

SASSY RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**NINE MONTH PERIOD ENDED
MARCH 31, 2022**

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Sassy Resources Corporation

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at

	March 31, 2022	June 30, 2021
	(\$)	(\$)
ASSETS		
Current assets		
Cash	2,858,079	7,592,851
Sales tax receivable	32,610	62,842
Prepays	81,995	52,003
	2,972,684	7,707,696
Deposits (Note 4)	73,051	60,950
Exploration advances (Note 4)	448,632	96,745
Exploration and evaluation assets (Note 4)	15,155,892	10,014,880
	18,650,259	17,880,271
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 7)	396,270	337,378
Other liabilities (Note 6)	-	109,026
Special warrants - Gander Gold Corp. (Note 8)	-	4,471,250
	396,270	4,917,654
Shareholders' equity		
Share capital (Note 8)	16,378,286	15,628,966
Reserves (Note 8)	1,117,675	1,742,753
Deficit	(2,939,042)	(4,409,102)
	14,556,919	12,962,617
Non-controlling interest (Note 11)	3,697,070	-
	18,253,989	12,962,617
	18,650,259	17,880,271

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 13)

On behalf of the Board:

"Richard Savage"

Director

"Terry Coughlan"

Director

See accompanying notes to the financial statements

Sassy Resources Corporation

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended March 31, 2022	Three Month Period Ended March 31, 2021	Nine Month Period Ended March 31, 2022	Nine Month Period Ended March 31, 2021
			(\$)	(\$)
EXPENSES				
Consulting fees (Note 7)	88,250	59,925	267,915	460,539
General and administrative	22,838	8,816	49,249	98,240
Management fees (Note 7)	90,000	116,667	216,667	216,667
Professional fees (Note 7)	113,218	16,162	248,648	165,009
Share-based payments (Notes 7 and 8)	66,382	545,739	448,140	1,091,088
Transfer agent and filing fees	20,171	13,900	51,537	58,896
Travel and promotion	65,223	144,461	276,550	552,943
	(466,082)	(905,670)	(1,558,706)	(2,643,382)
Dilution gain	2,856,077	-	2,856,077	-
Flow-through share premium recovery	-	505,990	109,026	505,990
Interest income	2,433	1,155	8,225	1,155
Income (loss) and comprehensive income (loss)	2,392,428	(398,525)	1,414,622	(2,136,237)
Income (loss) and comprehensive income (loss) attributable to:				
Shareholders	2,447,866	(398,525)	1,470,060	(2,136,237)
Non-controlling interest (Note 11)	(55,438)	-	(55,438)	-
	2,392,428	(398,525)	1,414,622	(2,136,237)
Basic and diluted income (loss) per common share:				
Shareholders	0.05	(0.01)	0.03	(0.06)
Non-controlling interest	(0.00)	-	(0.00)	-
Weighted average common shares outstanding:				
Basic	50,984,812	39,150,378	48,657,310	34,210,887
Diluted	50,984,812	39,150,378	48,657,310	34,210,887

