



LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2022 AND 2021

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED 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 consolidated financial statements, they must be accompanied by a notice indicating that the interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated 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 interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim consolidated financial statements by an entity's auditor.

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

	April 30, 2022	October 31, 2021
	\$	\$
ASSETS		
Current		
Cash	7,333,507	9,180,858
Receivable	281,776	147,708
Prepaid expenses	58,424	33,906
	<u>7,673,707</u>	<u>9,362,472</u>
Exploration and evaluation assets (Note 5)	6,877,162	5,854,912
	14,550,869	15,217,384
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	21,847	409,880
Flow through share premium liability (Note 6)	46,652	225,046
	68,499	634,926
Equity		
Share capital (note 7)	16,796,574	16,515,472
Share-based payment reserve	1,746,920	1,746,920
Deficit	(4,061,124)	(3,679,934)
	14,482,370	14,582,458
	14,550,869	15,217,384

Nature and continuance of operations (Note 1)

Commitments (Note 10)

Subsequent event (Note 11)

Approved and authorized for issue on behalf of the Board on June 21, 2022:

Ob behalf of the Board:

"Alex Klenman"
 Director

"Alexander Stares"
 Director

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

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Expressed in Canadian Dollars

	Six months ended April 30,		Three months ended April 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
EXPENSES				
Audit fee	44,850	14,850	47,000	10,250
Consulting (Note 7)	175,995	30,000	70,000	15,000
Filing fee	28,401	30,980	15,379	14,648
Foreign exchange	1,156	232	948	2
Geological consulting	13,100	-	-	-
Investor relations	4,063	1,063	1,063	3,450
Legal fees	4,740	34,570	1,728	10,683
Marketing	99,087	7,500	84,712	7,500
Office and administration (Note 7)	66,791	35,255	33,277	17,579
Share based compensation (Note 7)	121,401	-	121,401	-
Operating expenses	559,584	162,385	375,508	79,112
OTHER ITEMS				
Flow-through shares tax recovery (Note 6)	178,394	-	3,167	-
Loss on acquisition of subsidiary	-	2,326,036	-	-
Net loss	381,190	2,488,421	372,341	79,112
Basic and diluted loss per share	0.09	0.09	0.00	0.00
Weighted average number of common shares outstanding	54,088,736	27,883,826	54,244,069	29,793,685

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LEOCOR GOLD INC.
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian Dollars

	Number of common shares	Share capital	Share-based payment reserve	Deficit	Total equity
		\$	\$	\$	\$
Balance, October 31, 2020	24,284,614	3,077,613	534,953	(1,234,102)	2,378,464
Shares issued for acquisition of subsidiary	4,750,001	2,375,000	-	-	2,375,000
Shares issued for exploration and evaluation assets	2,633,333	1,316,667	-	-	1,316,667
Shares issued on exercise of warrants	11,550	1,754	(598)	-	1,156
Comprehensive loss for the period	-	-	-	(2,488,421)	(2,488,421)
Balance, April 30, 2021	31,679,498	6,771,034	534,355	(3,722,523)	3,582,866
Balance, October 31, 2021	53,878,069	16,515,472	1,746,920	(3,679,934)	14,582,458
Shares issued on exercise of options	366,000	281,102	(121,402)	-	159,700
Share based compensation	-	-	121,402	-	121,402
Comprehensive loss for the period	-	-	-	(381,190)	(381,190)
Balance, April 30, 2022	54,244,069	16,796,574	1,746,920	(4,061,124)	14,482,370

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

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars

	Six months ended April 30,	
	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net loss	(381,190)	(2,488,421)
Adjustments for non-cash items		
Loss on acquisition of subsidiary	-	2,375,000
Changes in working capital		
Increase in Prepaid expenses	(24,518)	(4,991)
Increase in Receivable	(134,068)	(1,281)
Decrease in Accounts payable and accrued liabilities	(388,033)	2,639
Decrease in Flow through share premium liability	(178,394)	-
	(1,106,203)	(117,054)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(1,022,250)	(493,431)
	(1,022,250)	(493,431)
FINANCING ACTIVITIES		
Shares issued on exercise of share warrants	-	1,156
Shares issued on exercise of stock options	281,102	-
	281,102	1,156
Increase (decrease) in cash	(1,847,351)	(609,329)
Cash, beginning	9,180,858	2,164,776
Cash, ending	7,333,507	1,555,447

SUPPLEMENTAL CASH DISCLOSURES AND NON-CASH TRANSACTIONS

	\$	\$
Interest paid	-	-
Income taxes paid	-	-
Shares issued for mineral properties (Note 4)	-	2,375,000

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LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended April 30, 2022 and 2021
Expressed in Canadian Dollars

1. NATURE AND CONTINUANCE OF OPERATIONS

Leocor Gold Inc. (formerly Leocor Ventures Inc.) (the “Company”) was incorporated under the *British Columbia Business Corporations Act* on July 26, 2018. The Company’s registered and records office is located on the 10th Floor, 595 Howe Street, Vancouver BC.

