HEADWATER GOLD INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED NOVEMBER 30, 2022 AND 2021

UNAUDITED

(Expressed in Canadian Dollars)

NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These unaudited condensed consolidated interim financial statements have been prepared by management of the Company and have not been reviewed by the Company's independent auditor.

HEADWATER GOLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
NOVEMBER 30, 2022 AND 2021
(UNAUDITED – SEE “NOTICE TO READER” BELOW)

NOTICE TO READER OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of Headwater Gold Inc. and the accompanying condensed consolidated interim statements of financial position as at November 30, 2022 and the condensed consolidated interim statements of comprehensive loss, statements of changes in equity and cash flows for the nine months ended November 30, 2022 and 2021 are the responsibility of the Company’s management.

The financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with IAS 34 *Interim Financial Reporting* under International Financial Reporting Standards as issued by the IASB. The Audit Committee of the Board of Directors, consisting of three members, has reviewed the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

“Caleb Stroup”	*“Sandra Wong”*
Caleb Stroup	Sandra Wong
Chief Executive Officer	Chief Financial Officer
January 27, 2023	January 27, 2023

HEADWATER GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
(Expressed in Canadian Dollars)

	Note	November 30, 2022 $	February 28, 2022 $
Assets			
Current assets			
Cash		3,250,258	1,276,891
Restricted cash		20,005	5,030
Short-term investments	4	704,967	777,291
Amounts and other receivable	12	42,615	35,619
Prepaid expenses and deposits		97,514	45,897
		4,115,359	2,140,728
Non-current assets			
Right-of-use assets	8	310,106	94,783
Deposits	5	164,848	133,329
Property, plant and equipment	6	62,816	46,030
Exploration and evaluation assets	7	3,478,500	3,361,924
Total assets		8,131,629	5,776,794
Liabilities			
Current liabilities			
Trade and other payables	7,12	1,076,351	159,291
Current portion of lease liabilities	8	139,083	77,932
		1,215,434	237,223
Non-current liabilities			
Lease liabilities	8	184,102	32,468
Other liabilities	7,9	1,194,037	-
Total liabilities		2,593,573	269,691
Equity			
Share capital	10	8,038,788	7,183,585
Reserves	10	830,919	717,347
Accumulated other comprehensive loss		(187,630)	(97,035)
Accumulated deficit		(3,144,021)	(2,296,794)
		5,538,056	5,507,103
Total liabilities and equity		8,131,629	5,776,794

Nature of operations and going concern (Note 1)

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on January 27, 2023 and are signed on its behalf by:

/s/"Alistair Waddell" Director */s/"Caleb Stroup"* Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements

HEADWATER GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2022 AND 2021
(Expressed in Canadian Dollars)

		Three months ended		Nine months ended	
	Note	**November 30, 2022 $**	**November 30, 2021 $**	**November 30, 2022 $**	**November 30, 2021 $**
Expenses					
Accounting and audit		11,616	51,648	33,261	52,766
Accretion of lease liability	8	5,146	3,188	10,606	7,975
Consulting		13,005	15,152	32,766	87,005
Depreciation	6, 8	35,710	20,112	80,386	44,748
Filing fees		7,492	7,382	25,718	48,808
General exploration		21,594	7,836	80,308	81,185
Investor communication		66,589	50,570	158,930	101,507
Legal		16,933	(4,173)	25,445	51,509
Management		49,747	65,000	153,270	149,959
Office		61,475	19,190	131,366	75,411
Salaries and benefits		33,923	31,027	106,025	81,562
Share-based payments		60,794	131,300	60,794	256,559
Travel		12,320	5,931	35,283	5,960
Total expenses		(396,344)	(404,163)	(934,158)	(1,044,954)
Other income (expenses)					
Management fee income		299,212	-	386,846	-
Rental income		34,274	-	78,593	-
Finance and interest income		6,029	1,405	7,521	7,327
Finance expense		-	(1,782)	-	(6,635)
Foreign exchange gain		184,682	72,876	373,674	128,815
Impairment of exploration and evaluation assets	7	(2,424)	(426,367)	(29,699)	(490,125)
Loss on sale of investments		-	(29)	-	(8,369)
Unrealized loss on investments	4	(133,122)	(193,968)	(730,004)	(1,674,068)
Total other income (expenses)		388,651	(547,865)	86,931	(2,043,055)
Loss before tax		(7,693)	(952,028)	(847 ,227)	(3,088,009)
Income tax recovery (expense)		-	8,084	-	(766)
Net loss		(7,693)	(943,944)	(847 ,227)	(3,088,775)
Other comprehensive loss					
Items that may be reclassified to comprehensive loss:					
Cumulative translation adjustment		(39,899)	(20,065)	(90,595)	(53,839)
Comprehensive loss		(47,592)	(964,009)	(937,822)	(3,142,614)
Loss per common share, basic and diluted		0.00	(0.02)	(0.02)	(0.07)
Weighted average number of common shares outstanding, basic and diluted		55,014,115	49,567,718	51,389,785	45,550,354

The accompanying notes form an integral part of these condensed consolidated interim financial statements

HEADWATER GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Subscription Receipts and Share Subscriptions $	Reserves $	Accumulated Other Comprehensive Loss $	Accumulated Deficit $	Total $
Balance, February 28, 2021	37,938,506	3,296,978	4,070,224	323,079	(68,243)	766,581	8,388,619
Shares issued for private placement	11,629,212	4,070,224	(4,070,224)	-	-	-	-
Share issue costs	-	(183,617)	-	-	-	-	(183,617)
Share-based payments	-	-	-	320,001	-	-	320,001
Net loss	-	-	-	-	-	(3,088,775)	(3,088,775)
Other comprehensive loss	-	-	-	-	(55,839)	-	(53,839)
Balance, November 30, 2021	49,567,718	7,183,585	-	643,080	(122,082)	(2,322,194)	5,382,389
Balance, February 28, 2022	49,567,718	7,183,585	-	717,347	(97,035)	(2,296,794)	5,507,103
Shares issued for private placement	5,446,397	871,424	-	-	-		871,424
Share issue costs	-	(16,221)	-	-	-		(16,221)
Share-based payments	-	-	-	113,572			113,572
Net loss	-	-	-	-	-	(847,227)	(847,227)
Other comprehensive income	-	-	-	-	(90,595)	-	(90,595)
Balance, November 30, 2022	55,014,115	8,038,788	-	830,919	(187,630)	(3,144, 021)	5,538,056

