requirements. The Company's objectives when managing capital are to fund critical exploration work, meet its on-going liabilities, continue as a going concern, maintain creditworthiness and to ultimately maximize returns for shareholders over the long term. Meeting current and future liabilities and obligations as a non-revenue early-stage explorer requires management to plan for its current and future cash needs while continually monitoring the Company's internal, exploration and financing risks. The Company endeavors to maintain capital balances over the periods to alleviate unexpected cash flow shortfalls and remains confident that sufficient financing will be raised to ensure working capital needs are met and future exploration funds are available for future exploration. Management strives to minimize shareholder dilution through executing future financings at higher equity prices than prior financings, subject to market conditions.

The capital for operations and the acquisition and exploration of exploration and evaluation assets has historically come from the issuance of common shares. The proceeds raised from the Company's financings over the past three years have facilitated the acquisition of a property of merit, seasonal property exploration, the costs of going public and corporate overheads.

There were no changes in the Company's capital management objectives during the period ended December 31, 2021.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the period ended December 31, 2021 are as follows:

a) The Company's completion of a flow-through private placement during the period resulted in a credit to the flow-through premium liability of $92,432, recorded as a reduction from share capital;

b) Exploration costs incurred during the period resulted in a $90,880 debit against the flow-through premium liability; and

c) In July 2021 the Company acquired the option on the Lewis Gold Project by issuing 500,000 common shares to the vendor valued at $0.35 per share for a total of $175,000. The amount is included in Lewis Gold Project acquisition costs *(Note 5)*.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)

The significant non-cash investing and financing transactions during the period ended December 31, 2020 were as follows:

a) As at December 31, 2020, $21,375 capitalized to exploration and evaluation assets was included in accounts payable and accrued liabilities; and

b) The Company's exploration costs incurred during the period were sufficient to extinguish both the flow-through premium liability of $23,699 as at March 31, 2020 as well as a $59,456 flow through premium liability from a $267,550 flow-through private placement that closed during the period ended September 30, 2020. These amounts total $83,155 of which $78,889 was offset to other income on settlement of flow-through premium liability for the three-months ended September 30, 2020 and $4,266 was similarly recorded for the previous three-months ended June 30, 2020.

13. EVENTS AFTER THE REPORTING PERIOD

In January 2022, the remaining 1,500,000 common shares were released from escrow.