During the year ended October 31, 2019 the Company completed the Initial Public Offering (“IPO”) and its shares were listed on the Canadian Securities Exchange on June 18, 2019 and commenced trading on June 21, 2019 under the symbol “LECR”. The Company is in the exploration stage and its principal business activity is the search for, and exploration of mineral properties. On July 28, 2020, the Company changed its name to Leocor Gold Inc.

These financial statements have been prepared on the basis of accounting principles applicable to 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 business. As at April 30, 2022 the Company has not generated revenue or cash flow from operations to adequately fund its activities and has therefore relied upon external financing for its operational expenses. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company plans to continue relying upon external financing to finance its future activities but there can be no assurance that such financing will be available on a timely basis and/or on terms acceptable to the Company.

In early March 2020, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. The Company’s exploration activities in Canada have not been significantly affected by the pandemic to date. If the Company becomes unable to conduct future exploration activities over the long-term in the future, this may result in a potential material impairment of exploration and evaluation assets. The Company continues to monitor and assess the impact of COVID-19 on its business activities. Currently the potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. These factors, among others, could have a significant impact on the Company’s operations.

LEOCOR GOLD INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

These financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations and the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed interim financial statements for the six months ended April 30, 2022 have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Significant accounting policies are described in the Note 2 of the audited financial statements for the year ended October 31, 2021. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets, financial liabilities and investments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The presentation and functional currency of the Company is the Canadian dollar.

(c) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Hare Bay (British Columbia). All significant inter-company balances and transactions have been eliminated upon consolidation.

LEOCOR GOLD INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION (continued)

(d) Significant accounting judgements and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and expenses during the reporting period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of the revision and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of fair value of financial instruments (see Note 2 in the audited financial statements for the period ended October 31, 2021).

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

(i) Going concern assumption

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation.

(ii) Income taxes

Judgements are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws.

While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payable.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments and in accordance with the fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of accounts payable approximate their fair values due to the expected maturity of these financial instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding from third parties. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. Interest rate risk

Some of the Company's accounts payable are subject to interest on unpaid balances.

ii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

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4. ASSET ACQUISITION

Acquisition of Hare Bay

On December 19, 2020, the Company entered into a share exchange agreement to acquire 100% of the issued and outstanding shares of Hare Bay. The exchange ratio was completed on a one-to-one basis by which Hare Bay shareholders received one common share of the Company for every Hare Bay share. On December 29, 2020, the Company issued 4,750,001 common shares in connection with the share exchange agreement (Note 7).

Hare Bay is an arm's length company solely focusing on acquisition and exploration of mineral property.

Concurrently, the Company entered into an assignment agreement, whereby Hare Bay assigned to the Company its obligation and privileges under the option agreement dated on October 5, 2020 between Hare Bay and White Metal Resources Corp. ("WHM") to earn an initial 70% ownership interest in the property commonly known as the Star Trek Property (Note 5).

The acquisition of Hare Bay was not considered a business as defined in IFRS 3. As a result, the acquisition has been accounted as an asset acquisition.

	\$
Purchase consideration:	
Common shares	2,375,000
<hr/>	
Net assets acquired	
Cash	48,965
Exploration and evaluation assets	2,326,035
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Net assets acquired	2,375,000

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. EXPLORATION AND EVALUATION ASSETS

During the six months ended April 30, 2022 the Company incurred the following exploration and evaluation costs related to the mineral properties:

	Baie Verte portfolio	Star Trek	Hodge Hill	Leamington	Robert's Arm	Total
	\$	\$	\$	\$	\$	\$
Balance, October 31, 2021	853,936	2,737,332	492,669	922,236	848,739	5,854,912
Additions:						
Acquisition:						
Cash	210,000	-	-	-	-	210,000
Shares	-	-	-	-	-	-
Total additions to acquisition	210,000	-	-	-	-	210,000
Exploration:						
Assays	13,694	-	-	323	-	14,017
Geological	10,300	350	400	3,650	-	14,700
Licenses	-	-	-	-	-	-
Surveying	186,381	62,236	194,813	121,121	99,813	664,364
Field expenses	54,064	8,899	21,771	21,883	12,552	119,169
Total additions to exploration	264,439	71,485	216,984	146,977	112,365	812,250
Total expense during the period	474,439	71,485	216,984	146,978	112,364	1,022,250
Balance, April 30, 2022	1,328,375	2,808,817	709,653	1,069,214	961,103	6,877,162

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5. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended October 31, 2021 the Company incurred the following exploration and evaluation costs related to the mineral properties:

	Baie Verte portfolio	Star Trek	Hodge Hill	Leamington	Robert's Arm	Total
	\$	\$	\$	\$	\$	\$
Balance, October 31, 2020	256,167	-	-	-	-	256,167
Additions:						
Acquisition:						
Cash	85,000	50,000	102,000	162,000	111,000	510,000
Shares	65,000	225,667	250,000	500,000	500,000	1,540,667
Acquisition of Hare Bay	-	2,326,035	-	-	-	2,326,035
Total additions to acquisition	150,000	2,601,702	352,000	662,000	611,000	4,376,702
Exploration:						
Assays	22,774	-	-	-	-	22,774
Geological	79,869	8,400	1,017	616	1,316	91,218
Licenses	3,322	-	-	-	-	3,322
Surveying	292,980	114,900	131,390	242,428	219,983	1,001,681
Field expenses	48,824	12,330	8,262	17,192	16,440	103,048
Total additions to exploration	447,769	135,630	140,669	260,236	237,739	1,222,043
Total expense during the year	597,769	2,737,332	492,669	922,236	848,739	5,598,745
Balance, October 31, 2021	853,936	2,737,332	492,669	922,236	848,739	5,854,912

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended April 30, 2022 and 2021
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5. EXPLORATION AND EVALUATION ASSETS (continued)

Baie Verte portfolio

The Baie Verte portfolio includes the Dorset, Five Mile Brook, Dorset Extension, and Copper Creek projects.

Dorset Gold Project (part of Baie Verte portfolio)

On April 22, 2020 the Company entered into an options agreement to acquire 100% interest in Dorset Gold Project consisting of two mineral claims located in the Province of Newfoundland and Labrador, Canada. To earn the interest the Company must:

- (a) pay a total of \$1,250,000 cash as follows:
 - i. \$100,000 on the closing date (paid);
 - ii. \$50,000 on or before April 22, 2021 (paid);
 - iii. \$100,000 on or before April 22, 2022;
 - iv. \$400,000 on or before April 22, 2023; and
 - v. \$600,000 on or before April 22, 2024.

- (b) incur exploration expenditures of no less than \$1,500,000 as follows:
 - i. \$150,000 on or before April 22, 2022;
 - ii. \$200,000 on or before April 22, 2023;
 - iii. \$400,000 on or before April 22, 2024; and
 - iv. \$750,000 on or before April 22, 2025.

On February 8, 2022, the Company signed an agreement with Nexus Gold Corp. (TSX Venture Exchange: NXS) to amend the terms in the above-mentioned agreement in which the Company can acquire the Dorset gold project located in the province of Newfoundland. The new terms shall replace the original agreement which was signed on April 22, 2020. To earn the interest, the Company must:

- (a) pay a total of \$550,000 cash as follows:
 - i. \$100,000 on or before April 22, 2020 (paid);
 - ii. \$50,000 on or before April 22, 2021 (paid);
 - iii. \$200,000 on or before February 28, 22, 2022 (paid); and
 - iv. \$200,000 on or before February 28, 2023.

- (b) issue a total 1,000,000 common shares as follows:
 - i. 333,333 common shares on or before February 28, 2022; and
 - ii. 333,333 common shares on or before February 28, 2023; and
 - iii. 333,334 common shares on or before February 28, 2024.

The property is subject to a 2% Net Smelter Returns Royalty (“NSR”).