The accompanying notes form an integral part of these condensed consolidated interim financial statements

HEADWATER GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2022 AND 2021
(Expressed in Canadian Dollars)

	November 30, 2022 $	November 30, 2021 $
Operating activities		
Net loss	(847,227)	(3,088,775)
Items not involving cash:		
Accretion of lease liability	10,606	7,975
Depreciation	80,386	44,748
Foreign exchange	(346,728)	(129,865)
Loss on sale of investments	-	8,369
Unrealized loss on investments	730,004	1,674,068
Share-based payments	60,794	256,559
Impairment of exploration and evaluation assets	29,699	490,125
Changes in non-cash working capital accounts:		
Amounts and other receivable	(6,489)	(50,280)
Prepaid expenses and deposits	(50,059)	(48,017)
Trade and other payables	1,157,090	(3,141)
Income taxes payable	-	(184,556)
Cash provided by (used in) operating activities	818,076	(1,022,790)
Investing activities		
Expenditures on exploration and evaluation assets	(1,897,331)	(1,396,570)
Expenditures on earn-in exploration and evaluation assets	(3,324,278)	-
Cash received from third party earn-in expenditures	5,406,437	-
Cash received from option of properties	798,296	-
Redemption (purchase) of term deposits	(650,000)	750,000
Purchase of property, plant and equipment	(26,769)	(57,249)
Deposit for bonds	(22,187)	(130,935)
Cash provided by (used in) investing activities	284,168	(834,754)
Financing activities		
Proceeds from share issuances	871,424	-
Lease payments	(81,357)	(29,284)
Share issuance costs	(16,221)	(182,204)
Cash provided by (used in) financing activities	773,846	(211,488)
Effect of foreign exchange on cash	112,252	11,128
Increase (decrease) in cash	1,988,342	(2,057,904)
Cash, beginning of period	1,281,921	4,401,752
Cash, end of period	3,270,263	2,343,848
Supplemental information		
Cash	3,250,258	2,338,818
Restricted cash	20,005	5,030
	3,270,263	2,343,848
Interest paid	-	-
Income taxes paid	-	-

The accompanying notes form an integral part of these condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Headwater Gold Inc. (the "Company") was incorporated on January 14, 2019 under the laws of British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets in the United States. The address of the Company's corporate office and its principal place of business is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada. The Company's shares were approved for trading on the Canadian Securities Exchange ("CSE") under the symbol "HWG" on June 8, 2021.

The Company has one wholly owned subsidiary: CP Holdings Corporation. The accounts of the subsidiary are consolidated with the Company.

As at November 30, 2022, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The Company has not generated revenue or cash flows from operations. The Company's ability to continue its operations, develop its properties and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements.

The outbreak and spread of a novel coronavirus (COVID-19), declared a pandemic by the World Health Organization, has already had significant human, political, and economic consequences around the world. The coronavirus is still evolving, and its full impact remains to be determined. However, its wide-ranging effects include financial market volatility, interest rate cuts, disrupted movement of people and goods, and diminished consumer confidence. The effects of the coronavirus may be difficult to assess or predict with meaningful precision both generally and as an industry or issuer-specific basis. This is an uncertain issue where actual effects will depend on many factors beyond the control and knowledge of the Company.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2022 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2022 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from January 1, 2022. Note 2c) sets out the impact of new standards, interpretations and amendments that have had a material effect on the financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on January 27, 2023.

a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, CP Holdings Corporation. Inter-company balances and transactions are eliminated on consolidation.

b) Foreign Currency Translation

The presentation and functional currency of the Company is the Canadian dollar as this is the principal currency of the economic environment in which it operates. The functional currency of the subsidiary is the United States Dollar.

The Company translates transactions in foreign currencies into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rates in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical rates. The resulting exchange gains or losses are recognized in the statement of comprehensive loss.

A subsidiary that has a functional currency different from the presentation currency, is translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the reporting date;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the period, and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

c) Adoption of New and Revised Standards and Interpretations

A number of new or amended accounting standards were scheduled for mandatory adoption on or after March 1, 2022. The Company has not early adopted these new standards in preparing these consolidated financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's 2022 annual financial statements.

(Expressed in Canadian Dollars)

4. SHORT-TERM INVESTMENTS

Short-term investments consist of term deposits and marketable securities. As at November 30, 2022 and February 28, 2022, the fair values of the short-term investments are as follows:

	November 30, 2022		February 28, 2022	
	Fair Value ($)	**Cost ($)**	**Fair Value ($)**	**Cost ($)**
Term deposits	650,000	650,000	-	-
Shares in Elevation Gold (a) and Huntsman (b)	54,967	2,266,450	777,291	2,266,450
	704,967	2,916,450	777,291	2,266,450

a) Elevation Gold Mining Corporation

On November 24, 2020, pursuant to a property sale agreement, the Company received 500,000 common shares of Eclipse Gold Mining Corporation ("Eclipse"), a former public company listed for trading on the TSX Venture Exchange ("TSXV"), which were recorded at market value of $310,000.

In February 2021, Northern Vertex Mining Corp. ("Northern Vertex") acquired Eclipse via a statutory plan of arrangement under the Business Corporations Act (British Columbia) pursuant to which Northern Vertex acquired all of the issued and outstanding common shares of Eclipse. Pursuant to the transaction, Eclipse shareholders are entitled to receive 1.09 common shares of Northern Vertex in exchange for each Eclipse share held by such shareholder immediately prior to the completion of the transaction. The plan of arrangement was completed on February 16, 2021 and the Eclipse shares were delisted from the TSXV on February 19, 2021. On June 15, 2021, the Company received 545,000 common shares of Northern Vertex in exchange for its 500,000 common shares of Eclipse and recorded a loss on disposal of $8,175.

Effective September 24, 2021, Northern Vertex consolidated its common shares on a six (6) old for one (1) new basis and changed its name to Elevation Gold Mining Corporation ("Elevation Gold"). The Company's investment of 545,000 common shares of Northern Vertex were exchanged for 90,833 shares of Elevation Gold.