See accompanying notes to the financial statements

Sassy Resources Corporation

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital				
	Number of Shares	Amount	Reserves	Deficit	Total
		(\$)	(\$)	(\$)	(\$)
Balance at June 30, 2020	22,566,000	4,569,629	237,695	(1,266,493)	3,540,831
Common shares issued for cash	11,013,056	6,001,574	-	-	6,001,574
Common shares issued for property	2,000,000	1,267,500	-	-	1,267,500
Common shares issued - warrant exercise	4,352,100	1,102,886	(14,611)	-	1,088,275
Share-based payments	-	-	1,091,088	-	1,091,088
Share issuance costs	-	(336,202)	102,800	-	(233,402)
Loss for the period	-	-	-	(2,136,237)	(2,136,237)
Balance at March 31, 2021	39,931,156	12,605,387	1,416,972	(3,402,730)	10,619,629
Common shares issued for cash	-	480,390	-	-	480,390
Common shares issued for property	3,050,000	1,900,500	-	-	1,900,500
Common shares issued - option exercise	525,000	273,803	(116,303)	-	157,500
Common shares issued - warrant exercise	3,375,100	751,622	(8,722)	-	742,900
Common shares issued - RSU exercise	250,000	145,000	(145,000)	-	-
Flow-through share premium	-	(480,390)	-	-	(480,390)
Share-based payments	-	-	555,106	-	555,106
Share issuance costs	-	(47,346)	40,700	-	(6,646)
Loss for the period	-	-	-	(1,006,372)	(1,006,372)
Balance at June 30, 2021	47,131,256	15,628,966	1,742,753	(4,409,102)	12,962,617
Common shares issued - warrant exercise	1,191,250	484,687	-	-	484,687
Common shares issued - RSU exercise	1,337,500	775,750	(775,750)	-	-
Common shares issued - option exercise	1,575,000	699,967	(297,467)	-	402,500
Common shares issued for property	250,000	113,750	-	-	113,750
Dividend of Gander Gold shares	-	(1,324,834)	-	-	(1,324,834)
Share-based payments	-	-	448,140	-	448,140
Income for the period	-	-	-	1,470,060	1,470,060
Balance at March 31, 2022	51,485,006	16,378,286	1,117,676	(2,939,042)	14,556,919

See accompanying notes to the financial statements

Sassy Resources Corporation

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Month Period Ended March 31, 2022	Nine Month Period Ended March 31, 2021
	(\$)	(\$)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Income (loss) for the period	1,414,622	(2,136,237)
Items not affecting cash		
Dilution gain	(2,856,077)	-
Flow-through share premium recovery	(109,026)	(505,990)
Share-based payments	448,140	1,091,088
Changes in non-cash working capital items:		
Sales tax receivable	30,232	(15,773)
Prepays	(29,992)	(27,898)
Accounts payable and accrued liabilities	(124,503)	(116,795)
	(1,226,604)	(1,711,605)
INVESTING ACTIVITIES		
Exploration advances	(351,887)	-
Exploration and evaluation expenditures	(4,303,867)	(3,173,816)
Reclamation bond	(12,101)	-
	(4,667,855)	(3,173,816)
FINANCING ACTIVITIES		
Common shares issued for cash	-	7,336,837
Share purchase warrants exercised	484,687	-
Stock options exercised	402,500	-
Gander Gold special warrants issued for cash	272,500	-
	1,159,687	7,336,837
Change in cash during the period	(4,734,772)	2,451,416
Cash - beginning of period	7,592,851	941,569
Cash - end of period	2,858,079	3,392,985

Supplemental Cash Flow Information (Note 12)

See accompanying notes to the financial statements

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Sassy Resources Corporation (the “Company”) was incorporated on June 3, 2019 under the Business Corporations Act (British Columbia). The Company is an exploration stage mining company currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company’s registered and records office is located at suite 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6. The Company’s shares are traded on the Canadian Securities Exchange (the “Exchange”) under the symbol “SASY”.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has no sources of revenue, ongoing losses and a deficit of \$2,939,042.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company’s financial statements and such adjustments could be material. The above conditions cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2021, prepared in accordance with IFRS as issued by the IASB

These condensed interim financial statements were approved by the Board of Directors of the Company on May 30, 2022.

Basis of measurement

All references to dollar amounts in these financial statements and related notes are in Canadian dollars, unless otherwise indicated.

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)

These financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information, and financial instruments classified as financial instruments at fair value through profit or loss, or fair value through other comprehensive loss which are stated at fair value.

Functional and Presentation Currency

The functional currency of the Company and its subsidiary, Gander Gold Corporation (“Gander Gold”) is the Canadian dollar, which is also the presentation currency of the financial statements.

Basis of Consolidation

These consolidated financial statements include the accounts of Gander Gold, which was incorporated on February 3, 2021 under the Business Corporations Act (BC). As at March 31, 2022, the Company owns 54.3% of the outstanding common shares of Gander Gold.

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Use of Estimates and Judgments

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

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)

Non-monetary transactions

Assets exchanged or transferred in non-monetary transactions are measured at the fair value of the asset given up or the fair value of the asset received, whichever is more reliable.

Share-based payments

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

Significant judgments that management has made at the end of the reporting period are as follows:

Carrying value and the recoverability 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 assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Going Concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at June 30, 2021.

