

# **GOLDHAVEN RESOURCES CORP.**

## **CONSOLIDATED FINANCIAL STATEMENTS** **For the years ended July 31, 2021 and 2020** (Presented in Canadian Dollars)

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF GOLDHAVEN RESOURCE CORP.

#### *Opinion*

We have audited the consolidated financial statements of Goldhaven Resources Corp. (the "Company"), which comprise:

- ♦ the consolidated statements of financial position as at July 31, 2021 and 2020;
- ♦ the consolidated statements of loss and comprehensive loss for the years then ended;
- ♦ the consolidated statements of cash flows for the years then ended;
- ♦ the consolidated statements of changes in shareholders' equity for the years then ended; and
- ♦ the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### *Basis for Opinion*

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

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$4,539,187 during the year ended July 31, 2021 and, as of that date, had an accumulated deficit of \$5,088,592. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Other Information*

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

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

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

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

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

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

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### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Kevin Kwan.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
November 25, 2021

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# GOLDHAVEN RESOURCES CORP.

Consolidated Statements of Financial Position

As at July 31, 2021 and 2020

(Presented in Canadian Dollars)

	July 31, 2021	July 31, 2020
<b>ASSETS</b>		
<b>Current</b>	\$	\$
Cash	1,277,692	394,491
Prepaid expenses (Note 4)	326,545	9,233
Receivables (Note 5)	231,314	13,895
	<u>1,835,551</u>	<u>417,619</u>
<b>Exploration and evaluation assets</b> (Note 6)	9,059,420	832,444
<b>Right-of-use asset</b> (Note 7)	94,766	-
	<u>\$ 10,989,737</u>	<u>\$ 1,250,063</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>	\$	\$
Accounts payable and accrued liabilities	165,325	39,250
Due to related parties (Note 8)	-	3,697
Lease liability – current portion (Note 7)	25,206	-
	<u>190,531</u>	<u>42,947</u>
<b>Lease liability</b> (Note 7)	71,686	-
	<u>262,217</u>	<u>42,947</u>
<b>Shareholders' equity</b>		
Common shares (Note 9)	10,331,788	1,494,550
Common shares to be issued (Note 9)	3,107,283	-
Warrants (Note 9)	1,792,469	83,097
Reserves (Note 9)	584,572	178,874
Deficit	(5,088,592)	(549,405)
	<u>10,727,520</u>	<u>1,207,116</u>
	<u>\$ 10,989,737</u>	<u>\$ 1,250,063</u>

Approved and authorized for issue by the Board of Directors on November 25, 2021

*Signed "G. Daniel Schieber"*

Director

*Signed "Gordon L. Ellis"*

Director

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

## **GOLDHAVEN RESOURCES CORP.**

Consolidated Statements of Loss and Comprehensive Loss

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

	<b>Years ended July 31</b>	
	<b>2021</b>	<b>2020</b>
<b>EXPENSES</b>	<b>\$</b>	<b>\$</b>
Consulting (Note 8)	<b>1,893,752</b>	25,000
Share-based compensation (Notes 7 and 9(c))	<b>1,252,270</b>	201,099
Investor relations	<b>850,356</b>	105,476
Professional fees (Note 8)	<b>212,477</b>	43,975
Office and general administration	<b>134,167</b>	62,781
Regulatory fees	<b>36,858</b>	35,659
Amortization (Note 7)	<b>7,684</b>	-
Operating loss	<b>(4,387,564)</b>	(473,990)
Write-off of exploration and evaluation assets (Note 6)	<b>(174,631)</b>	-
Foreign exchange	<b>23,008</b>	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (4,539,187)</b>	<b>\$ (473,990)</b>
<b>Loss per common share</b>		
Basic and diluted	<b>\$ (0.10)</b>	<b>\$ (0.07)</b>
<b>Weighted average number of common shares outstanding</b>		
Basic and diluted	<b>44,403,598</b>	6,678,905

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

# GOLDHAVEN RESOURCES CORP.

## Consolidated Statements of Cash Flows

For the years ended July 31, 2021 and July 31, 2020

(Presented in Canadian Dollars)

	Years ended July 31	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$	\$
Net loss for the year	(4,539,187)	(473,990)
Items not affecting cash:		
Amortization	7,684	-
Share-based compensation	1,252,270	201,099
Write-off of exploration and evaluation assets	174,631	-
	<u>(3,104,602)</u>	<u>(272,891)</u>
Changes in non-cash working capital items:		
Increase in receivables	(217,419)	(11,408)
Increase in prepaid expenses	(317,312)	(9,233)
Increase in accounts payable and accrued liabilities	126,075	15,550
(Decrease) increase in due to related parties	(3,697)	3,697
Net cash used in operating activities	<u>(3,516,955)</u>	<u>(274,285)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Lease payments	(5,558)	-
Exploration and evaluation assets	<u>(2,179,324)</u>	<u>(333,298)</u>
Net cash used in investing activities	<u>(2,184,882)</u>	<u>(333,298)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issuance of shares	5,471,040	929,284
Share issue costs	(124,268)	(180,363)
Exercise of options	89,800	70,000
Exercise of warrants	1,148,466	20,500
Net cash provided by financing activities	<u>6,585,038</u>	<u>839,421</u>
<b>Change in cash during the year</b>	<b>883,201</b>	<b>231,838</b>
<b>Cash, beginning of year</b>	<b>394,491</b>	<b>162,653</b>
<b>Cash, end of year</b>	<b>\$ 1,277,692</b>	<b>\$ 394,491</b>

Supplemental disclosure with respect to cash flows (Note 11)

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

## GOLDHAVEN RESOURCES CORP.

Consolidated Statements of Changes in Shareholders' Equity  
For the years ended July 31, 2021 and 2020  
(Presented in Canadian Dollars)

	Share Capital		Obligation to Issue	Warrants	Reserves	Deficit	Total
	Number	Amount	Shares				
Balance, August 1, 2019	10,200,001	\$ 276,001	\$ -	\$ -	\$ 30,000	\$ (75,415)	\$ 230,586
IPO	3,500,000	350,000	-	-	-	-	350,000
Corporate finance fees	100,000	10,000	-	-	-	-	10,000
Share issuances	5,792,844	509,765	-	69,519	-	-	579,284
Share issue costs	-	(190,363)	-	-	-	-	(190,363)
Adam West property acquisition	100,000	10,000	-	-	-	-	10,000
Assignment Project Options	4,000,000	400,000	-	-	-	-	400,000
Agents' warrants – IPO	-	(18,291)	-	18,291	-	-	-
Agents' warrants – Private placement	-	(6,000)	-	6,000	-	-	-
Exercise of stock options	700,000	122,225	-	-	(52,225)	-	70,000
Exercise of IPO agents' warrants	205,000	31,213	-	(10,713)	-	-	20,500
Share-based compensation	-	-	-	-	201,099	-	201,099
Loss for the year	-	-	-	-	-	(473,990)	(473,990)
Balance, July 31, 2020	24,597,845	1,494,550	-	83,097	178,874	(549,405)	1,207,116
Private placements	18,290,580	3,761,190	-	1,709,850	-	-	5,471,040
Share issue costs	-	(259,268)	-	135,000	-	-	(124,268)
Shares issued for 1243461 B.C. Ltd	7,000,000	3,115,000	-	-	-	-	3,115,000
Shares to be issued in accordance with exploration agreements	-	-	3,107,283	-	-	-	3,107,283
Exercise of options	510,000	153,974	-	-	(64,174)	-	89,800
Exercise upon vesting of RSUs	1,000,000	782,398	-	-	(782,398)	-	-
Exercise of warrants	3,345,173	1,283,944	-	(135,478)	-	-	1,148,466
Share-based compensation – RSUs	-	-	-	-	321,270	-	321,270
Share-based compensation - Options	-	-	-	-	931,000	-	931,000
Net loss for the year	-	-	-	-	-	(4,539,187)	(4,539,187)
<b>Balance, July 31, 2021</b>	<b>54,743,598</b>	<b>\$ 10,331,788</b>	<b>\$ 3,107,283</b>	<b>\$ 1,792,469</b>	<b>\$ 584,572</b>	<b>\$ (5,088,592)</b>	<b>\$ 10,727,520</b>

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

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Goldhaven Resources Corp. (“GoldHaven” or the “Company”) was incorporated on February 20, 2020 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is Suite 2710 – 200 Granville Street, Vancouver, BC, Canada V6C 1S4.