A summary table of the Company's investment in Eclipse is as follows:

	Number of shares	Fair value $
Balance, February 28, 2021	500,000	204,375
Proceeds on disposal	(500,000)	(196,200)
Loss on disposal	-	(8,175)
Balance, February 28, 2022 and November 30, 2022	-	-

A summary table of the Company's investment in Elevation Gold is as follows:

	Number of shares	Fair value $
Balance, February 28, 2021	-	-
Elevation Gold shares received on June 15, 2021	90,833	196,200
Unrealized loss	-	(137,159)
Balance, February 28, 2022	90,833	59,041
Unrealized loss	-	(46,325)
Balance, November 30, 2022	90,833	12,717

(Expressed in Canadian Dollars)

4. SHORT-TERM INVESTMENTS (CONTINUED)

b) Huntsman Exploration Inc.

On December 21, 2020, pursuant to a property sale agreement, the Company received 8,450,000 common shares of Huntsman Exploration Inc. ("Huntsman"), a public company trading on the TSXV, which were recorded at market value of $2,070,250. The shares were restricted from trading until December 21, 2021.

A summary table of the Company's investment in Huntsman is as follows:

	Number of shares	Fair value $
Balance, February 28, 2021	8,450,000	2,070,250
Unrealized loss	-	(1,352,000)
Balance, February 28, 2022	8,450,000	718,250
Unrealized loss	-	(676,000)
Balance, November 30, 2022	8,450,000	42,250

5. DEPOSITS

The Company has established a surety bonding arrangement with a third party (the "Surety Agent") under which 50% of the Company's reclamation bonding obligations will be replaced by deposits made by the Surety Agent. A finance fee of 2.5% will be charged on the balance of the amounts advanced and deposited by the Surety Agent.

During the year ended February 28, 2022, the Company advanced US $105,000 (CAD$137,666) to the Surety Agent as collateral against US $210,000 in bonding that was placed by the Surety Agent. The bonds were executed to provide state-wide coverage for operations conducted by the Company on its mining claims in Nevada and Oregon. The bond deposit is returnable to the Company only after the government agencies are satisfied that there is no outstanding reclamation liability associated with the land or after the bond is replaced by another bond.

During the period ended November 30, 2022, the Company advanced an additional reclamation bond deposit of US $17,037 (CAD$23,014) directly to the Nevada Bureau of Land Management.

(Expressed in Canadian Dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment $	Furniture & Equipment $	Field Equipment $	Leasehold Improvements	Total $
Cost					
Balance at February 28, 2021	-	-	-	-	-
Acquired	5,260	20,682	31,251	-	57,193
Foreign exchange	-	-	628	-	628
Balance at February 28, 2022	5,260	20,682	31,879	-	57,821
Acquired	-	-	11,638	15,490	27,128
Foreign exchange	-	-	2,650	23	2,673
Balance at November 30, 2022	5,260	20,682	46,167	15,513	87,622
Depreciation					
Balance at February 28, 2021	-	-	-	-	-
Depreciation	912	4,529	6,295	-	11,736
Foreign exchange	-	-	55	-	55
Balance at February 28, 2022	912	4,529	6,350	-	11,791
Depreciation	789	3,634	7,503	430	12,356
Foreign exchange	-	-	657	2	659
Balance at November 30, 2022	1,701	8,163	14,510	432	24,806
Carrying amounts					
At February 28, 2021	-	-	-	-	-
At February 28, 2022	4,348	16,153	25,529	-	46,030
At November 30, 2022	3,559	12,519	31,657	15,081	62,816

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	Idaho $	Nevada $	Oregon $	Total $
Acquisition costs				
Balance, February 28, 2021	332,455	256,553	195,600	784,608
Additions	85,516	299,570	57,569	442,655
Impairment	-	(93,448)	(8,267)	(101,715)
Foreign exchange	1,815	3,226	1,385	6,426
Balance, February 28, 2022	419,786	465,901	246,287	1,131,974
Additions	92,281	541,074	205,101	838,456
Management fee	-	44,230	11,887	56,117
Recovery from third party earn-in	-	(486,501)	(130,757)	(617,258)
Impairment	-	-	(20,129)	(20,129)
Option of property	-	(276,515)	(74,205)	(350,720)
Foreign exchange	27,257	31,599	19,419	78,275
Balance, November 30, 2022	539,324	319,788	257,603	1,116,715
Exploration costs				
Balance, February 28, 2021	182,951	163,197	320,395	666,543
Additions				
Administration	21,145	34,409	23,351	78,905
Drilling	19,299	526,493	717,914	1,263,706
Geology	126,393	203,412	192,080	521,885
Mapping, sampling, geochem	8,411	29,289	-	37,700
Technical review	8,294	13,606	9,061	30,961
	183,542	807,209	942,406	1,933,157
Impairment	-	(370,821)	(19,868)	(390,689)
Foreign exchange	2,308	8,320	10,311	20,939
Balance, February 28, 2022	368,801	607,905	1,253,244	2,229,950
Additions				
Administration	5,473	50,287	18,949	74,709
Drilling	7,346	2,449,051	34,672	2,491,069
Geology	49,709	761,530	131,485	942,724
Mapping, sampling, geochem	124	278,343	18,697	297,164
Safety & social performance	-	15,587	2,785	18,372
Technical review	6,659	19,319	6,527	32,505
Management fee	-	334,049	6,406	340,455
	69,311	3,908,166	219,521	4,196,998
Recovery from third party earn-in	-	(3,674,517)	(70,484)	(3,745,001)
Option of property	-	(476,079)	-	(476,079)
Foreign exchange	26,904	43,280	85,733	155,917
Balance, November 30, 2022	465,016	408,755	1,488,014	2,361,785
Total acquisition costs and exploration expenditures				
February 28, 2022	788,587	1,073,806	1,499,531	3,361,924
November 30, 2022	1,004,340	728,543	1,745,617	3,478,500

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

a) Earn-In Agreements with Newcrest Mining Limited

Pursuant to four separate definitive option and earn-in agreements (the "Earn-In Agreements") with a wholly-owned subsidiary of Newcrest Mining Limited ("Newcrest") dated August 15, 2022 (the "Execution Date"), Newcrest will have an option to acquire up to a 75% interest in each of the Company's Mahogany project in Oregon and Agate Point, Midas North and Spring Peak projects in Nevada for a cash payment of US $612,989, cumulative earn-in exploration expenditures of US $145,000,000, and the completion of Pre-Feasibility Studies which include a minimum resource of 1.5 million gold or gold equivalent ounces per project. Additionally, Newcrest agreed to acquire a 9.9% equity interest in the Company through a non-brokered private placement of common shares (Note 10(a)).

b) Idaho Properties

The Company holds a 100% interest in four mineral properties in Idaho that it has acquired by way of staking federal land or arm's length vendor acquisition.