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETSForemore Property, British Columbia

In connection with the Arrangement the Company took assignment of a binding letter of intent (“LOI”) dated June 24, 2019 (the “Effective Date”), as amended on November 12, 2019, which provides an exclusive option to acquire a 100% ownership interest in 35 mineral claims located in the Eskay Creek district of British Columbia (the “Foremore Property”).

Pursuant to the LOI, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

Date	Shares	Cash	Exploration Expenditures
		(\$)	(\$)
Upon completion of the Arrangement (issued)	250,000	-	-
On or before August 13, 2020 (issued and paid)	250,000	50,000	150,000
On or before August 13, 2021	250,000	66,667	150,000
On or before August 13, 2022	250,000	66,667	300,000
On or before August 13, 2023	250,000	66,667	300,000
On or before August 13, 2024	-	-	300,000
Total	1,250,000	250,001	1,200,000

The vendor of the property will retain a 3% net smelter return (“NSR”) royalty upon the Company completing its obligations under the LOI. The Company has the right to purchase back the NSR of 2% for a cash payment of \$2,000,000 and an additional 0.5% for a cash payment of \$1,000,000. Upon the fifth anniversary of the Effective Date, the Company is required to commence payment of an annual advanced royalty of \$20,000 until such time as the Company elects to purchase the NSR. At that point the cumulative advanced royalties paid will be deducted from the NSR purchase price disclosed above.

The Company posted a \$32,000 reclamation program security deposit with the Ministry of Energy, Mines and Petroleum Resources in connection with the Foremore Property exploration program.

In November 2020, the Company entered into an amending agreement wherein the Company made a final cash payment of \$175,000 and issued 750,000 common shares to the vendor of the Foremore Property and acquired a 100% ownership, subject the aforementioned NSR, of the Foremore property.

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)Gander Properties, Newfoundland**Gander North/Gander South/Hermitage/Little River**

On February 11, 2021, the Company entered into an agreement (the “Vulcan Agreement”) with Vulcan Minerals Inc. (“Vulcan”) dated February 11, 2021, which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the “Gander North”, “Gander South Property”, the “Little River Property” and the “Hermitage Property”).

Pursuant to the Vulcan Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

Date	Shares	Cash	Exploration Expenditures
		(\$)	(\$)
Upon execution of the agreement (issued and paid)	1,000,000	100,000	-
On or before February 11, 2022 (issued, paid and incurred)	300,000	50,000	200,000
On or before February 11, 2023	300,000	50,000	400,000
On or before February 11, 2024	400,000	100,000	600,000
On or before February 11, 2025	500,000	100,000	800,000
Total	2,500,000	400,000	2,000,000

The Company also reimbursed Vulcan for a refundable staking deposit totaling \$28,950 which is posted with government of Newfoundland and Labrador.

Vulcan will retain a 3% net smelter return (“NSR”) royalty upon the Company completing its obligations under the Vulcan Agreement. The Company has the right to purchase back one half of the NSR (1.5%) for a cash payment of \$2,000,000 and the issuance of 500,000 common shares of the Company.

The Vulcan Agreement was assigned to Gander Gold on February 28, 2021 and accordingly all future cash and share payments as well as exploration expenditures are the responsibility of Gander Gold.

Gander North/Carmanville

On March 12, 2021, as amended on April 7, 2021, the Company entered into agreement (the “Gander North Agreement”) with Wildwood Exploration Inc. (“Wildwood”) which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the “Gander North Property” and the “Carmanville Property”).

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Pursuant to the Gander North Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

Date	Shares	Cash	Exploration Expenditures
		(\$)	(\$)
Upon execution of the agreement (issued and paid)	1,000,000	154,275	-
On or before November 15, 2021 (incurred)	-	-	275,000
On or before March 12, 2022 (issued and paid)	500,000	50,000	-
On or before April 7, 2022 (issued)	250,000	-	-
On or before November 15, 2022	-	-	335,000
On or before March 12, 2023	500,000	100,000	-
On or before April 7, 2023	250,000	-	-
On or before November 15, 2023	-	-	400,000
On or before March 12, 2024	500,000	100,000	-
On or before April 7, 2024	250,000	-	-
On or before November 15, 2024	-	-	750,000
On or before March 12, 2025	500,000	100,000	-
On or before November 15, 2025	-	-	1,000,000
On or before March 12, 2026	750,000	150,000	-
Total	4,500,000	654,275	2,760,000

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Gander North Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of \$2,500,000.