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Five Mile Brook and Copper Creek Project (part of Baie Verte portfolio)

On August 11, 2020 (amended on January 20, 2021) the Company entered into an options agreement to acquire 100% interest in Copper Creek Project and Five Mile Brook, consisting of fifty-five claims located in the Province of Newfoundland and Labrador, Canada. To earn the interest the Company must:

- (a) pay a total cash of \$250,000 and issue 600,000 shares as follows:
 - i. \$25,000 (paid) and issue 50,000 shares (issued) on August 11, 2020;
 - ii. \$25,000 (paid) and issue 100,000 shares (issued) on or before August 11, 2021;
 - iii. \$40,000 and issue 100,000 shares on or before August 11, 2022;
 - iv. \$60,000 and issue 100,000 shares on or before August 11, 2023; and
 - v. \$100,000 and issue 250,000 shares on or before August 11, 2024.

- (b) incur exploration expenditures of no less than \$1,650,000 as follows:
 - i. \$15,000 (incurred) on or before December 31, 2020 (incurred);
 - ii. \$135,000 on or before August 11, 2021 (incurred);
 - iii. \$350,000 on or before August 11, 2022;
 - iv. \$500,000 on or before August 11, 2023; and
 - v. \$650,000 on or before August 11, 2024.

Upon earning a 100% interest in the property, the Company shall grant the optionor a Net Smelter Returns Royalty (“NSR”) of 2%.

Dorset Extension (part of Baie Verte portfolio)

On January 21, 2021, the Company entered into an options agreement to acquire 100% interest in 13 mineral claims comprising approximately 325 hectares located in Newfoundland and Labrador. To earn the interest the Company must:

- (a) pay a total cash of \$45,000 as follows:
 - i. \$10,000 on January 21, 2021 (paid);
 - ii. \$10,000 on or before January 21, 2022 (paid);
 - iii. \$10,000 on or before January 21, 2023;
 - iv. \$15,000 on or before January 21, 2024;

Upon earning a 100% interest in the property, the Company shall grant the optionor a 2% NSR. The Company has the right to purchase 1% NSR for \$1,000,000 at any time.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Star Trek Property

On December 19, 2020, the Company entered into an assignment agreement with and between Hare Bay Resources Corp. and WMH (Note 7) to acquire a 70% interest in the property commonly known as the Star Trek Property located about 20 kms east of Gander, Central Newfoundland. In order to exercise the option, Company must:

- (a) make \$125,000 in cash payments to WMH over two years, as follows:
 - i. \$50,000 on or before October 5, 2021 (paid); and
 - ii. an additional \$75,000 on or before October 5, 2022;

- (b) issue 866,666 Company Shares to White Metal over two years, as follows:
 - i. 133,333 within 5 days after closing of the Transaction (issued);
 - ii. an additional 300,000 on or before October 5, 2021 (issued); and
 - iii. an additional 433,333 on or before October 5, 2022; and

- (c) incur exploration expenditures of at least \$900,000 over three years, as follows:
 - i. \$150,000 on or before October 5, 2021 (partially incurred);
 - ii. an additional \$250,000 on or before October 5, 2022; and

The property is subject to underlying 2% NSR granted by Sokoman Minerals Corp. (“Sokoman”) in favour of the initial vendor, one half of which (1%) may be purchased by Sokoman for a payment to the initial vendor of \$1,000,000 cash. The 1% NSR in favour of Sokoman may be purchase by WHM as follows: 0.5% NSR for a payment of \$500,000 cash to Sokoman, and 0.5% NSR for a payment of \$175,000 cash and the issuance to Sokoman of that number of shares equaling \$250,000 based on the volume weighted average price of the previous five trading days.

Hodge’s Hill Project

On March 23, 2021 the Company entered into an option agreement to acquire 100% interest in Hodge’s Hill Project. To earn the interest the Company must:

- (a) pay a total cash of \$502,000 and issue 3,000,000 shares as follows:
 - i. \$102,000 (paid) and issue 500,000 shares (issued) on or before March 28, 2021;
 - ii. issue 500,000 shares on or before March 23, 2022;
 - iii. \$75,000 and issue 500,000 shares on or before March 23, 2023;
 - iv. \$75,000 and issue 500,000 shares on or before March 23, 2024;
 - v. \$100,000 and issue 500,000 shares on or before March 23, 2025; and
 - vi. \$150,000 and issue 500,000 shares on or before March 23, 2026.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Hodge's Hill Project (continued)

- (b) incur exploration expenditures of no less than \$2,725,000 as follows:
- i. \$325,000 on or before November 15, 2021 (incurred);
 - ii. \$400,000 on or before November 15, 2022;
 - iii. \$500,000 on or before November 15, 2023;
 - iv. \$750,000 on or before November 15, 2024; and
 - v. \$750,000 on or before November 15, 2025.