(i) Matador Property - Matador is comprised of 30 mineral claims totalling 251 hectares located in Owyhee County, Idaho.

(ii) Opaline Gulch Property - Opaline Gulch is comprised of 31 mineral claims totalling 259 hectares located in Owyhee County, Idaho.

(iii) Crane Creek Property – Crane Creek is comprised of 135 mineral claims totalling 1,129 hectares, a state mining lease totalling 259 hectares and a fee lease totalling 26 hectares located in Washington County, Idaho.

Pursuant to an agreement dated July 22, 2020, the Company has acquired a 100% undivided interest in certain unpatented mining claims and State Mineral Lease E500007 located in Idaho for consideration of US $60,000 and 200,000 common shares of the Company (issued October 1, 2020 with a fair value of $44,000). The unpatented mining claims are subject to a 1% net smelter returns ("NSR") royalty which the Company may purchase for US $1,000,000 at any time. State Mineral Lease E500007 expired on February 28, 2021. The Company has acquired a fresh lease in its place: State Mineral Lease E500034 with a twenty year term, beginning March 1, 2021 and terminating February 28, 2041.

Pursuant to a mining lease agreement effective October 28, 2020, the Company has agreed to lease certain fee lands in Washington County, Idaho for a twenty year term that may be extended by ten year increments, for consideration of US $5,000 payable upon execution of the agreement and subsequent payments of US $3,250 on each anniversary of the effective date. The property is subject to a NSR royalty of 2%, of which the first 1% may be purchased for US $1,000,000 at any time and the second 1% may be purchased for US $2,000,000 at any time.

(iv) Flint Property - Flint is comprised of 130 mineral claims totalling 1,087 hectares located in Owyhee County, Idaho. The Company originally acquired the Flint property by way of staking federal land and sold it to Huntsman Exploration Inc. in December 2020. In August 2022, Huntsman abandoned the property without having conducted any exploration work and returned it to the Company for a nominal fee.

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

c) Nevada Properties

The Company holds interests in six mineral properties in Nevada.

(i) Agate Point Property - Agate Point is comprised of 233 mineral claims totalling 1,948 hectares located in Humboldt County, Nevada. The Company holds a 100% interest in the project, subject to Newcrest's option to acquire 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

Pursuant to the Agate Point Earn-In Agreement with Newcrest, Newcrest shall make a cash payment of US $30,684 (paid) representing historical land fees, staking costs and certain exploration costs, and sole fund guaranteed exploration expenditures of US $500,000 over a 24 month period (the "Minimum Commitment"). During this phase, the Company shall be the manager of the project and earn a 10% management fee on expenditures.

During Stage 1, Newcrest may elect to earn a 51% interest in the project by sole funding expenditures of US $10,000,000, inclusive of the Minimum Commitment, within 36 months of the Execution Date. If Newcrest fails to meet either the Minimum Commitment or the Stage 1 earn-in expenditure amount, the Company will retain 100% ownership of the project with no interest earned by Newcrest. Newcrest has the option to extend the Stage 1 period by 12 months with the payment of US $150,000.

During Stage 2, Newcrest may earn an additional 14% interest the project, for a total 65% interest, by sole funding additional expenditures of US $20,000,000 within 36 months following completion of Stage 1. If Newcrest initiates but does not complete Stage 2, its interest will revert to 49%, which the Company retains the right to purchase at a mutually agreed price or, if a price cannot be mutually agreed within a specified period, for Fair Value. Newcrest has the option to extend the Stage 2 period by 12 months with the payment of US $250,000.

During Stage 3, Newcrest may earn an additional 10% interest in the project, for a total 75% interest, by completing the following: (i) ceding a 2% NSR royalty to the Company, which Newcrest retains the right to buy back 1% of the NSR for Fair Value at any time; and (ii) delivering a Pre-Feasibility Study, solely funded by Newcrest, which includes a minimum 1.5 million ounce gold or gold-equivalent resource within an additional 24-month period following the completion of Stage 2. Newcrest has the option to extend the Stage 3 period by 12 months with the payment of US $500,000.

As at November 30, 2022, Newcrest has advanced US $518,967 (CAD$701,021) towards the Minimum Commitment and incurred US $498,974 (CAD$674,014) in earn-in expenditures on the Agate Point project (Note 9).

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

c) Nevada Properties (continued)

(ii) Midas North Property – Midas North (formerly known as Castle Ridge) is comprised of 410 mineral claims totalling 3,428 hectares located in Elko County, Nevada. The Company holds a 100% interest in the project, subject to Newcrest's option to acquire 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

Pursuant to the Midas North Earn-In Agreement with Newcrest, Newcrest shall make a cash payment of US $88,629 (paid) representing historical land fees, staking costs and certain exploration costs, and sole fund guaranteed exploration expenditures of US $2,000,000 over a 24 month period (the "Minimum Commitment"). During this phase, the Company shall be the manager of the project and earn a 10% management fee on expenditures.

During Stage 1, Newcrest may elect to earn a 51% interest in the project by sole funding expenditures of US $10,000,000, inclusive of the Minimum Commitment, within 36 months of the Execution Date. If Newcrest fails to meet either the Minimum Commitment or the Stage 1 earn-in expenditure amount, the Company will retain 100% ownership of the project with no interest earned by Newcrest. Newcrest has the option to extend the Stage 1 period by 12 months with the payment of US $150,000.

During Stage 2, Newcrest may earn an additional 14% interest the project, for a total 65% interest, by sole funding additional expenditures of US $20,000,000 within 36 months following completion of Stage 1. If Newcrest initiates but does not complete Stage 2, its interest will revert to 49%, which the Company retains the right to purchase at a mutually agreed price or, if a price cannot be mutually agreed within a specified period, for Fair Value. Newcrest has the option to extend the Stage 2 period by 12 months with the payment of US $250,000.

During Stage 3, Newcrest may earn an additional 10% interest in the project, for a total 75% interest, by completing the following: (i) ceding a 2% net smelter return ("NSR") royalty to the Company, which Newcrest retains the right to buy back 1% NSR for Fair Value at any time; and (ii) delivering a Pre-Feasibility Study, solely funded by Newcrest, which includes a minimum 1.5 million ounce gold or gold-equivalent resource within an additional 24-month period following the completion of Stage 2. Newcrest has the option to extend the Stage 3 period by 12 months with the payment of US $500,000.