The Gander North Agreement was assigned to Gander Gold on May 31, 2021 and accordingly all future cash and share payments as well as exploration expenditures are the responsibility of Gander Gold.

Upon completion of its public listing on the CSE, Gander Gold issued an additional 500,000 common shares to Wildwood.

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Cape Ray II**

On March 12, 2021, as amended on April 7, 2021, the Company entered into agreement (the “Cape Ray II Agreement”) with Wildwood Exploration Inc. (“Wildwood”) which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (the “Cape Ray II Property”).

Date	Shares	Cash	Exploration Expenditures
		(\$)	(\$)
Upon execution of the agreement (issued and paid)	500,000	87,455	-
On or before November 15, 2021 (incurred)	-	-	100,000
On or before March 12, 2022 (issued and paid)	250,000	35,000	-
On or before April 7, 2022 (issued)	250,000	-	-
On or before November 15, 2022	-	-	120,000
On or before March 12, 2023	500,000	50,000	-
On or before November 15, 2023	-	-	150,000
On or before March 12, 2024	500,000	75,000	-
On or before November 15, 2024	-	-	430,000
On or before March 12, 2025	750,000	75,000	-
On or before November 15, 2025	-	-	1,000,000
On or before March 12, 2026	750,000	130,000	-
Total	3,500,000	452,455	1,800,000

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Cape Ray II Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of \$2,500,000.

The Cape Ray II Agreement was assigned to Gander Gold on May 31, 2021 and accordingly all future cash and share payments as well as exploration expenditures are the responsibility of Gander Gold.

Upon completion of its public listing on the CSE, Gander Gold issued an additional 500,000 common shares to Wildwood.

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Mount Peyton/BLT**

On March 12, 2021, as amended on May 12, 2021, the Company entered into an agreement (the “Thwart Island Agreement”) with Wildwood which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the “Mount Peyton Property” and the “BLT Property”).

Date	Shares	Cash	Exploration Expenditures
		(\$)	(\$)
Upon execution of the Agreement (issued and paid)	1,250,000	331,320	-
On or before November 15, 2021 (incurred)	-	-	140,000
On or before January 15, 2022 (incurred)	-	-	700,600
On or before March 12, 2022 (issued and paid)	1,250,000	75,000	-
On or before November 15, 2022	-	-	160,000
On or before March 12, 2023	1,250,000	100,000	-
On or before November 15, 2023	-	-	200,000
On or before March 12, 2024	1,250,000	100,000	-
On or before November 15, 2024	-	-	500,000
On or before March 12, 2025	1,250,000	125,000	-
On or before November 15, 2025	-	-	1,000,000
On or before March 12, 2026	750,000	150,000	-
Total	7,000,000	881,320	2,700,600

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Thwart Island Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of \$2,500,000.

The Thwart Island Agreement was assigned to Gander Gold on May 31, 2021 and accordingly all future cash and share payments as well as exploration expenditures are the responsibility of Gander Gold.

Upon completion of its public listing on the CSE, Gander Gold issued an additional 500,000 common shares to Wildwood.

Gander Gold advanced \$448,632 to Ground Truth Exploration for the completion of a LIDAR and VLF survey over its Gander properties.

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Highrock Uranium Property, Saskatchewan

In January 2022, the Company entered into a definitive option agreement (“Highrock Agreement”) with Forum Energy Metals Corp. (“Forum”) wherein the Company can acquire a 100% interest in the Highrock uranium project in Saskatchewan.