Upon the commencement of commercial production, the Company shall pay to the vendors a 2.5% NSR. The Company is entitled at any time and from time to time to purchase a 1% NSR for \$2,500,000.

Leamington Project

On March 23, 2021 the Company entered into an option agreement to acquire 100% interest in Leamington Project. To earn the interest the Company must:

- (a) pay a total cash of \$562,000 and issue 4,000,000 shares as follows:
- i. \$162,000 (paid) and issue 1,000,000 shares (issued) on or before March 28, 2021;
 - ii. issue 750,000 shares on or before March 23, 2022;
 - iii. \$75,000 and issue 500,000 shares on or before March 23, 2023;
 - iv. \$75,000 and issue 500,000 shares on or before March 23, 2024;
 - v. \$100,000 and issue 500,000 shares on or before March 23, 2025; and
 - vi. \$150,000 and issue 750,000 shares on or before March 23, 2026.
- (b) incur exploration expenditures of no less than \$3,625,000 as follows:
- i. \$500,000 on or before November 15, 2021 (incurred);
 - ii. \$625,000 on or before November 15, 2022;
 - iii. \$750,000 on or before November 15, 2023;
 - iv. \$750,000 on or before November 15, 2024; and
 - v. \$1,000,000 on or before November 15, 2025.

Upon the commencement of commercial production, the Company shall pay to the vendors a 2.5% NSR. The Company is entitled at any time and from time to time to purchase a 1% NSR for \$2,500,000.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Robert's Arm Project

On March 23, 2021, the Company entered into an option agreement to acquire 100% interest in Leamington Project. To earn the interest the Company must:

- (a) pay a total cash of \$511,000 and issue 4,000,000 shares as follows:
 - i. \$111,000 (paid) and issue 1,000,000 shares (issued) on or before March 28, 2021;
 - ii. issue 750,000 shares on or before March 23, 2022;
 - iii. \$75,000 and issue 500,000 shares on or before March 23, 2023;
 - iv. \$75,000 and issue 500,000 shares on or before March 23, 2024;
 - v. \$100,000 and issue 500,000 shares on or before March 23, 2025; and
 - vi. \$150,000 and issue 750,000 shares on or before March 23, 2026.

- (b) incur exploration expenditures of no less than \$3,000,000 as follows:
 - i. \$340,000 on or before November 15, 2021 (incurred);
 - ii. \$400,000 on or before November 15, 2022;
 - iii. \$510,000 on or before November 15, 2023;
 - iv. \$750,000 on or before November 15, 2024; and
 - v. \$1,000,000 on or before November 15, 2025.

Upon the commencement of commercial production, the Company shall pay to the vendors a 2.5% NSR. The Company is entitled at any time and from time to time to purchase a 1% NSR for \$2,500,000.

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6. FLOW THROUGH SHARE PREMIUM LIABILITY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

	<u>\$</u>
Balance at October 31, 2021	225,046
Settlement of flow-through share liability on incurring expenditures	(178,394)
Balance at April 30, 2022	<u>46,652</u>

On July 13, 2021, the Company completed a non-brokered private placement of 4,165,466 flow-through common shares at a price of \$0.60 per share, for gross proceeds of \$2,499,280. A premium of \$0.10 per share was received for the flow through shares.

The Company has provided an indemnification to subscribers of flow through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying Canadian Exploration Expenditures (“CEE”) as required under the subscription agreement. Companies must pay Part XII.6 tax, when it utilizes the “look-back” rule, in respect of each month in the year of renunciation equal to the balance of funds that have not been spent on qualifying CEE times the current prescribed interest rate. If funds remain unspent at the end of the year, there is an extra tax levy of 1/10 of the unspent balance.

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7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Share Capital

(a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Escrow Shares:

As at April 30, 2022, 60,000 common shares of the Company were held in escrow.

(c) As at April 30, 2022, 54,244,069 common shares were issued and outstanding.

On December 29, 2020, the Company issued 4,750,001 common shares in connection with the share exchange agreement with Hare Bay (Note 4).

On December 29, 2020, 133,333 common shares were issued as a payment for Star Trek mineral property (Note 5).

On April 8, 2021, 500,000 common shares were issued as a payment for Hodge's Hill mineral property (Note 5).

On April 8, 2021, 1,000,000 common shares were issued as a payment for Leamington mineral property (Note 5).

On April 4, 2021, 1,000,000 common shares were issued as a payment for Robert's Arm mineral property (Note 5).