As at November 30, 2022, Newcrest has advanced US $845,194 (CAD$1,141,688) towards the Minimum Commitment and incurred US $601,893 (CAD$813,037) in earn-in expenditures on the Midas North project (Note 9).

(iii) Dome Hill Property - Dome Hill is comprised of 50 mineral claims totalling 418 hectares located in Mineral County, Nevada and Mono County, California. The Company holds a 100% interest in the project.

(iv) Long Valley Property – Long Valley is comprised of 39 mineral claims totalling 326 hectares located in Mineral County, Nevada. The Company holds a 100% interest in the project.

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

c) Nevada Properties (continued)

(v) Spring Peak Property – The Company has entered into an Option to Purchase Agreement (the "Agreement") dated July 12, 2021 to acquire a 100% interest, subject to retained royalties, in the Spring Peak epithermal gold/silver project located in Nevada from Renaissance Exploration Inc. ("REI"), a wholly owned subsidiary of Orogen Royalties Inc. The Company's interest in the project is subject to Newcrest's option to acquire 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

Pursuant to the Agreement and in order to exercise the option to acquire a 100% interest in the Property, the Company shall make the following payments:

(i) Pay US$10,000 upon signing the Agreement (paid);

(ii) Incur US$250,000 in exploration expenditures within 24 months of execution of the Agreement (incurred);

(iii) Pay US$250,000 upon receipt of final approval from the United States Forest Service of the Company's full Plan of Operations for exploration, which sum may be paid in common shares of the Company at the Company's election;

(iv) Grant to REI a 0.5% NSR royalty of which the Company shall have the right of first offer to purchase the NSR if REI elects to sell it;

(v) Grant to REI the option to purchase an additional 0.5% royalty for US$1,000,000, exercisable prior to the commencement of commercial production; and

(vi) Pay all costs and payments due and payable under the Underlying Kuzma Mining Lease and Option to Purchase Agreement dated January 20, 2012, as amended September 5, 2013 and April 12, 2016, as follow:

1) Pay annual lease payments on or before the anniversary of the receipt of approval of a notice of intent to operate or a plan of operations for drilling from the United States Forest Service (the "Permit Date", December 1, 2019) as follow:

- Second anniversary of Permit Date: US$40,000 (paid);
- Third through eleventh anniversaries of Permit Date: US$50,000;
- Twelfth through fifteenth anniversaries of Permit Date: US$60,000;
- Sixteenth and each succeeding anniversary of Permit Date: US$60,000, as adjusted for inflation;

2) Pay US$500,000 to exercise the Option at any time within one year after the completion of a Technical Report complying with NI 43-101 standards which documents a minimum 500,000 ounce gold equivalent inferred resource on the Property; and pay a 2.5% NSR royalty of which the Issuer shall have the right to purchase 1.5% of the NSR for US$1,500,000.

The underlying Kuzma lease consists of 52 mineral claims totalling 435 hectares. The Company has acquired 100% interest in an additional 234 mineral claims totalling 1,956 hectares through staking.

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

c) Nevada Properties (continued)

Pursuant to the Spring Peak Earn-In Agreement with Newcrest, Newcrest shall make a cash payment of US $438,660 (paid) representing historical land fees, staking costs and certain expenditures, and sole fund guaranteed exploration expenditures of US $2,500,000 over a 24 month period (the "Minimum Commitment"). Newcrest is obligated to spend an additional US $2,500,000, bringing the total guaranteed exploration expenditures to US $5,000,000, within a 12-month period following the receipt of a full Plan of Operations exploration permit. If the exploration permit is not obtained within 24 months, then Newcrest may elect to proceed to Stage 1 without having to fund the additional Minimum Commitment of US $2,500,000. During this phase, the Company shall be the manager of the project and earn a 10% management fee on expenditures.

During Stage 1, Newcrest may elect to earn a 51% interest in the project by sole funding expenditures of US $15,000,000, inclusive of the Minimum Commitment, within 36 months of the Execution Date. If Newcrest fails to meet either the Minimum Commitment or the Stage 1 earn-in expenditure amount, the Company will retain 100% ownership of the project with no interest earned by Newcrest. Newcrest has the option to extend the Stage 1 period by 12 months with the payment of US $150,000.

During Stage 2, Newcrest may earn an additional 14% interest the project, for a total 65% interest, by sole funding additional expenditures of US $40,000,000 within 36 months following completion of Stage 1. If Newcrest initiates but does not complete Stage 2, its interest will revert to 49%, which the Company retains the right to purchase at a mutually agreed price or, if a price cannot be mutually agreed within a specified period, for Fair Value. Newcrest has the option to extend the Stage 2 period by 12 months with the payment of US $250,000.

During Stage 3, Newcrest may earn an additional 10% interest in the project, for a total 75% interest, by completing the following: (i) ceding a 1% net smelter return ("NSR") royalty to the Company, which Newcrest retains the right to buy back 0.5% NSR for Fair Value at any time; and (ii) delivering a Pre-Feasibility Study, solely funded by Newcrest, which includes a minimum 1.5 million ounce gold or gold-equivalent resource within an additional 24-month period following the completion of Stage 2. Newcrest has the option to extend the Stage 3 period by 12 months with the payment of US $500,000.

As at November 30, 2022, Newcrest has advanced US $1,665,713 (CAD$2,250,045) towards the Minimum Commitment and incurred US $2,011,956 (CAD$2,717,750) in earn-in expenditures on the Spring Peak project (Note 9).

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

c) Nevada Properties (continued)

(vi) TJ Property - TJ is comprised of 13 mineral claims totalling 109 hectares that the Company staked and a mining lease of 90 mineral claims totalling 752 hectares located in Elko County, Nevada.

Pursuant to an exploration lease and option to purchase agreement effective October 31, 2022, the Company has agreed to lease certain lands in Elko County, Nevada for a thirty year term for the following annual minimum payments ("Minimum Payment"):

- Upon execution of agreement ("Effective Date"): US $15,000;
- First anniversary of Effective Date: US $20,000;
- Second anniversary of Effective Date: US $25,000;
- Third anniversary of Effective Date: US $35,000;
- Fourth anniversary of Effective Date: US $50,000;
- Fifth through tenth anniversary of Effective Date: US $50,000 adjusted for inflation; and
- Eleventh and each succeeding anniversary of Effective Date: US $100,000 adjusted for inflation.

The lease is further subject to a work commitment of US$250,000 to be incurred on or before the second anniversary of the Effective Date.