The terms of the option agreement include:

- a) An initial 20% Interest can be acquired through the payment of \$50,000 cash (paid) and the issuance of 250,000 common shares (issued) on execution of the agreement. The Company must also incur \$1,000,000 in exploration expenditures during 2022. The Company has already advanced \$300,000 towards the completion of this program.
- b) An additional 31% interest can be acquired through the payment of \$50,000 cash and the issuance of 250,000 common shares on or before January 2, 2023. The Company must also incur \$1,000,000 in exploration expenditures during 2023.
- c) An additional 19% interest can be acquired through the payment of \$50,000 cash and the issuance of 250,000 common shares on or before January 2, 2024. The Company must also incur \$1,500,000 in exploration expenditures during 2024.
- d) The remaining 30% interest can be acquired through the payment of \$150,000 cash and the issuance of 3,000,000 common shares on or before December 31, 2025.
- e) Forum retains a 1% NSR on the Highrock uranium property, half of which can be purchased by the Company for a cash payment of \$1,000,000. In addition, a 1% NSR exists on the north claim (S-113362) and is shared by third parties, half of which may be purchased for a cash payment of \$1,000,000. Finally, a 2% NSR on the south claim (MC00013262) is held by a third party.

Nicobat Property, Ontario

The Nicobat Property consists of non-contiguous mineral claims located in the Rainy River district of Ontario. The property is subject to a 2% NSR, 1% of which may be purchased for a cash payment of \$1,000,000.

On April 23, 2021, the Company entered into an agreement (“Max Power Agreement”) to option the Nicobat Property to privately held Max Power Mining Corp. (“Max Power”). Pursuant to the Max Power Agreement, Max Power can earn a 100% interest in the Nicobat Property by incurring \$1,000,000 in exploration expenditures on the property over a four year period and issuing 5,000,000 common shares to the Company. The shares are released to the Company in stages over a three year period (4,500,000 currently remain in escrow) from the date of listing of Max Power on the CSE on February 16, 2022. In addition, the Company received 1,000,000 share purchase warrants in Max Power which are exercisable at \$0.25 until February 15, 2024. Finally, the Company will retain a 1% net smelter return royalty on the Nicobat Property, which may be purchased by Max Power at any time for a cash payment of \$1,000,000.

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended March 31, 2022

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)Summary of Exploration Expenditures

	Foremore Property	Gander Properties	High Rock Property	Total
	(\$)	(\$)	(\$)	(\$)
Acquisition Costs:				
Balance, June 30, 2020	2,587,500	-	-	2,587,500
Additions	847,500	3,193,550	-	4,041,050
Balance, June 30, 2021	3,435,000	3,193,550	-	6,628,550
Additions	-	590,000	213,750	590,000
Balance, March 31, 2022	3,435,000	3,783,550	213,750	7,218,550
Exploration Costs:				
Balance, June 30, 2020	111,821	-	-	111,821
Assays	169,406	-	-	169,406
Consulting	793,462	810	-	794,272
Drilling	465,540	-	-	465,540
Expediting	49,058	-	-	49,058
Field and office supplies	342,973	-	-	342,973
Geophysics	261,346	-	-	261,346
Helicopter support	968,374	-	-	968,374
Permitting	23,740	-	-	23,740
Reports	11,700	-	-	11,700
Sampling	-	188,100	-	188,100
Balance, June 30, 2021	3,197,420	188,910	-	3,386,330
Assays	114,554	35,659	-	150,213
BCMETS	(316,128)	-	-	(316,128)
Consulting	803,972	111,105	51,958	967,035
Drilling	521,935	-	321,913	843,848
Expediting	21,443	172,878	-	194,321
Field and office supplies	104,513	22,408	237,077	363,998
Geophysics	90,277	138,006	-	228,283
Helicopter support	656,527	-	-	656,527
Permitting	250	17,275	-	17,525
Reports	2,625	61,295	-	63,920
Sampling	-	1,167,720	-	1,167,720
Balance, March 31, 2022	5,197,388	1,915,256	610,948	7,723,592
Total Costs:				
Balance, June 30, 2021	6,632,420	3,382,460	-	10,014,880
Balance, March 31, 2022	8,632,388	5,698,806	824,698	15,155,892

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	March 31, 2022	June 30, 2021
	(\$)	(\$)
Trade payables	363,020	291,878
Related party payables (Note 8)	15,750	10,500
Accrued liabilities	17,500	35,000
	<u>396,270</u>	<u>337,378</u>

6. OTHER LIABILITIES

During the year ended June 30, 2021, the Company issued 1,936,301 flow-through shares which resulted in a flow-through share premium of \$480,390. The requisite expenditures were incurred and renounced to allow for the recording of a flow-through share premium recovery of \$371,364 on the statement of loss for the year ended June 30, 2021. The remaining balance of \$109,026 was recorded as a flow-through share premium liability at June 30, 2021.