The Company’s common shares trade on the Canada Securities Exchange (“CSE”) under the trading symbol GOH and on the OTCQB under the symbol GHVNF.

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

If the going concern assumption was not appropriate for these consolidated financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used, and such adjustments could be material.

To date, the Company has not earned operating revenue, as the Company is in the process of acquiring and developing exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

During the year ended July 31, 2021 the Company incurred a net loss of \$4,539,187 and as at that date had an accumulated deficit of \$5,088,592. The Company has incurred losses and negative cash flows from operations from inception and expects to incur further losses in its future operations and its ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues enough to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flow from operating activities or to raise funds primarily through the issuance of shares or obtain alternative financing. There is no certainty that sufficient financing can be obtained in the future.

In 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company, cannot be determined, but they could have a potential material impact to the Company’s activities, cash flows, liquidity and its ability to raise additional capital. Various restrictions on gatherings, work, and access to remote communities near the Company’s potential/future projects may also impact the Company’s ability to perform operational activities.



# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## **2. BASIS OF PREPARATION**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

### **2.1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. These consolidated financial statements were approved by the Company's Board of Directors on November 25, 2021.

### **2.2 Basis of measurement**

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### **2.3 Basis of consolidation**

The Company's consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Goldhaven Resources Chile SpA (Chile) and 1243461 B.C. Ltd. (Canada). Subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

During the year ended July 31, 2021, the Company incorporated Goldhaven Resources Chile SpA, to hold the Company's Chilean properties. During the year ended July 31, 2021, the Company acquired 100% of the shares of 1243461 B.C. Ltd. (Note 6).

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

### **2.4 Presentation and functional currency**

The presentation and functional currency of the Company and its wholly owned subsidiaries is the Canadian Dollar. All amounts in these consolidated financial statements are expressed in Canadian Dollars, unless otherwise indicated.

### **2.5 Significant accounting judgments and key sources of estimate uncertainty**

In preparing these consolidated financial statements, the Company is required to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments used in developing and applying the accounting policies are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

#### Significant accounting judgments and estimates

The following are the significant judgments and estimates that management made in the process of applying the Company's key accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## **2. BASIS OF PREPARATION (Continued)**

### **2.5 Significant accounting judgments and key sources of estimate uncertainty (Continued)**

#### Going concern assumption

Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, will obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

#### Recognition of deferred income tax assets

The decision to recognise a deferred tax asset is based on management's judgment of whether it is considered probable that future taxable profits will be available against which unused tax losses, tax credits or deductible temporary differences can be utilized. The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

#### Determination of functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the respective entity operates; the functional currency of the Company and its subsidiaries is determined to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiary if there is a change in events and/or conditions which determine the primary economic environment.

#### Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

#### Impairment of Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

#### Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model or the Monte Carlo Simulation Model, as appropriate, for valuation of equity-based awards. These models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## **2. BASIS OF PREPARATION (Continued)**

### **2.5 Significant accounting judgments and key sources of estimate uncertainty (Continued)**

#### Value Added Tax

Management's assumptions regarding the recoverability of Value Added Tax ("VAT") receivable at the end of each reporting period is made using all relevant facts available, the development of VAT policies, and the general economic environment of the country to determine if a write-down of the VAT is required. Collection of the amount receivable depends on processing and payment of the claims by the local government.

While the Company is still pursuing collection, with the delay in processing and collection, management determined for the year ended July 31, 2021 that it was appropriate to record VAT as a receivable. The timing and amount of the VAT ultimately collectible could be materially different from the amount recorded in the consolidated financial statements.

#### Business combinations

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

#### Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee. As such, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of comparable value to the right-of-use asset in a similar economic environment. IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available or where the applicable rates need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **a. Foreign currency translation**

Transactions in currencies other than the Canadian dollar ("foreign currencies"), the Company's functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Non-monetary items that are denominated in foreign currencies and measured at other than fair value are translated using the rates of exchange at the transaction dates. Foreign exchange gains and losses are included in net loss for the period.

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### b. Financial Instruments

#### i) Classification

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

#### ii) Measurement

##### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company’s accounts payable and accrued liabilities and due to related parties are carried at amortized cost.

##### *Financial assets and liabilities at FVTPL*

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

#### iii) Impairment of financial assets at amortized cost

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

#### iv) Derecognition of financial assets and financial liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

The Company derecognizes financial liabilities when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **c. Exploration and evaluation expenditures**

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves. Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavorable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. If estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount, being the higher of the asset's fair value less costs to sell and value in use.

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

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

### **d. Leases**

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

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## **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **d. Leases (Continued)**

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the consolidated statements of operations and comprehensive loss in the period in which they are incurred.

The ROU assets are presented within “Right-of-use asset” and the lease liabilities are presented in “Lease liability” on the consolidated statements of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a remaining lease term of 12 months or less and leases of low-value assets.

### **e. Flow-through shares and units**

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows: (i) share capital – the market trading price of the common share; (ii) warrants reserves – based on the valuation derived using the Black-Scholes option pricing model or value attributed to warrants issued in non-flow-through unit offering on the same date with similar terms; and (iii) flow-through premium – any excess, recorded as a liability.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares or units.

# **GOLDHAVEN RESOURCES CORP.**

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## **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **f. Impairment of non-current assets**

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

Where the asset does not generate cash flows that are independent with other assets, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs. The Company has determined that it has three CGUs. The recoverable amount is determined as the higher of fair value less costs of disposal and the asset’s value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves and resources, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the statement of loss and comprehensive loss.

Non-current assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or CGU in prior years. A reversal of impairment is recognized as a gain in the statement of loss and comprehensive loss.

### **g. Share capital**

Common shares are classified as equity. The proceeds from the exercise of share options or warrants together with amounts previously recorded on grant date or issue date are recorded as common shares. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **h. Valuation of equity units issued in private placements**

The Company applies relative fair value method in estimating the fair value of the common shares and warrants in a unit offering. The fair value of the common shares is determined by the closing quoted bid price on the announcement date and the fair value attributable to the warrants that was calculated using the Black-Scholes pricing model. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

### **i. Share-based compensation**

The Company has both a stock option plan and equity incentive plan under which the entity receives services from employees, directors and non-employees as consideration for equity instruments of the Company.

#### Options and warrants

The fair value of share options granted to eligible optionees is measured on the grant date and share options granted to non-employees are measured on the date that the goods or services are received.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

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## **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **i. Share-based compensation (Continued)**

#### Options and warrants (Continued)

The fair value of the services received in exchange for the grant of the options is recognized as an expense, with a corresponding increase in reserve. The total amount to be expensed is determined by reference to the fair value of the options granted and the related vesting periods. The fair value is determined by using the Black-Scholes option pricing model where the fair value of services cannot be estimated reliably. Non-market vesting conditions are included in the estimate of the number of options expected to vest. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of options expected to vest, where applicable. Any change from estimate is recognized with a corresponding adjustment to equity. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

When share options are exercised, the proceeds received and the initial fair value of the share options in reserve are credited to common shares.

#### Restricted Share Units (“RSUs”) / Deferred Share Units (“DSUs”)

The fair value of equity settled RSUs and DSUs granted is measured at the closing trading price of the Company’s common shares on the date of grant, unless vesting is based on market conditions. Costs are recognized as an expense over the vesting term with a corresponding increase in reserves.

The fair value of equity settled RSUs and DSUs which vest based on market conditions is determined using a Monte Carlo Simulation model.

The grant date fair value is recognized as an expense over the requisite service period irrespective of whether the market conditions have been achieved.