The leased property is subject to NSR royalties of between 1.5% to 2.5%, of which 40% of the NSR may be purchased for US $2,000,000 adjusted for inflation at any time and 40% of the NSR may be purchased for fair value within 90 days after completion of a NI 43-101 compliant pre-feasibility report.

The Company retains an option to acquire 100% interest in the leased property, subject to the NSR, for US $1,500,000 and the Minimum Payments shall be applied towards the purchase price.

(vii) Highland Property - The Company had entered into an Exploration and Option to Enter Joint Venture Agreement (the "Agreement") dated June 29, 2021 to earn up to a 100% interest in the Highland gold/silver project, located in Lander County, Nevada, from Bravada Gold Corporation together with its wholly owned subsidiary Rio Fortuna Exploration (U.S.), Inc. ("RFE"). The property was subject to a 3% retained NSR royalty of which 1% of the NSR may be purchased for US$1,000,000 at any time prior to the commencement of commercial production.

The Company made the decision to terminate the option and provided notice to the Optionor on September 30, 2021. Accordingly, $428,829 in acquisition costs and related exploration costs connected to the claims were written off during the year ended February 28, 2022 and a further $1,953 in exploration costs were expensed during the period ended November 30, 2022.

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

d) Oregon Properties

The Company holds interests in four mineral properties in Oregon.

(i) Katey Property - Katey is comprised of 144 mineral claims totalling 1,204 hectares located in Malheur County, Oregon.

(ii) Mahogany Property - Mahogany is comprised of 273 mineral claims totalling 2,283 hectares located in Malheur County, Oregon. The Company holds a 100% interest in the project, subject to Newcrest's option to acquire 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

Pursuant to the Mahogany Earn-In Agreement with Newcrest, Newcrest shall make a cash payment of US $55,016 (paid) representing land fees and staking costs, and sole fund guaranteed exploration expenditures of US $1,000,000 over a 24 month period (the "Minimum Commitment"). During this phase, the Company shall be the manager of the project and earn a 10% management fee on expenditures.

During Stage 1, Newcrest may elect to earn a 51% interest in the project by sole funding expenditures of US $10,000,000, inclusive of the Minimum Commitment, within 36 months of the Execution Date. If Newcrest fails to meet either the Minimum Commitment or the Stage 1 earn-in expenditure amount, the Company will retain 100% ownership of the project with no interest earned by Newcrest. Newcrest has the option to extend the Stage 1 period by 12 months with the payment of US $150,000.

During Stage 2, Newcrest may earn an additional 14% interest the project, for a total 65% interest, by sole funding additional expenditures of US $20,000,000 within 36 months following completion of Stage 1. If Newcrest initiates but does not complete Stage 2, its interest will revert to 49%, which the Company retains the right to purchase at a mutually agreed price or, if a price cannot be mutually agreed within a specified period, for Fair Value. Newcrest has the option to extend the Stage 2 period by 12 months with the payment of US $250,000.

During Stage 3, Newcrest may earn an additional 10% interest in the project, for a total 75% interest, by completing the following: (i) ceding a 2% net smelter return ("NSR") royalty to the Company, which Newcrest retains the right to buy back 1% NSR for Fair Value at any time; and (ii) delivering a Pre-Feasibility Study, solely funded by Newcrest, which includes a minimum 1.5 million ounce gold or gold-equivalent resource within an additional 24-month period following the completion of Stage 2. Newcrest has the option to extend the Stage 3 period by 12 months with the payment of US $500,000.

As at November 30, 2022, Newcrest has advanced US $1,121,579 (CAD$1,515,029) towards the Minimum Commitment and incurred US $154,682 (CAD$208,944) in earn-in expenditures on the Mahogany project (Note 9).

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

d) Oregon Properties (continued)

(iii) Hot Tub Property – Hot Tub is comprised of 4 mineral claims totalling 33 hectares in Malheur County, Oregon. The Company had elected not to maintain certain of the claims and accordingly $20,129 in acquisition costs connected to the claims were written off during the period ended November 30, 2022.

(iv) Bannock Property – Bannock is comprised of 21 mineral claims totalling 176 hectares located in Malheur County, Oregon.

(v) Birch Creek Property – Birch Creek was comprised of 12 mineral claims totalling approximately 100 hectares in Malheur County, Oregon. The Company had elected not to maintain the claims and accordingly $28,135 in acquisition costs and related exploration costs connected to the claims were written off during the year ended February 28, 2022.

8. RIGHT-OF-USE ASSETS

The Company has leases for office spaces, a warehouse facility and a vehicle. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

The Company has entered into a lease for the rental of its office space for a two year term commencing August 1, 2021 that includes a rent-free period from May 1, 2021 to July 31, 2021 and free basic rent for the twelfth and twenty-fourth months. The Company recognized lease liability of $150,537 in the statement of financial position. The liability was measured at the present value of the remaining lease payments discounted using an incremental borrowing rate of 10% for a 27 month term at the date of initial occupancy, May 1, 2021. The lease term matures on July 31, 2023.

The Company has entered into a lease for the rental of its field office for a three year term commencing November 1, 2022. The Company recognized lease liability of $147,211 in the statement of financial position. The liability was measured at the present value of the remaining lease payments discounted using an incremental borrowing rate of 10% for a 36 month term at the date of initial occupancy, November 1, 2022. The lease term matures on October 31, 2025.

The Company has entered into a lease for the rental of a warehouse facility for a three year term commencing July 1, 2022. The Company recognized lease liability of $67,512 in the statement of financial position. The liability was measured at the present value of the remaining lease payments discounted using an incremental borrowing rate of 10% for a 36 month term at the date of initial occupancy, July 1, 2022. The lease term matures on June 30, 2025.

The Company has entered into a lease for the rental of a truck for a three year term commencing September 14, 2022. The Company recognized lease liability of $65,790 in the statement of financial position. The liability was measured at the present value of the remaining lease payments discounted using an incremental borrowing rate of 7.14% for a 36 month term at the date of initial possession, September 14, 2022. The lease term matures on September 14, 2025.