During the nine month period ended March 31, 2022, all of the remaining requisite expenditures were incurred and renounced to allow for the recording of a flow-through share premium recovery of \$109,026 on the consolidated statement of income (loss).

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and other members of key management personnel during the nine month periods ended March 31, 2022 and 2021 is as follows:

	March 31, 2022	March 31, 2021
	(\$)	(\$)
Consulting fees	70,000	45,000
Geological fees	103,697	173,500
Management fees	179,167	200,000
Professional fees	91,000	57,000
Share-based payments	409,965	619,383
	<u>853,829</u>	<u>1,094,883</u>

As at March 31, 2022, a total of \$15,750 (June 30, 2021 - \$10,500) was included in accounts payable and accrued liabilities owing to directors and officers of the Company.

On November 22, 2021, the Company completed a debt settlement agreement with Gander Gold wherein the Company received 8,831,500 common shares of Gander Gold at \$0.30 per share in order to extinguish an outstanding loan totalling \$2,649,450.

SASSY RESOURCES CORPORATION

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8. SHARE CAPITAL AND RESERVES

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued share capital

Nine month period ended March 31, 2022

On February 8, 2022, the Company issued 250,000 common shares valued at \$113,750 pursuant to the Highrock Agreement.

During the nine month period ended March 31, 2022, the Company issued 1,337,500 common shares pursuant to the exercise of RSUs. The fair value of the RSUs was determined to be \$775,750, and accordingly the amount has been transferred from reserves to share capital.

During the nine month period ended March 31, 2022, the Company issued 1,575,000 common shares pursuant to the exercise of stock options for gross proceeds of \$402,500. The fair value of the options was determined to be \$297,467, and accordingly the amount has been transferred from reserves to share capital.

During the nine month period ended March 31, 2022, the Company issued 1,191,250 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$484,687.

Year ended June 30, 2021

On July 28, 2020, Company completed a non-brokered private placement and issued 6,014,461 units at \$0.30 per unit for gross proceeds of \$1,804,338. Each unit is comprised of a common share and a share purchase warrant that entitles the holder to acquire an additional share at \$0.50 for a period of 30 months. The Company paid cash finder's fees of \$35,280 and issued 117,600 finder's warrants valued at \$16,200. Each finder's warrant entitles the holder to acquire an additional common share at a price of \$0.50 on or before January 28, 2023.

On July 28, 2020, Company completed a non-brokered private placement and issued 502,500 flow through units at \$0.40 per unit for gross proceeds of \$201,000. Each flow through unit is comprised of a flow-through common share and one half of a non-flow through share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at \$0.55 for a period of 30 months. The Company paid cash finder's fees of \$11,620 and issued 29,050 finder's warrants valued at \$3,800. Each finder's warrant entitles the holder to acquire an additional common share at a price of \$0.55 on or before January 28, 2023.

On August 19, 2020, the Company issued 250,000 common shares valued at \$130,000 in accordance with the Foremore Property acquisition agreement (Note 4).

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8. SHARE CAPITAL AND RESERVES (continued)

On October 22, 2020 and November 2, 2020, the Company completed a non-brokered private placement in two tranches and issued an aggregate of 3,062,294 units at \$0.90 per unit for gross proceeds of \$2,756,065. Each unit is comprised of a common share and one half of a share purchase warrant. Each whole warrant entitles the holder to acquire an additional share at \$1.25 for a period of 24 months. The Company paid cash finder's fees of \$109,152 and issued 80,804 finder's warrants valued at \$57,600. Each finder's warrant entitles the holder to acquire an additional common share at a price of \$0.90 for a period of 24 months.