When RSUs and DSUs are settled in shares, recorded fair value is transferred from reserves to share capital.

### **j. Share purchase warrants**

Share purchase warrants are measured at their fair value on the date of grant and are recorded as a separate component of equity. When a warrant is exercised, the initial fair value of the warrant, as determined on the grant date, is transferred to share capital. The initial fair values of warrants that expire unexercised are transferred to reserves.

### **k. Earnings per share**

Basic earnings per share is calculated by dividing the net earnings available to common shareholders by the weighted average number of shares outstanding during the period. The diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding, if dilutive. Diluted earnings per share is calculated using the treasury share method, in which the assumed proceeds from the potential exercise of those share options and warrants whose average market price of the underlying shares are used to purchase the Company’s common shares at their average market price for the period. In a year when net losses are incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

### **l. Provisions and contingent liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability.



# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

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(Presented in Canadian Dollars)

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## **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **l. Provisions and contingent liabilities (Continued)**

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized within financing costs.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

### **m. Income taxes**

Tax expense comprises current and deferred tax. Tax is recognized in the statements of loss and comprehensive loss for the year, except to the extent that it relates to items recognized in other comprehensive loss or income or directly in equity. In this case, the tax is also recognized in other comprehensive loss or income or directly in equity, respectively.

#### **(a) Current tax**

Current income taxes are calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities

#### **(b) Deferred tax**

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **n. Business combinations**

A business combination is defined as an acquisition of assets and liabilities that constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs but can be integrated with the inputs and processes of the Company to create outputs. When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Company considers other factors to determine whether the set of activities or assets is a business.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

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(Presented in Canadian Dollars)

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### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **n. Business combinations (Continued)**

Business combinations are accounted for using the acquisition method. Acquisitions that do not meet the definition of a business are accounted for using the asset acquisition method.

### **4. PREPAID EXPENSES**

Prepaid expenses primarily consist of advances made for contracted consulting, investor relations and insurance services, the delivery of which extend beyond July 31, 2021.

### **5. RECEIVABLES**

Receivables consist of goods and services taxes ("GST") due from the Government of Canada and value-added tax ("VAT") from the Republic of Chile. The Company anticipates full recovery of its current receivables within one year. A summary of the Company's receivables is as follows:

	<b>2021</b>	<b>2020</b>
GST receivable	\$ 26,580	\$ 13,895
VAT receivable	204,734	-
Total	\$ 231,314	\$ 13,895

### **6. EXPLORATION AND EVALUATION ASSETS**

Title to exploration and evaluation assets 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 conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all its properties are in good standing.

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

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## 6. EXPLORATION AND EVALUATION ASSETS (Continued)

Following is a summary of exploration expenditures to July 31, 2021:

	CANADA			CHILE			Total
	Adam West BC	Smoke Mountain BC	Pat's Pond & O'Neill Nfld	Coya	Rio Loa Maricunga Gold Belt	Apolo	
Balance August 1, 2019	97,524	-	-	-	-	-	97,524
Acquisition costs:							
Cash	10,000	-	-	87,144	146,881	-	244,025
Shares	10,000	-	-	200,000	200,000	-	410,000
Acquisition costs for the year	20,000	-	-	287,144	346,881	-	654,025
Deferred exploration costs:							
Consulting (Note 8)	25,319	-	-	11,894	11,894	-	49,107
Report preparation	8,930	-	-	-	-	-	8,930
Assay	12,302	-	-	-	-	-	12,302
Field	10,556	-	-	-	-	-	10,556
Exploration costs for the year	57,107	-	-	11,894	11,894	-	80,895
Total for the year	77,107	-	-	299,038	358,775	-	734,920
<b>Balance July 31, 2020</b>							832,444
	174,631	-	-	299,038	358,775	-	
Acquisition costs:							
Cash	-	25,000	-	172,112	151,255	108,809	457,176
Shares	-	125,283	2,982,000	-	-	3,115,000	6,222,283
Acquisition costs for the year	-	150,283	2,982,000	172,112	151,255	3,223,809	6,679,459
Deferred exploration costs:							
Consulting	-	-	-	40,250	40,250	-	80,500
Field exploration	-	-	-	-	922,490	719,158	1,641,648
Exploration costs for the year	-	-	-	40,250	962,740	719,158	1,722,148
Write-off of exploration costs	(174,631)	-	-	-	-	-	(174,631)
Total for the year	(174,631)	150,283	2,982,000	212,362	1,113,995	3,942,967	8,226,976
<b>Balance July 31, 2021</b>	-	<b>150,283</b>	<b>2,982,000</b>	<b>511,400</b>	<b>1,472,770</b>	<b>3,942,967</b>	<b>9,059,420</b>

### Adam West Project – B.C., Canada

Pursuant to an option agreement dated April 2, 2019, the Company was granted an option to acquire a 100% undivided interest in the Adam West Project in the Nanaimo Mining Division, British Columbia. To exercise the option, the Company was required to make a series of cash payments totaling \$105,000 (\$15,000 paid in 2020) and issue an aggregate of 2,000,000 common shares (100,000 issued in 2020) over the length of the agreement.

During the year ended July 31, 2021, the Company notified the optionors of its termination of the Agreement effective March 12, 2021 as management no longer had future plans for the property. Consequently, the Company recorded a write-off of all project-related expenditures which resulted in recognizing an impairment loss of \$174,631, determined in accordance with Level 3 of the fair value hierarchy.

### Smoke Mountain Project – B.C., Canada

On May 15, 2021, the Company entered into an earn-in agreement expiring May 15, 2024, under which the Company may earn a 100% interest in the 4 claims comprising the Smoke Mountain copper-gold property located in central British Columbia.

# GOLDHAVEN RESOURCES CORP.

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## 6. EXPLORATION AND EVALUATION ASSETS (Continued)

### Smoke Mountain Project – B.C., Canada (Continued)

In consideration of the granting of the Option and to maintain the Option, the Company is required to make cash payments to the optionors in the amount of \$375,000 and issue to the optionors an aggregate of \$450,000 of equivalent GoldHaven Shares during the Option Period, as follows:

Payment Period	Consideration
(a) On May 15, 2021	\$25,000 and \$112,500 GoldHaven Shares (paid; 255,680 shares issued subsequent to year end on August 4, 2021)
(b) On or before July 15, 2022	\$50,000 and \$112,500 GoldHaven Shares
(c) On or before July 15, 2023	\$100,000 and \$112,500 GoldHaven Shares
(d) On or before July 15, 2024	\$200,000 and \$112,500 GoldHaven Shares
<b>TOTAL</b>	<b>\$375,000 and \$450,000 GoldHaven Shares</b>

The consideration payable to the Optionors pursuant to payments (b), (c) and (d) are optional and may also be accelerated at the sole discretion of the Company. The number of GoldHaven shares issuable shall be determined by dividing the Consideration amount by the Market Price of the Company's common shares at the date of issuance. The Optionors retain a 2.5% NSR royalty (buyable down to 2% at the option of the Company) and there are no work commitments applicable to this Option.

During the Option Period, the Company is required to maintain the claims in good standing, pay all taxes and assessments and not permit any liens for unpaid work to be attached to the claims. If the Company satisfies the consideration payable to the Optionors during the Option Period, the Company may give notice of the exercise of the Option and shall be deemed to have earned all legal title and interest in the claims, subject to the Company's obligations associated with the NSR royalty.