(Expressed in Canadian Dollars)

8. RIGHT-OF-USE-ASSETS (CONTINUED)

For the period ended November 30, 2022, depreciation of the right-of-use assets was $68,535 (2022: $55,754). The right-of-use assets are depreciated on a straight-line basis over the terms of the leases. A summary of the Company's right-of-use asset balances by class of assets at November 30, 2022 and February 28, 2022 and the changes for the periods then ended is presented below:

	Office $	Warehouse $	Vehicle $	Right-Of-Use Assets $
Balance, February 28, 2021	-	-	-	-
Additions	150,537	-	-	150,537
Depreciation	(55,754)	-	-	(55,754)
Balance, February 28, 2022	94,783	-	-	94,783
Additions	147,211	67,512	65,790	280,513
Depreciation	(54,268)	(9,637)	(4,630)	(68,535)
Foreign exchange	212	3,042	91	3,345
Balance, November 30, 2022	187,938	60,917	61,251	310,106

For the period ended November 30, 2022, interest expense on the lease liability was $10,725 (2022: $11,287). A summary of the Company's lease liability by class of assets at November 30, 2022 and February 28, 2022 and the changes for the periods then ended is presented below:

	Office $	Warehouse $	Vehicle $	Lease Liability $
Balance, February 28, 2021	-	-	-	-
Lease liability recognized	150,537	-	-	150,527
Lease payments	(51,424)	-	-	(51,424)
Accretion	11,287	-	-	11,287
Balance, February 28, 2022	110,400	-	-	110,400
Lease liabilities recognized	147,211	67,512	65,790	280,513
Lease payments	(67,167)	(10,599)	(4,071)	(81,837)
Accretion	7,083	2,670	972	10,725
Foreign exchange	214	3,078	92	3,384
Balance, November 30, 2022	197,741	62,661	62,783	323,185

	Office $	Warehouse $	Vehicle $	Lease Liability $
Current portion of lease liabilities	96,982	21,377	20,724	139,083
Non-current portion of lease liabilities	100,759	41,284	42,059	184,102
Balance, November 30, 2022	197,741	62,661	62,783	323,185

The Company expensed $29,836 (2022: $34,830) in short-term leases included in office expenses and recovered $57,402 (2022: $40,172) in rental income from right-of-use assets used by sub-tenants for the period ended November 30, 2022.

(Expressed in Canadian Dollars)

9. OTHER LIABILITIES

Other liabilities consist of net cash advances from Newcrest that the Company is committed to spend on qualifying earn-in expenditures by August 15, 2024 (Note 7).

	November 30, 2022 $	February 28, 2022 $
Cash received from Newcrest earn-in expenditures	5,607,783	-
Earn-in expenditures incurred	(4,413,745)	-
Earn-in expenditure commitment	1,194,038	-

10. SHARE CAPITAL

a) Common Shares

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

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The Company issued the following common shares during the period ended November 30, 2022:

(i) On August 30, 2022, the Company raised gross proceeds of $871,424 by way of a non-brokered private placement of 5,446,397 Common Shares priced at $0.16 sold to Newcrest (the "Equity Transaction"). The securities issued are restricted from trading until December 31, 2022. The Equity Transaction resulted in Newcrest owning approximately 9.9% of the total issued and outstanding Common Shares of the Company on a non-diluted basis. For so long as Newcrest holds not less than 5% of the Company's issued and outstanding Common Shares, Newcrest retains the right to maintain its pro rata interest. If Newcrest does not exercise this right and fails to maintain its pro rata interest through two consecutive equity financings, the participation right shall expire.

The Company issued the following common shares during the year ended February 28, 2022:

(ii) On February 11, 2021, the Company raised gross proceeds of $4,070,224 by way of a non-brokered private placement of 11,629,212 Subscription Receipts (each, a "Subscription Receipt") priced at $0.35. Each Subscription Receipt entitles the holder to acquire, for no additional consideration, one common share pursuant to the terms and conditions in the Subscription Receipt Certificate. On June 3, 2021, the Escrow Release Conditions for the Subscription Receipts were met and the Subscription Receipts were converted into common shares. Finder's fees of $182,203 were paid on $3,036,725 of the private placement.

b) Reserves

	November 30, 2022 $	February 28, 2022 $
Fair value of stock options granted or vested	830,919	717,347
Reserves	830,919	717,347

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)

c) Escrow Shares

On April 9, 2021, the Company entered into an escrow agreement under which 20,089,167 common shares would be held in escrow and are scheduled for release as follows: 10% on the date the shares are listed on a Canadian exchange (the "listing date", June 8, 2021) and 15% will be released in 6, 12, 18, 24, 30 and 36 months thereafter.

As at November 30, 2022, the Company held 12,053,503 shares in escrow.

11. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has a Stock Option Plan dated May 16, 2019 (the "Plan"). Because it is a rolling stock option plan, the Company may grant options to a maximum of 10% of the issued and outstanding Common Shares, from time to time, under the Plan. However, share compensation awards under all share compensation arrangements of the Company may not exceed, in aggregate, 10% of the total number of issued and outstanding Common Shares. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees, subject to the price restrictions and other requirements under the Plan. Options granted under the Plan are subject to vesting terms determined by the Board.

A summary of the Company's stock options at November 30, 2022 and February 28, 2022 and the changes for the periods then ended is presented below:

	November 30, 2022		**February 28, 2022**	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	4,855,000	$0.21	3,735,000	$0.16
Granted	645,000	$0.27	1,220,000	$0.36
Cancelled	-	-	(100,000)	$0.20
Ending balance	5,500,000	$0.22	4,855,000	$0.21

On October 28, 2022, the Company granted 645,000 stock options exercisable at $0.27 per share to a director, officers, employees and consultants of the Company. The options vested immediately.

On July 2, 2021, the Company granted 1,220,000 stock options exercisable at $0.36 per share to directors, officers, employees and consultants of the Company. The options vested over a six month period.

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS (CONTINUED)

a) Option Plan Details (continued)

Details of stock options outstanding as at November 30, 2022 and February 28, 2022 are as follows:

Expiry Date	Exercise Price	November 30, 2022	February 28, 2022	Weighted Average Remaining Contractual Life (Years)
July 24, 2024	$0.10	1,500,000	1,500,000	1.65
September 1, 2024	$0.10	100,000	100,000	1.76
August 12, 2025	$0.20	1,300,000	1,300,000	2.70
November 24, 2025	$0.22	735,000	735,000	2.99
July 2, 2026	$0.36	1,220,000	1,220,000	3.59
October 28, 2027	$0.27	645,000	-	4.91
		5,500,000	4,855,000	2.89

The weighted average remaining contractual life of stock options outstanding at November 30, 2022 was 2.89 years (February 28, 2022: 3.38 years).