On October 22, 2020 and November 2, 2020, Company completed a non-brokered private placement in two tranches and issued an aggregate of 1,433,801 flow through units at \$1.20 per unit for gross proceeds of \$1,720,561. Each flow through unit is comprised of a flow-through common share and one half of a non-flow through share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at \$1.50 for a period of 24 months. The Company paid cash finder's fees of \$77,350 and issued 94,815 finder's warrants valued at \$65,900. Each finder's warrant entitles the holder to acquire an additional common share at a price of \$1.20 for a period of 24 months.

On November 19, 2020, the Company issued 750,000 common shares valued at \$517,500 in accordance with the amended Foremore Property acquisition agreement (Note 4).

On February 18, 2021, the Company issued 1,000,000 common shares valued at \$620,000 in accordance with the Newfoundland Property option agreement (Note 4).

On April 26, 2021, the Company issued 250,000 common shares pursuant to the exercise of RSUs. The fair value of the RSUs was determined to be \$145,000, and accordingly the amount has been transferred from reserves to share capital.

In May 2021, the Company issued 2,750,000 common shares valued at \$1,717,500 in accordance with the Wildwood Agreements (Note 4). The Company also issued 300,000 common shares valued at \$183,000 as a finder's fee in connection with the Wildwood Agreements.

During the year ended June 30, 2021, the Company issued 7,574,750 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$1,790,437.

During the year ended June 30, 2021, the Company issued 152,450 common shares pursuant to the exercise of finders' warrants for gross proceeds of \$40,738. The fair value of the finders' warrants was determined to be \$23,333, and accordingly the amount has been transferred from reserves to share capital.

During the year ended June 30, 2021, the Company issued 525,000 common shares pursuant to the exercise of stock options for gross proceeds of \$157,500. The fair value of the options was determined to be \$116,303, and accordingly the amount has been transferred from reserves to share capital.

During the year ended June 30, 2021, the Company incurred other share issuance costs of \$6,646.

SASSY RESOURCES CORPORATION

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8. SHARE CAPITAL AND RESERVES (continued)*Stock options*

The Company has rolling incentive stock option plan (the “Plan”), which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company unless otherwise approved by the Board of Directors.

The Company recorded share-based payments of \$38,175 during the nine month period ended March 31, 2022 in connection with vested stock options.

A continuity schedule of the Company’s stock options is as follows:

	Number of Options	Weighted Average Exercise Price
		(\$)
Balance, June 30, 2020	1,800,000	0.25
Exercised	(525,000)	0.30
Issued	1,600,000	0.53
Balance, June 30, 2021	2,875,000	0.39
Exercised	(1,575,000)	0.26
Expired	(50,000)	0.25
Balance, March 31, 2022	1,250,000	0.57

SASSY RESOURCES CORPORATION

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8. SHARE CAPITAL AND RESERVES (continued)

The following table summarizes the stock options outstanding as at March 31, 2022:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (yrs)
June 25, 2023	200,000	200,000	0.75	1.23
May 29, 2025	350,000	350,000	0.25	3.16
July 28, 2025	150,000	150,000	0.30	3.33
August 25, 2025	200,000	200,000	0.57	3.40
November 20, 2025	250,000	250,000	1.00	3.64
May 20, 2026	100,000	100,000	0.71	4.14
	1,250,000	1,250,000	0.57	3.09

RSUs

The Company has a rolling Restricted Share Unit (“RSU”) plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, issue RSUs to eligible participants, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Vesting provisions as well as method of settlement (ie. cash or common shares) are determined by the Board of Directors of the Company. The maximum number common shares reserved for issuance to any one RSU holder will not exceed five percent (5%) of the issued and outstanding common shares. Any unvested RSUs are immediately forfeited following cessation of the RSU holder’s position with the Company unless otherwise approved by the Board of Directors.

On February 26, 2021, the Company granted 2,600,000 RSUs that vest at various times through July 1, 2022. During the nine month period ended March 31, 2022, the Company recorded share-based payments of \$409,965 (2021 - \$544,483)

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8. SHARE CAPITAL AND RESERVES (continued)

The continuity of the Company's RSUs is as follows:

	Number of RSUs
Balance, June 30, 2020	-
Issued	2,600,000
Exercised	(250,000)
Expired	(150,000)
Balance, June 30, 2021	2,200,000
Exercised	(1,337,500)
Balance, March 31, 2022	862,500

As at March 31, 2022 there are 862,500 RSUs outstanding that expire December 31, 2024.