### Pat's Pond and O'Neill Projects – Newfoundland, Canada

On July 15, 2021, the Company entered into the following series of agreements:

- i. The Pat's Pond Property Assignment and Assumption Agreement between 1299886 B.C. Ltd. (the "Assignor"), the Company and Shane Stares (the "Optionor") pursuant to which the Assignor assigned all of its rights to the Pat's Pond Claims as well as an obligation to pay a 2% Net Smelter Return Royalty (the "Pat's Pond NSR"; one-half of which can be purchased from the owners for \$1 Million), which it obtained pursuant to a June 10, 2021 option agreement (the "PP Agreement") with the Optionor, to the Company. The Pat's Pond claim package consists of 327 claims (the "Pat's Pond Claims"), which are located in the southern portion of the west side of Newfoundland.
- ii. The O'Neill Property Assignment and Assumption Agreement between 1299886 B.C. Ltd. (the "Assignor"), the Company and Shane Stares (the "Optionor") pursuant to which the Assignor assigned all of its rights to the O'Neill Claims as well as an obligation to pay a 2% Net Smelter Return Royalty (the "O'Neill NSR"; one-half of which can be purchased from the owners for \$1 Million), which it obtained pursuant to a April 28, 2021 option agreement (the "ON Agreement") with the Optionor, to the Company. The O'Neill claim package consists of 525 claims covering (the "O'Neill Claims") and is located in the northern portion of central Newfoundland.

# GOLDHAVEN RESOURCES CORP.

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## 6. EXPLORATION AND EVALUATION ASSETS (Continued)

### Pat's Pond and O'Neill Projects – Newfoundland, Canada (Continued)

- iii. A Letter Agreement between the Assignor and the Company pursuant to which the Assignor assigned all of its interests in the Pat's Pond and O'Neill Project claims, the PP Agreement and the ON Agreement.

As consideration for the Company obtaining the above-noted agreements, the Company agreed to issue the following shares (the "Payment Shares") to the Assignor and Optionor:

Payment Period	Recipient	Payment Shares
On or before July 20, 2021 (issued August 31, 2021)	Assignor	4,500,000
	Optionor	2,600,000
On or before July 15, 2022	Optionor	1,200,000
On or before July 15, 2023	Optionor	800,000
<b>TOTAL</b>		<b>9,100,000<sup>(1)</sup></b>

<sup>(1)</sup> all share issuances are subject to the approval of the CSE.

### Rio Loa and Coya Projects – Chile

On April 8, 2020, the Company entered into an assignment and assumption agreement, whereby the assignor assigned to the Company all of its rights under two letters of intent with third party vendors. Pursuant to the letters of intent, the Company was expected to enter into definitive agreements with the third party vendors whereby it will be assigned or granted an option to acquire a 100% interest in and to:

- i. certain mining concessions located in the Diego de Almagro province of the Atacama region, Chile (the "**Rio Loa Project**"); and
- ii. certain mining concessions located in the Diego de Almagro and Copiapo provinces of the Atacama region, Chile (the "**Coya Project**").

In consideration for the assignment and at the closing of the assignment, the Company issued an aggregate of 4,000,000 common shares with a fair value of \$400,000 on June 1, 2020.

#### Rio Loa Project – Chile

On February 26, 2021, the Company initially entered into a formal assignment of a unilateral option agreement to acquire a 100% interest in the Rio Loa Project, subject to a 2% net smelter returns royalty, of which the Company can purchase 1% by paying USD \$3,000,000. On May 27, 2021, the Company and the parties revised their earlier agreements.

Rio Loa, the most northern project, is comprised of 4 concessions referenced as Rio Loa 1, Rio Loa 2, Rio Loa 3, and Rio Loa 4, totaling ~1000 hectares.

# GOLDHAVEN RESOURCES CORP.

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## 6. EXPLORATION AND EVALUATION ASSETS (Continued)

### Rio Loa and Coya Projects – Chile (Continued)

#### Rio Loa Project – Chile (Continued)

As consideration for the assignment of the option agreement and to exercise the option (the "**Rio Loa Option**") for the Rio Loa Project in full, the Company must do the following:

- (a) make aggregate payments of USD \$1,215,000 and complete an expenditure program as follows:

Date	Payment (USD)	Expenditure Commitments
Upon execution of the Letter of Intent (paid)	\$65,000	--
On or before April 12, 2020 (paid)	\$150,000	--
On or before November 30, 2020 (paid)	\$30,000	--
On or before April 12, 2021 (paid)	\$30,000	1,500 meter drill program (completed)
On or before May 31, 2021 (paid)	\$50,000	--
On or before December 31, 2021	\$100,000	--
On or before January 21, 2022	\$40,000	--
On or before April 1, 2022	\$640,000	--
On or before April 12, 2022	\$50,000	--
On or before April 12, 2023	\$60,000	--
<b>TOTAL</b>	<b>\$ 1,215,000</b>	<b>1,500 meter drill program</b>

- (b) pay a royalty of 2% of the net smelter return proceeds that the Company receives from the sale of mineralized rock from Rio Loa. At the Company's option, one-half the 2% royalty for USD \$3 million;
- (c) pay a discovery bonus (up to a maximum of USD \$5 million) to the vendors in amounts ranging from USD \$2/oz to USD \$5/oz on NI 43-101 compliant measured and indicated gold mineral resources discovered on the Rio Loa Project;
- (d) make cash payments in the aggregate amount of USD \$10,000 per annum on April 12th of each year until the first payment is made in respect of the Additional Discovery Bonus; and
- (e) during the term of the Rio Loa Option, the Company will be responsible for maintaining the concessions in good standing and paying all fees and assessments in connection with the Project.

#### Coya Project - Chile

On February 26, 2021, the Company entered into assignment and assumption agreements, whereby the Company was assigned all of the vendors' rights, title, benefit and interest under two option agreements to acquire a 100% interest in the Coya Project (the "**Coya Option Agreement**"); subject to a 2% net smelter returns royalty on production, of which the Company can purchase 1% by paying USD \$6,000,000. On May 27, 2021, the Company and the parties revised their earlier agreements.

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

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## 6. EXPLORATION AND EVALUATION ASSETS (Continued)

### Rio Loa and Coya Projects – Chile (Continued)

#### Coya Project – Chile (Continued)

In consideration for the Option Price and the assignment of the Coya Option Agreements, the Company must do the following:

a) make aggregate payments of \$4,504,000 and issue 1,000,000 shares of the Company, as follows:

i. For the Coya Option Price:

Date	Payment (US)
Prior to July 31, 2020 (paid)	\$60,000
On or before May 31, 2021 (paid)	\$28,000
On or before October 7, 2021 <sup>(1)</sup>	\$52,000
On or before April 3, 2022	\$160,000
On or before April 3, 2023	\$150,000
<b>TOTAL</b>	<b>\$450,000</b>

<sup>(1)</sup> payment timing is being renegotiated with the vendors.

ii. For the assignment of Coya Option Agreements:

Date	Payment (US)
Prior to July 31, 2020 (paid)	\$94,000
On or before March 15, 2021 (paid)	\$60,000
On or before August 12, 2021	\$50,000
On or before December 12, 2021	\$50,000
On or before March 8, 2022	\$200,000
On or before March 8, 2023	\$300,000
On or before March 8, 2024	\$3,300,000
<b>TOTAL</b>	<b>\$4,054,000</b>

iii. For the purchase of the Coya 6 concessions:

On February 26, 2021, the Company entered into a Mining Concessions Purchase Agreement with a third party vendor to acquire the Coya 6 concessions, in exchange for 1,000,000 common shares of the Company. To date, these shares have not yet been issued as the parties are renegotiating this agreement. These shares would be available for the vendor to sell as follows (subject to applicable regulatory restrictions):

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

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## 6. EXPLORATION AND EVALUATION ASSETS (Continued)

### Rio Loa and Coya Projects – Chile (Continued)

#### Coya Project – Chile (Continued)

- iii. For the purchase of the Coya 6 concessions (continued):
1. 200,000 shares available for sale at any time;
  2. 200,000 shares after 3 months from closing;
  3. 200,000 shares after 6 months from closing;
  4. 200,000 shares after 9 months from closing; and
  5. 200,000 shares after 12 months from closing.
- b) during the term of the option for the Coya Project, the Company will be responsible for maintaining the concessions in good standing and paying all fees and assessments in connection with the Project.