On July 13, 2021, the Company closed a non-brokered private placement of 17,023,999 non-flow-through units at a price of \$0.50 per unit, and 4,165,466 flow-through units at a price of \$0.60 per unit for gross proceeds of \$11,011,279. Each non flow through unit and each flow through unit consist of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional share at a price of \$0.75 share until July 13, 2023. The Company paid finders' fees of \$628,840 and issued 1,151,232 finders' warrants exercisable at \$0.75 per warrant for a period of two years. Finder warrants were valued at \$689,630.

On August 11, 2021, 100,000 common shares were issued as a payment for Dorset Extension property (Note 5).

On October 5, 2021, 300,000 common shares were issued as a payment for Start Trek mineral property (Note 5).

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7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Share Capital (continued)

During the six months ended April 30, 2022:

- On December 1, 2021, the Company issued 266,000 common shares on exercise of 266,000 stock options, which were granted on November 23, 2021, with an exercise price of \$0.45.
- On March 29, 2022, the Company issued 100,000 common shares on exercise of 100,000 stock options, which were granted on March 22, 2022, with an exercise price of \$0.40.

Warrants

On July 13, 2021, the Company issued 21,189,465 warrants with units in the private placement. The warrants are exercisable at \$0.75 for a period of two years. No value was allocated to these warrants under the residual method of accounting for units.

On July 13, 2021, in connection with the private placement, the Company issued finder's warrants of 1,151,232 warrants exercisable at a price of \$0.75 for a period of 24 months. The fair value of the warrants of \$689,630 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.90; exercise price – \$0.75; expected life – two years; volatility – 127%; dividend yield – \$nil; and risk-free rate – 0.51%.

During the six months ended April 30, 2022, no warrants were exercised.

A summary of changes in warrants during the quarter ended April 30, 2022:

	Number of warrants	
	outstanding	Exercise price
Balance, October 31, 2020	6,323,436	\$ 0.49
Granted	22,340,697	\$ 0.75
Expired	(9,450)	\$ 0.10
Exercised	(620,656)	\$ 0.38
Balance, October 31, 2021	28,034,027	\$ 0.70
Granted	-	-
Expired	-	-
Exercised	-	-
Balance, April 30, 2022	28,034,027	\$ 0.70

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7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Stock options

On November 23, 2021, the Company entered into the Option Agreement and granted 266,000 options to purchase 266,000 Common Shares at \$0.45 per share. The fair value of the options of \$100,364 was calculated using Black-Scholes Option Pricing Model with the following assumptions: stock price - \$0.45; exercise price - \$0.45; expected life – five years; volatility – 123.29%; dividend yield - \$nil; and risk-free rate – 1.58. The 266,000 options were exercised on December 1, 2021.

On March 22, 2022, the Company entered into the Option Agreement and granted 100,000 to purchase 100,000 Common Shares at \$0.40 per share. The fair value of the options of \$21,038 was calculated using Black-Scholes Option Pricing Model with the following assumptions: stock price - \$0.355; exercise price - \$0.40; expected life – two years; volatility – 121.05%; dividend yield - \$nil; and risk-free rate – 2.09. The 100,000 options were exercised on March 29, 2022.

During the six months ended April 30, 2022, 366,000 options were exercised and 150,000 options were cancelled.

The weighted average remaining life of the stock options outstanding as at April 30, 2022 is 3.72 years.

A summary of changes in stock options during the year ended April 30, 2022:

	Number of options outstanding	Exercise price
Balance, October 31, 2020	600,000	\$ 0.80
Granted	700,000	\$ 0.90
Balance, October 31, 2021	1,300,000	\$ 0.85
Granted	366,000	\$ 0.44
Exercised	(366,000)	\$ 0.44
Cancelled	(150,000)	\$ 0.87
Balance, April 30, 2022	1,150,000	\$ 0.85

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8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY BALANCES AND TRANSACTIONS

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). Amounts paid and accrued to key management are included in general expenses as follows:

	Six months ended		Three months ended	
	April 30,		April 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Administration fees	-	30,000	-	15,000
Consulting fees	60,000	30,000	30,000	15,000
Total key management compensation	90,000	60,000	30,000	30,000

There were no payables to related parties as at April 30, 2022 or October 31, 2021.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended April 30, 2022. The Company is not subject to externally imposed capital requirements.

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10. COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

11. SUBSEQUENT EVENT

Subsequent to the six months ended April 30, 2022, the Company had no significant subsequent event.