Warrants

A continuity schedule of the Company's share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, June 30, 2020	10,752,720	0.28
Issued	8,836,030	0.72
Exercised	(7,727,200)	0.24
Balance, June 30, 2021	11,861,550	0.64
Exercised	(1,191,250)	0.41
Balance, March 31, 2022	10,670,300	0.67

SASSY RESOURCES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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8. SHARE CAPITAL AND RESERVES (continued)

The following table summarizes the share purchase warrants outstanding as at March 31, 2022:

Expiry Date	Number of Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
		(\$)	(yrs)
October 22, 2022 *	1,619,798	1.35	0.56
November 2, 2022 *	803,871	1.25	0.59
November 21, 2022	3,103,100	0.45	0.64
November 29, 2022	270,920	0.47	0.66
January 28, 2023	4,872,611	0.50	0.83
	10,670,300	0.67	0.71

* subject to an acceleration provision wherein if the trading price of the Company's common shares is \$1.75 or greater during any ten consecutive trading day period at any time subsequent to four months and one day after the closing date, the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants.

The finder's warrants and stock options issued during the year ended June 30, 2021 were valued using the Black-Scholes option pricing model under the following weighted average assumptions:

Warrants		Options	
Risk-free interest rate	0.27%	Risk-free interest rate	0.38%
Expected life of warrants	2.00 yr	Expected life of options	4.56 yr
Volatility	149%	Volatility	111%
Expected dividend yield	Nil	Expected dividend yield	Nil
Forfeiture rate	Nil	Forfeiture rate	Nil
Weighted average fair value	\$0.45	Weighted average fair value	\$0.35

SASSY RESOURCES CORPORATION

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(Unaudited)

9. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to risk is on its cash. The Company holds its cash in substantial financial institutions to mitigate risk. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

The Company's main source of funding has been through the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. The Company is exposed to liquidity risk.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for gold and silver are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended March 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations.

SASSY RESOURCES CORPORATION

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9. FINANCIAL RISK MANAGEMENT (continued)

Classification of financial instruments

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial assets included in the statement of financial position are cash. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities. The fair value of cash is measured using Level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximate the carrying amount due to their short term to maturity. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2022.

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment being the acquisition, exploration and evaluation of mineral resources properties.

The Company operates in one geographic segment located in Canada.

SASSY RESOURCES CORPORATION

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11. GANDER GOLD DISTRIBUTION

On March 8, 2022, the Company distributed 4,416,114 common shares of Gander Gold on a pro rata basis to its shareholders as a return of capital dividend. This dividend distribution in conjunction with the issuance of 29,031,665 common shares issued by Gander Gold in February 2022, pursuant to the conversion of special warrants and certain resource property agreement, resulted in the reduction of the Company's ownership in Gander Gold from 100% down to 54.3% at March 31, 2022. As a result, the Company recorded a dilution gain of \$2,856,077.

12. SUPPLEMENTAL CASH FLOW INFORMATION

	March 31, 2022	March 31, 2021
	(\$)	(\$)
Non-cash investing and financing activities:		
Exploration and evaluation expenditures accrued through accounts payable and accrued liabilities	324,960	-
Issuance of finders warrants as share issuance costs	-	102,800
Shares issued for exploration and evaluation assets	653,750	1,267,500
Special warrants converted into common shares of Gander Gold	4,743,750	-
Transfer from reserves to share capital in connection with exercise of share purchase warrants	-	14,611
Transfer from reserves to share capital in connection with exercise of RSUs	775,750	-
Transfer from reserves to share capital in connection with exercise of stock options	297,467	-
Interest paid during the period	-	-
Income taxes paid during the period	-	-

13. SUBSEQUENT EVENTS

Subsequent to March 31, 2022, the Company entered into an agreement to acquire all of the issued and outstanding common shares of Rocky Island Gold Corp., a private Canadian corporation that holds certain mineral claims in the province of Newfoundland, in exchange for \$250,000 in cash and 1,260,000 common shares of the Company.