#### Apolo Project - Chile

On September 15, 2020, the Company issued 7,000,000 common shares with a fair value of \$3,115,000 for the acquisition of 3461, a private, B.C. incorporated company which sole asset is a unilateral option to purchase certain mining concessions in Chile (the “Apolo Project”). For accounting purposes, the acquisition has been recorded as an asset acquisition as 3461 did not meet the definition of a business, as defined in IFRS 3.

On October 28, 2020, the Company then executed an option agreement (the “Apolo Option”) with Apolo Exploraciones SpA and IMT Exploraciones SpA, the owners of the Apolo Project mining concessions (known as Alicia, Roma, Condor, Jacqueline, and Valle). The five Apolo Project areas are located in the northern portion of the Maricunga.

Pursuant to the Apolo Option, the Company must do the following:

- a) make fixed payments of USD \$8,510,000 and meet certain minimum drilling commitments, as follows:

Date	Payment (USD)	Expenditure Commitments
Prior to the signing of the Apolo Option (paid)	\$25,000	
On or before December 28, 2020 (paid)	\$20,000	
4 monthly installments of \$10,000, beginning on or before December 28, 2020 (paid)	\$40,000	
On or before October 28, 2021 <sup>(1)</sup>	\$75,000	3,000 meters <sup>(2)</sup>
On or before October 28, 2022	\$100,000	an additional 5,000 meters
On or before October 28, 2023	\$250,000	an additional 5,000 meters
On or before October 28, 2024	\$2,000,000	
On or before October 28, 2025	\$6,000,000	an additional 4 <sup>th</sup> drill program or complete a PEA, either having a minimum cost of \$1,300,000, at GOH Chile’s option
<b>TOTAL:</b>	<b>\$8,510,000</b>	<b>13,000 meters</b>

<sup>(1)</sup> by mutual agreement, this payment will be paid by end December 2021.

<sup>(2)</sup> the timing of this drilling is being renegotiated.



# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

## 6. EXPLORATION AND EVALUATION ASSETS (Continued)

### Apolo Project – Chile (Continued)

- b) pay a royalty of 2% of the net smelter return (“NSR”) that the Company receives for the sale or disposal of the minerals extracted exclusively from the Apolo Project properties, though GOH Chile is entitled to repurchase from the NSR holder one-half (50%) of the NSR for the amount of USD \$5,000,000. Once this right is exercised and payment made therefore, the NSR shall be reduced to 1% NSR; and
- c) during the term of the Apolo option, the Company will be responsible for maintaining the concessions in good standing and paying all fees and assessments in connection with the Project.

## 7. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has a lease agreement for office space in Vancouver, British Columbia. On May 1, 2021 upon entering the lease, the Company recognized \$102,450 for a right-of-use (“ROU”) asset and \$102,450 for a lease liability. This lease liability was measured using an incremental borrowing rate of 20%.

The continuity of the ROU asset and lease liability for the years ended June 30, 2021 and 2020 is as follows:

<b>Right-of-use asset</b>		<b>Office Space</b>
<b>Balance, July 31, 2020 and 2019</b>	\$	-
Additions		102,450
Amortization		(7,684)
<b>Balance, July 31, 2021</b>	<b>\$</b>	<b>94,766</b>

<b>Lease liability</b>		<b>Office Space</b>
<b>Balance, July 31, 2020 and 2019</b>	\$	-
Additions		102,450
Lease payments		(10,589)
Lease interest		5,031
<b>Balance, July 31, 2021</b>	<b>\$</b>	<b>96,892</b>
<b>Current portion</b>	\$	25,206
<b>Long-term portion</b>	\$	71,686

The Company’s commitments under its lease for the next five fiscal years is as follows:

<b>Year</b>		<b>Amount</b>
2022	\$	42,356
2023		42,356
2024		42,356
	\$	127,068

# GOLDHAVEN RESOURCES CORP.

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## 8. RELATED PARTY TRANSACTIONS

Details of transactions between the Company and its related parties are disclosed below:

### a) Related party expenditures:

During the year ended July 31, 2021, the Company:

- i. Incurred and paid a company owned by the Company Chief Executive Officer (“CEO”) \$112,500 (2020 - \$Nil) for the CEO’s services included in consulting fees;
- ii. Incurred and paid a company owned by the Company President’s spouse \$106,250 (2020 - \$25,000) for the President’s services included in consulting fees;
- iii. Incurred \$37,785 (2020 - \$1,500) for accounting services provided by a company owned by the Company’s Chief Financial Officer (“CFO”) included in professional fees; and
- iv. Incurred and paid \$80,500 (2020 - \$23,788) to a director for consulting fees capitalized to exploration and evaluation assets.

### b) Key management compensation

Key management includes directors and executive officers of the Company. The compensation paid or payable to key management for employee services for the years ended July 31, 2021 and 2020 is shown below:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Share-based compensation – options granted	<b>496,432</b>	120,334
Share-based compensation – RSUs	<b>321,270</b>	-
Consulting fees	<b>218,750</b>	22,000
Consulting fees, capitalized	<b>80,500</b>	23,788
Professional fees	<b>37,785</b>	4,500
<b>Total</b>	<b>1,154,737</b>	170,622

### c) Due to current related parties:

Amounts due to related parties are unsecured and non-interest bearing and measured at fair value. As at July 31, 2021, \$Nil (2020 - \$1,500) was payable to related parties.

## 9. SHARE CAPITAL AND RESERVES

### (a) Common shares

Authorized – Unlimited common shares without par value

As at July 31, 2021, the Company had:

- 54,743,598 common shares issued and outstanding, and
- Commitments to issue 255,680 shares to the vendors of the Smoke River Project (issued August 4, 2021, with a fair value of \$125,283) and 7,100,000 shares to the vendors of the Pat’s Pond/O’Neill Project (issued August 31, 2021 with a fair value of \$2,982,000).

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## **9. SHARE CAPITAL AND RESERVES (Continued)**

### **(a) Common shares (Continued)**

During the year ended July 31, 2021, the Company had the following share capital transactions:

1. The Company issued 7,000,000 common shares with a fair value of \$3,115,000 for the acquisition of 3461.
2. The Company issued 3,345,173 common shares for gross proceeds of \$1,148,466 related to the exercise of share purchase warrants. As a result of the exercises, \$135,478 was reclassified from warrants reserves to share capital.
3. The Company issued 510,000 common shares for gross proceeds of \$89,800 related to the exercise of share purchase options. As a result of the exercises, \$64,174 was reclassified from reserves to share capital.
4. The Company issued 1,000,000 common shares related to the vesting of restricted stock units (Note 9(d));
5. On March 30, 2021, the Company issued 375,000 units in Tranche 3 of a non-brokered private placement ("Tr 3") at a price of \$0.50 per Unit for gross proceeds of \$187,500 pursuant to the terms of Tr 3. Each unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.65 per share (the "Tr 3 Wts") for a period of 36 months from the closing of Tr 3. The expiry of the Tr 3 Wts may be accelerated if the closing price of the Company's common shares on the Canadian Securities Exchange is equal to or greater than \$0.90 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Tr 3 Wts. No finders' fees were incurred for Tr 3.

As a result of applying the relative fair value method, the proceeds from the private placement were allocated \$158,200 to common shares and \$29,300 to warrants.

6. On March 19, 2021, the Company issued 990,280 units in Tranche 2 of a non-brokered private placement ("Tr 2") at a price of \$0.50 per Unit for gross proceeds of \$495,140 pursuant to the terms of Tr 2. Each unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.65 per share (the "Tr 2 Wts") for a period of 36 months from the closing of Tr 2. The expiry of the Tr 2 Wts may be accelerated if the closing price of the Company's common shares on the Canadian Securities Exchange is equal to or greater than \$0.90 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Tr 2 Wts. No finders' fees were incurred for Tr 2.

As a result of applying the relative fair value method, the proceeds from the private placement were allocated \$391,790 to common shares and \$103,350 to warrants.