b) Fair Value of Options Issued During the Years Ended

The weighted average fair value at grant date of options granted during the period ended November 30, 2022 was $0.176 per option (February 28, 2028: $0.275 per option). The total fair value of options granted during the period was $113,572 (February 28, 2028: $335,062). During the period ended November 30, 2022, $113,572 (February 28, 2022: $394,268) of the options vested and were realized as share based payments. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	November 30, 2022	February 28, 2022
Expected stock price volatility	79%	107%
Risk-free interest rate	3.31%	0.98%
Dividend yield	-	-
Expected life of options	5 years	5 years
Stock price on date of grant	$0.270	$0.355
Forfeiture rate	-	-

12. RELATED PARTY TRANSACTIONS AND BALANCES

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

a) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer, chief financial officer and vice president, exploration of the Company. Key management personnel compensation is comprised of the following:

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

a) Key Management Compensation (continued)

	2022 $	2021 $
Short-term employee benefits and director fees	359,821	274,503
Share-based payments	39,618	212,312
	399,439	486,815

The Company has entered into a Management Agreement with a company controlled by the President and Chief Executive Officer effective March 1, 2021 for no fixed term. As compensation for the services to be provided, the company controlled by the President will receive a monthly fee of US $13,000 with provisions for severance of six months of compensation in the event the Company terminates the Agreement without cause; three months of compensation in the event of constructive dismissal; and 24 months of compensation in the event the Company terminates the Agreement without cause or the President resigns within 12 months following a change of control. During the period ended November 30, 2022, the Company paid $152,369 (2021: $145,915) in fees to the company controlled by the President.

The Company has entered into a Management Agreement with a company controlled by the Chairman effective March 1, 2021 for no fixed term. As compensation for the services to be provided, the company controlled by the Chairman will receive a monthly fee of $5,000 with provisions for severance of six months of compensation in the event the Company terminates the Agreement without cause; three months of compensation in the event of constructive dismissal; and 24 months of compensation in the event the Company terminates the Agreement without cause or the Chairman resigns within 12 months following a change of control. During the period ended November 30, 2022, the Company paid $55,000 (2021: $46,688) in fees to the company controlled by the Chairman.

The Company has entered into an Employment Agreement with the Chief Financial Officer and Corporate Secretary effective January 1, 2022 for no fixed term. As compensation for the services to be provided, the CFO will receive a performance bonus of $6,000 and a monthly salary of $6,500 with provisions for severance of six months of compensation in the event the Company terminates the Agreement without cause; three months of compensation in the event of constructive dismissal; and 24 months of compensation in the event the Company terminates the Agreement without cause or the CFO resigns within 12 months following a change of control. During the period ended November 30, 2022, the Company paid $58,500 (2021: $45,901) in salary to the CFO.

The Company has entered into a General Services Agreement with the Vice President, Exploration ("VPX") effective September 1, 2022 to December 31, 2023. As compensation for the services to be provided, the Company has agreed to pay the VPX a daily rate of US $625. During the period ended November 30, 2022, the Company paid $57,952 (2021: $nil) in fees to the VPX.

During the period ended November 30, 2022, the Company recorded $36,000 (2021: $36,000) in director fees payable to three directors.

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(Expressed in Canadian Dollars)

b) Related Party Payables

As at November 30, 2022, the Company has $66,606 (February 28, 2022: $39,979) due to related parties which consists of amounts owed to directors, officers, and companies with common directors for salaries, fees, advances and expense reimbursements, which are due on demand, unsecured and are non-interest bearing.

c) Related Party Receivables

As at November 30, 2022 the Company has $1,899 (February 28, 2022: $9,829) receivable from companies with common directors for rent and office overhead expense recoveries, which are due on demand, unsecured and are non-interest bearing.

d) Exploration Expenses

During the period ended November 30, 2022, the Company received $80,938 in services for photogrammetric surveys from a company with common directors.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair values

The Company's financial instruments include cash, restricted cash, term deposits, marketable securities, trade and other payables and other liabilities. The fair value of these financial instruments approximates their carrying values due to the relative short-term maturity of these instruments.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

	November 30, 2022		February 28, 2022	
	Fair Value $	Carrying Value $	Fair Value $	Carrying Value $
FVTPL assets (i)	3,975,230	3,975,230	2,059,212	2,059,212
Amortized cost liabilities (ii)	2,580,065	2,580,065	242,191	242,191

(i) Cash, restricted cash, term deposits and marketable securities
(ii) Trade and other payables, lease liabilities and other liabilities

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at November 30, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Cash	3,270,263	-	-	3,270,263
Term deposits	650,000	-	-	650,000
Marketable securities	54,967	-	-	54,967

The Company believes the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts and other receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with high credit chartered Canadian financial institutions or comparable American financial institutions. As at November 30, 2022, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables, lease liabilities and other liabilities. The Company has a working capital surplus of $2,899,925 as at November 30, 2022 and does not require additional financing for operations and to meet its current obligations. The Company handles its liquidity risk through the management of its capital structure as described in Note 14. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

The following are the contractual maturities of financial liabilities as at November 30, 2022:

	Carrying Amount $	Contractual Cash Flows $	Within 1 year $	Within 2 years $	Within 3 years $	Over 3 years $
Trade and other payables	1,062,843	1,062,843	1,062,843	-	-	-
Lease liabilities	323,185	323,185	139,083	96,720	87,382	-
Other liabilities	1,194,037	1,194,037	-	1,194,037	-	-

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. The majority of the Company's exploration property expenditures will be incurred in United States dollars. The Company's property earn-in agreements with Newcrest will fund exploration expenditures in United States dollars.

14. CAPITAL MANAGEMENT

(Expressed in Canadian Dollars)

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its exploration and evaluation assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The Company considers items included in Equity to be capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash and cash equivalents.

15. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with all current exploration activities being conducted in the United States:

	November 30, 2022			February 28, 2022		
	Canada $	USA $	Total $	Canada $	USA $	Total $
Current assets	1,032,108	3,083,251	4,115,359	1,999,411	141,317	2,140,728
Right-of-use-assets	44,604	265,502	310,106	94,783	-	94,783
Property, plant & equipment	16,078	46,738	62,816	20,501	25,529	46,030
Exploration & evaluation assets	-	3,478,500	3,478,500	-	3,361,924	3,361,924
Deposits	-	164,848	164,848	-	133,329	133,329
Total assets	1,092,790	7,038,839	8,131,629	2,114,695	3,662,099	5,776,794
Total liabilities	105,438	2,488,135	2,593,573	174,611	95,080	269,691