7. On March 5, 2021, the Company issued 4,677,800 units in Tranche 1 of a non-brokered private placement ("Tr 1") at a price of \$0.50 per Unit for gross proceeds of \$2,338,900 pursuant to the terms of Tr 1. Each unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.65 per share (the "Tr 1 Wts") for a period of 36 months from the closing of Tr 1. The expiry of the Warrants may be accelerated if the closing price of the Company's common shares on the Canadian

Securities Exchange is equal to or greater than \$0.90 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Tr 1 Wts. No finders' fees were incurred for Tr 3.

As a result of applying the relative fair value method, the proceeds from the private placement were allocated \$1,822,800 to common shares and \$516,100 to warrants.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

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## **9. SHARE CAPITAL AND RESERVES (Continued)**

### **(a) Common shares (Continued)**

8. On November 4, 2020, the Company issued a total of 940,000 Units at a price of \$0.20 per Unit for aggregate total proceeds of \$188,000 (the "Nov 4 Offering"). Each Unit consists of one common share in the capital of the Company and one common share purchase warrant (the "Nov 4 Wts"). Each Nov 4 Wt entitles the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.30 per share for a period of 36 months from the closing of the Nov 4 Offering. In connection with the Nov 4 Offering, the Company paid cash finder's fees of \$13,860 and issued 69,300 finders' warrants (the "Nov 4 Finders' Wts"). The Nov 4 Finders' Wts issued have the same terms and conditions as the Nov 4 Wts issued under the Nov 4 Offering; however, they are non-transferable. All securities issued in connection with the Nov 4 Offering have a four-month and one day hold period in Canada, ending on March 5, 2021.

As a result of applying the relative fair value method, the proceeds from the private placement were allocated \$99,100 to common shares and \$88,900 to warrants.

9. On October 29, 2020, the Company issued 11,307,500 Units at a price of \$0.20 per Unit for aggregate total proceeds of \$2,261,500 (the "Oct 29 Offering"). Each Unit consists of one common share in the capital of the Company and one common share purchase warrant (the "Oct 29 Wts"). Each Oct 29 Wt entitles the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.30 per share for a period of 36 months from the closing of the Oct 29 Offering. In connection with the Oct 29 Offering, the Company paid cash finder's fees of \$102,775 and issued an additional 516,775 finders' warrants (the "Oct 29 Finders' Wts"). The Oct 29 Finders' Wts issued have the same terms and conditions as the Oct 29 Wts issued under the Oct 29 Offering; however, they are non-transferable. All securities issued in connection with the Oct 29 Offering have a four-month and one day hold period in Canada, ending on March 2, 2021.

As a result of applying the relative fair value method, the proceeds from the private placement were allocated \$1,289,300 to common shares and \$972,200 to warrants.

The Company incurred additional share issuance costs of \$7,653 related to private placement completed during the year.

During the year ended July 31, 2020, the Company had the following share capital transactions:

1. On June 4, 2020, the Company completed a non-brokered private placement ("June 2020 NBPP") of 5,792,844 units (the "Units") at a price of \$0.10 per unit for gross proceeds of \$579,284.

Each Unit consisted of one common share in the capital of the Company and two separate ½ (one-half) of one common share purchase warrants (a ½ "A-Warrant" and a ½ "B-Warrant", and, respectively, each whole warrant, an "A-Warrant" and a "B-Warrant", and collectively, the "Warrants"). Each whole A-Warrant will entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.35 per share for a period of 18 months from the closing of the June 2020 NBPP. Each whole B-Warrant will entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.50 per share for a period of 18 months from the closing of the June 2020 NBPP.

In the event the closing price of the Company's common shares on the CSE is equal to or greater than \$0.45 (for the A-Warrants) or \$0.65 (for the B-Warrants) per common share, respectively, for a minimum of ten consecutive trading days commencing four months and one day after the closing of the Offering, the Company may accelerate the expiry date of the Warrants by providing notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

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(Presented in Canadian Dollars)

## 9. SHARE CAPITAL AND RESERVES (Continued)

### (a) Common shares (Continued)

As a result of applying the relative fair value method, the proceeds from the private placement were allocated \$509,765 to common shares and \$69,519 to warrants.

In connection with the June 2020 NBPP, the Company issued an aggregate 341,099 finders' warrants ('Finders' Warrants'). The Finders' Warrants issued have the same terms and conditions as the subscriber warrants issued under the June 2020 NBPP. However, they are non-transferable and have an exercise price of \$0.35 for a period of eighteen months expiring on December 3, 2021. Share issue costs were comprised of a cash finders' fee of \$34,110 and 341,099 finders' warrants valued at \$6,000.

- On June 1, 2020, the Company issued 4,000,000 common shares at a fair value of \$400,000 to 3461 as consideration for the assignment and assumption agreement executed with 3461 to acquire a 100% interest in the Rio Loa and Coya Projects in Chile.
- On March 27, 2020, the Company issued 100,000 common shares for the acquisition of the Adam West exploration and evaluation assets at a fair value of \$10,000.
- 700,000 incentive stock options were exercised for proceeds of \$70,000. As a result of the exercise \$52,225 was reclassified from reserves to common shares.
- 205,000 compensation warrants were exercised for proceeds of \$20,500. As a result of the exercise \$10,713 was reclassified from warrant reserves to common shares.
- On March 6, 2020, the British Columbia Securities Commission issued a receipt for the Company's Long Form Prospectus and the Company became a reporting issuer in British Columbia and Alberta. On March 26, 2020, the Company's common shares were listed on the CSE and the Company became a reporting issuer in Ontario. On March 27, 2020, the Company completed its IPO of 3,500,000 common shares at a price of \$0.10 per common share for gross proceeds of \$350,000. The Company paid cash finders' fees of \$35,000 and issued 350,000 agent warrants ("Agents' Warrants") valued at \$18,291. Each Agents' Warrant is exercisable for a period of two years at an exercise price of \$0.10 per Agents' Warrant. Additional share issue costs of \$121,253 were incurred in connection with this IPO and was recorded as an offset to share capital, as share issue costs. The additional share issuance cost includes 100,000 common shares valued at \$10,000 for corporate finance fees.

### (b) Share purchase warrants

The Company has the following share purchase warrants outstanding as at July 31, 2021:

Expiry Date	exercise prices \$	Outstanding and Exercisable		
		Number of warrants	Weighted average exercise price \$	Weighted average remaining contractual life (years)
December 3, 2021	0.35	1,268,655	0.35	0.3
December 3, 2021	0.50	2,737,017	0.50	0.3
October 29, 2023	0.30	10,793,775	0.30	2.2
November 4, 2023	0.30	964,400	0.30	2.3
March 5, 2024	0.65	2,338,901	0.65	2.6
March 19, 2021	0.65	495,140	0.65	2.6
March 30, 2024	0.65	187,500	0.65	2.7
		18,785,388	0.39	1.9

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

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## 9. SHARE CAPITAL AND RESERVES (Continued)

### (b) Share purchase warrants (Continued)

Following is a continuity schedule for the Company's warrants, for the year ended July 31, 2021:

	Number of share purchase warrants	Weighted average exercise price \$
Warrants outstanding – July 31, 2019	-	-
Issued during the year -		
IPO Agents' warrants issued	350,000	0.10
June 2020 NBPP		
A-Warrants	2,896,423	0.35
B-Warrants	2,896,423	0.50
Finders' warrants	341,099	0.35
Warrants exercised	(205,000)	0.10
Warrants outstanding – July 31, 2020	6,278,945	0.41
Issued during the year -		
October/November 2020 private placement	12,830,075	0.30
March 2021 private placement	3,021,541	0.65
Warrants exercised	(3,345,173)	0.34
<b>Warrants outstanding – July 31, 2021</b>	<b>18,785,388</b>	<b>0.39</b>

Pursuant to the closing of the October 29, 2020 private placement, the Company issued the following warrants:

#### *Oct 29 Wts*

The 11,307,500 Oct 29 Wts issued each entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.30 per share for a period of 36 months from the closing of the Oct 29 Offering, expiring October 29, 2023.

The weighted average fair value of the Oct 29 Wts was estimated to be \$0.23 per warrant at the issue date using the Black-Scholes pricing model based on the following assumptions:

Exercise price (\$)	0.30
Risk free interest rate (%)	0.63
Expected life (years)	3
Expected volatility (%)	100.0

As at July 31, 2021, there were 10,322,500 Oct 29 Wts outstanding.

#### *Oct 29 Finders' Warrants*

The 516,775 Oct 29 Finders' Wts issued have the same terms and conditions as the Oct 29 Wts issued under the Oct 29 Offering; however, they are non-transferable.

The weighted average fair value of the Oct 29 Finders' Warrants was estimated to be \$0.23 per warrant at the issue date using the Black-Scholes pricing model based on the following assumptions:

Exercise price (\$)	0.30
Risk free interest rate (%)	0.63
Expected life (years)	3
Expected volatility (%)	100.0

As at July 31, 2021, there were 471,275 Oct 29 Finders' Warrants outstanding.

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

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## 9. SHARE CAPITAL AND RESERVES (Continued)

### (b) Share purchase warrants (Continued)

Pursuant to the closing of the November 4, 2020 private placement, the Company issued the following warrants:

#### *Nov 4 Wts*

The 940,000 Nov 4 Wts each entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.30 per share for a period of 36 months from the closing of the Nov 4 Offering.

The weighted average fair value of the Nov 4 Wts was estimated to be \$0.27 per warrant at the issue date using the Black-Scholes pricing model based on the following assumptions:

Exercise price (\$)	0.30
Risk free interest rate (%)	1.22
Expected life (years)	3
Expected volatility (%)	100.0

As at July 31, 2021, there were 900,000 Nov 4 Wts outstanding.

#### *Nov 4 Finders' Warrants*

The 65,800 Nov 4 Finders' Wts issued have the same terms and conditions as the Nov 4 Wts issued under the Nov 4 Offering; however, they are non-transferable.

The weighted average fair value of the Nov 4 Finders' Warrants was estimated to be \$0.27 per warrant at the grant dates using the Black-Scholes option-pricing model based on the following assumptions:

Exercise price (\$)	0.30
Risk free interest rate (%)	1.22
Expected life (years)	3
Expected volatility (%)	100.0

As at July 31, 2021, there were 64,400 Nov 4 Finders' Warrants outstanding.

Pursuant to the closing of the March 2021 non-brokered private placement, the Company issued the following warrants:

#### *Tr 1, Tr 2 and Tr 3 Wts*

The 2,338,901 Tr 1 Wts, 495,140 Tr 2 Wts and the 187,500 Tr 3 Wts each entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.65 per share expiring March 5, 2024, March 17, 2024 and March 30, 2024, respectively.

The weighted average fair value of the Tr 1, Tr 2 and Tr 3 Wts was estimated to be \$0.27 per warrant at the issue date using the Black-Scholes pricing model based on the following assumptions:

Exercise price (\$)	0.65
Risk free interest rate (%)	1.50
Expected life (years)	3
Expected volatility (%)	100.0

As at July 31, 2021, there were 2,338,901 Tr 1 Wts, 495,140 Tr 2 Wts and 187,500 Tr 3 Wts outstanding.

**GOLDHAVEN RESOURCES CORP.**

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**9. SHARE CAPITAL AND RESERVES (Continued)****(c) Options**

The Company has in place an incentive share option plan dated November 16, 2019 (the “Option Plan”) for directors, officers, employees and consultants to the Company. The Option Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine, within the limitations of the Option Plan, including:

- The maximum number of common shares issuable pursuant to options granted under the Option Plan shall not exceed 10% of the outstanding common shares issued at the date of grant,
- The terms of options are a minimum of one year and a maximum of ten years from the date the option is granted, and Vesting terms are determined for each grant by the Company’s Board of Directors.

The Company has the following options outstanding as at July 31, 2021:

Expiry Date	exercise prices \$	Number of warrants	Outstanding and Exercisable	
			Weighted average exercise price \$	Weighted average remaining contractual life (years)
April 21, 2022	0.44	500,000	0.44	0.7
June 8, 2023	0.20	700,000	0.35	1.9
July 7, 2023	0.47	100,000	0.50	1.9
November 2, 2025	0.42	1,760,000	0.30	4.3
January 6, 2026	0.61	375,000	0.30	4.4
June 8, 2026	0.56	250,000	0.65	4.9
		3,685,000	0.41	3.3

Following is a continuity schedule for the Company’s share options, for the year ended July 31, 2021:

	Number of share options	Weighted average exercise price
Options outstanding – July 31, 2019	-	-
Granted	1,920,000	0.16
Exercised	(700,000)	0.10
Options outstanding – July 31, 2020	1,220,000	\$0.20
Granted November 2, 2020	1,850,000	\$0.42
Granted January 6, 2021	375,000	\$0.61
Granted April 21, 2021	500,000	\$0.44
Granted June 8, 2021	250,000	\$0.56
Options exercised	(510,000)	\$0.18
<b>Options outstanding – July 31, 2021</b>	<b>3,685,000</b>	<b>\$0.41</b>



# GOLDHAVEN RESOURCES CORP.

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## 9. SHARE CAPITAL AND RESERVES (Continued)

### (c) Options (Continued)

On June 8, 2021, the Company granted 250,000 incentive stock options to a consultant. These stock options vested immediately and are exercisable to purchase one common share in the capital of the Company on or before June 8, 2026, at a price of \$0.56 per share. The fair value of the options was determined as \$104,000 calculated using the Black-Scholes pricing model using the following assumptions:

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Exercise price (\$)	0.56
Risk free interest rate (%)	0.87
Expected life (years)	5
Expected volatility (%)	100.0

On April 21, 2021, the Company granted 500,000 incentive stock options to the Company's Chile Advisory Board members. These stock options vested immediately and are exercisable to purchase one common share in the capital of the Company on or before April 21, 2022, at a price of \$0.44 per share. The fair value of the options was determined as \$84,000 calculated using the Black-Scholes pricing model using the following assumptions:

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Exercise price (\$)	0.44
Risk free interest rate (%)	0.30
Expected life (years)	1
Expected volatility (%)	100.0

On January 6, 2021, the Company granted 375,000 incentive stock options to the Company's Corporate Advisory Board members. These stock options vested immediately and are exercisable to purchase one common share in the capital of the Company on or before November 2, 2025, at a price of \$0.61 per share. The fair value of the options was determined as \$169,000 calculated using the Black-Scholes pricing model using the following assumptions:

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Exercise price (\$)	0.61
Risk free interest rate (%)	0.41
Expected life (years)	5
Expected volatility (%)	100.0

On November 2, 2020, the Company granted 1,850,000 incentive share options to directors, officers and advisors of the Company. These stock options vested immediately and are exercisable to purchase one common share in the capital of the Company on or before November 2, 2025, at a price of \$0.42 per share. The fair value of the options was determined as \$574,000 calculated using the Black-Scholes pricing model using the following assumptions:

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Exercise price (\$)	0.42
Risk free interest rate (%)	0.39
Expected life (years)	5
Expected volatility (%)	100.0

Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

The volatility was calculated using historical volatility of comparable companies as an expectation of the Company's future volatility.

The resulting share-based compensation expense for the year ended July 31, 2021 totaled \$931,000 (2020 - \$201,999).

# GOLDHAVEN RESOURCES CORP.

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## 9. SHARE CAPITAL AND RESERVES (Continued)

### (d) Restricted share units

On January 20, 2021, the Company implemented an Equity Incentive Plan (the “Plan”). Pursuant to which, the Company will grant restricted share units (“RSUs”) and deferred share units (“DSUs”) to directors, officers, employees and specified consultants for services. The Plan provides that the directors of the Company may grant RSUs and DSUs on terms that the directors may determine, within the same limitations of the Company’s Option Plan, including:

- The maximum number of common shares issuable pursuant to RSUs and DSUs granted under the Plan shall not exceed 10% of the outstanding common shares issued at the date of grant,
- The terms and vesting provisions are determined for each grant by the Company’s Board of Directors.

Following is a continuity schedule for the Company’s RSUs, for the year ended July 31, 2021:

	RSUs
RSUs outstanding – July 31, 2019 and 2020	-
Granted	1,500,000
Vested	(1,000,000)
<b>RSUs outstanding – July 31, 2021</b>	<b>500,000</b>

On November 1, 2020, the Company granted 1,500,000 restricted share options (“RSU’s”) to the CEO of the Company.

These RSU’s vest as follows:

- 500,000 RSU’s vest upon the Company’s share price closing about \$0.50 for a period of 20 consecutive trading days;
- 500,000 RSU’s vest upon the Company’s share price closing about \$0.75 for a period of 20 consecutive trading days; and
- 500,000 RSU’s vest upon the Company’s share price closing about \$1.00 for a period of 20 consecutive trading days.

The estimated fair value of the equity settled RSUs granted during the year ended July 31, 2021 was \$1,124,444 (2020 – \$Nil) and was calculated using a Monte Carlo simulation with the following assumptions: term – 1.78 years; volatility – 99%; interest rate – 0.15%. The fair value will be recognized as an expense over the contractual term of the RSUs. During the year ended June 30, 2021, the Company recorded share-based compensation expense of \$321,270 (2020 – \$Nil) in relation to RSUs.

On February 16, 2021, the Company issued 1,000,000 common shares to the Company’s CEO as a result of the first two vesting conditions being attained. As a result of the issuance, \$782,398 (2020 - \$Nil) was reclassified from reserves to share capital.

# GOLDHAVEN RESOURCES CORP.

Notes to the Consolidated Financial Statements

For the years ended July 31, 2021 and 2020

(Presented in Canadian Dollars)

## 10. INCOME TAXES

(a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	<b>2021</b>	<b>2020</b>
Net loss for the year	\$ (4,539,000)	\$ (474,000)
Statutory tax rate	<u>27%</u>	<u>27%</u>
Expected income tax (recovery)	(1,226,000)	(128,000)
Non-deductible permanent differences	338,000	54,000
Origin and reversal of temporary differences	11,000	-
Change in tax assets not recognized	877,000	74,000
Total income tax recovery	\$ -	\$ -

(b) The significant components of the Company's deferred income tax assets and liabilities at July 31, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Non-capital losses	\$ 938,000	\$ 97,000
Exploration and evaluation assets	25,000	-
Right-of-use asset	(26,000)	-
Share issue costs	62,000	46,000
	<u>\$ 999,000</u>	<u>\$ 143,000</u>

(c) Losses carried forward

The Company has available for deduction against future taxable income non-capital losses carried forward of approximately \$3,473,000 (2020 - \$361,000). The non-capital losses, if not utilized, will start to expire between 2039 and 2041. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these consolidated financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

## 11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

(a) Significant non-cash transactions during the year ended July 31, 2021:

- Issued 7,000,000 common shares with a fair value of \$3,115,000 for the acquisition of 3461;
- Issued 1,000,000 common shares with a fair value of \$782,398 upon vesting of RSUs;
- Recognized a Right-of-use asset and corresponding lease liability of \$102,450 upon entering a lease agreement for office space;
- Recorded a commitment to issue 255,680 common shares with fair value of \$125,283 pursuant to the acquisition of the Smoke Mountain Project;
- Recorded a commitment to issue 7,100,000 common shares with a fair value of \$2,982,000 pursuant to the acquisition of the Pat's Pond/O'Neill Project; and
- Issued finder's warrants with a fair value of \$135,000.

# **GOLDHAVEN RESOURCES CORP.**

Notes to the Consolidated Financial Statements

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(Presented in Canadian Dollars)

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## **11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Continued)**

- (b) Significant non-cash transactions during the year ended July 31, 2020;
- Issued 100,000 common shares with a fair value of \$10,000 for the acquisition of the Adam West exploration and evaluation assets;
  - Issued 100,000 common shares with a fair value of \$10,000 for finance fees on the IPO;
  - Issued 4,000,000 common shares with a fair value of \$400,000 for the acquisition of the Coya and Rio Loa exploration and evaluation assets;
  - Issued agent's warrants with a fair value of \$18,291; and
  - Issued finder's warrants with a fair value of \$6,000.

## **12. FINANCIAL RISK FACTORS**

### (a) Financial risk exposure and risk management

The Company's activities expose it to a variety of financial risks, which include credit, liquidity, market, foreign exchange, interest rate, and commodity price risks.

Financial risk management is carried out by the Company's management team with oversight from the Company's Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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

#### ***Credit risk***

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments cash in high credit-quality financial institutions is minimal.

#### ***Liquidity risk***

As of July 31, 2021, the Company had a cash balance of \$1,277,692 (2020 – \$394,491) to settle current liabilities of \$190,531 (2020 - \$42,947). The Company is not exposed to significant liquidity risk. All of the Company's liabilities are due within 90 days of July 31, 2021.

#### ***Market risk***

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

#### ***Interest rate risk***

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is not exposed to significant interest rate risk.

# GOLDHAVEN RESOURCES CORP.

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## 12. FINANCIAL RISK FACTORS (Continued)

### (a) Financial risk exposure and risk management (Continued)

#### *Market risk (Continued)*

##### Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currency. The Company's property option payments and exploration expenditures on the Chilean properties are in US Dollars and a change in foreign exchange rates will have an effect on profit and loss. The Company is not exposed to significant interest rate risk.

##### Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

### (b) Fair value of financial instruments

IFRS establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs that are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3 – valuation techniques with unobservable market inputs (involves assumptions and estimates by management of how market participants would price the assets or liabilities).

In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and valuation techniques may have a material effect on the estimated fair value amounts.

The fair values of cash, lease liabilities and accounts payable and accrued liabilities approximate carrying value because of their short-term nature.

At July 31, 2021, the Company had no financial instruments that would be categorized as Level 2 in the fair value hierarchy above.

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## 13. SEGMENTED INFORMATION

The Company has two reportable geographical segments. Canada is the Company's principal operating business and includes its Adam West Project, Smoke Mountain Project, and Pat's Pond and O'Neill Projects, the Canadian corporate office and the Company's management while Chile includes the Rio Loa, Coya and Apolo Projects.

The Company's reportable segments are based on management's property investments and strategic plans for the foreseeable future.

Loss for the annual periods and total assets by segments are as follows:

	2021	2020
Net loss	\$	\$
Canada	4,329,578	473,990
Chile	209,609	-
	\$ 4,539,187	\$ 473,990
	2021	2020
Total long-term assets	\$	\$
Canada	3,227,049	174,631
Chile	5,927,137	657,813
	\$ 9,154,186	\$ 832,444

## 14. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, reserves and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. 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 Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough 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. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

## 15. SUBSEQUENT EVENTS

Subsequent to July 31, 2021 the Company completed the following:

1. On November 22, 2021, the Company issued 2,515,968 Flow-Through Units at a price of \$0.52 per unit for aggregate gross proceeds of \$1,308,303 and 636,250 non-flow-through units at a price of \$0.40 per unit for gross proceeds of \$254,400.

Each unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.65 per share (the "Warrants") for a period of 24 months from the closing of the Offering.

# **GOLDHAVEN RESOURCES CORP.**

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## **15. SUBSEQUENT EVENTS (Continued)**

The expiry of the Warrants may be accelerated if the closing price of the Corporation's common shares on the Canadian Securities Exchange is equal to or greater than \$0.90 for a minimum of ten consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants.

The Company paid cash finder's fees of \$115,429 and issued 244,386 broker's warrants in connection with the private placement. The broker's warrants have the same terms as the warrants included in units.

2. The Company issued 3,447,635 common shares upon exercise of warrants for gross proceeds of \$1,148,655.
3. The Company granted 250,000 incentive stock options to a consultant. These stock options vested immediately and are exercisable to purchase one common share in the capital of the Company on or before August 30, 2022, at a price of \$0.45 per share.