HAWKMOON RESOURCES CORP.

FINANCIAL STATEMENTS

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

Crowe

Crowe MacKay LLP

1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5

Main +1 (604) 687-4511
Fax +1 (604) 687-5805

www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Hawkmoon Resources Corp.

Opinion

We have audited the financial statements of Hawkmoon Resources Corp. (the "Company"), which comprise the statements of financial position as at March 31, 2022 and March 31, 2021 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and March 31, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
August 29, 2022

HAWKMOON RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
As at March 31, 2022 and 2021
(Expressed in Canadian Dollars)

		2022		2021
ASSETS				
Current				
Cash and cash equivalents	$	1,038,138	$	764,429
Amounts receivable		113,672		28,518
Due from related party (Note 8)		40,865		-
Prepaid expenses and deposits (Note 8)		69,368		64,765
Marketable securities (Note 6)		-		29,500
		1,262,043		887,212
Exploration and evaluation assets (Note 5)		357,500		16,000
	$	1,619,543	$	903,212
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 8)	$	172,235	$	38,692
Premium on flow-through (Note 12)		140,103		-
		312,338		38,692
SHAREHOLDERS' EQUITY				
Share capital (Note 7)		4,888,794		1,676,330
Share subscriptions received (receivable) (Note 7)		(48,065)		19,210
Contributed surplus		305,630		3,080
Accumulated deficit		(3,839,154)		(834,100)
		1,307,205		864,520
	$	1,619,543	$	903,212

Going concern (Note 2)
Commitments (Notes 5 and 12)
Subsequent events (Notes 5 and 14)

APPROVED ON BEHALF OF THE BOARD:

"Branden Haynes" Director — Branden Haynes

"Geoff Balderson" Director — Geoff Balderson

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

HAWKMOON RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)

		2022		2021
Expenses				
Consulting fees (Note 8)	$	581,195	$	203,472
Filing and transfer agent fees		69,175		35,106
General exploration costs (Notes 5 and 8)		1,184,076		102,665
Investor relations		538,487		-
Marketing		89,105		5,197
Office and general		27,569		16,660
Professional fees		101,090		74,080
Rent (Note 8)		19,500		15,669
Share-based payment (Notes 7 and 8)		375,972		-
Travel and conferences		21,241		5,190
Website		59,670		10,690
Write-off of mineral property (Note 5)		73,500		-
		3,140,580		468,729
Loss before other items		(3,140,580)		(468,729)
Other items:				
Other income (Note 12)		130,397		-
Unrealized gain on marketable securities		-		17,000
Gain on sale of marketable securities (Note 6)		5,129		-
		135,526		17,000
Net loss and comprehensive loss for the year	$	(3,005,054)	$	(451,729)
Basic and diluted loss per share	$	(0.06)	$	(0.02)
Weighted average number of common shares outstanding		52,047,045		21,495,775

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

HAWKMOON RESOURCES CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Share Subscriptions Received (Receivable)	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, March 31, 2020	6,800,001	$ 136,000	$ 438,300	$ -	$ (382,371)	$ 191,929
Share issuances						
Private placement	22,418,600	1,590,060	(438,300)	-	-	1,151,760
Share issue cost	-	(46,650)	-	-	-	(46,650)
Agent's warrants issued	-	(3,080)	-	3,080	-	-
Share subscriptions received	-	-	19,210	-	-	19,210
Net loss for the year	-	-	-	-	(451,729)	(451,729)
Balance, March 31, 2021	29,218,601	1,676,330	19,210	3,080	(834,100)	864,520
Initial public offering	7,500,000	750,000	-	-	-	750,000
Share issue cost – cash	-	(115,213)	-	-	-	(115,213)
Agent's warrants issued	-	(48,000)	-	48,000	-	-
Shares issued for cash	650,000	37,500	-	-	-	37,500
Exercise of stock options	380,000	79,800	-	(30,400)	-	49,400
Private placement	29,950,236	2,742,250	(67,275)	-	-	2,674,975
Allocation to flow-through premium	-	(270,500)	-	-	-	(270,500)
Share issue cost – cash	-	(220,895)	-	-	-	(220,895)
Agent's warrants issued	-	(69,291)	-	69,291	-	-
Shares issued for mineral properties	1,530,000	166,500	-	-	-	166,500
Shares issued for RSU's	1,282,500	160,313	-	(160,313)	-	-
Share-based payments	-	-	-	167,200	-	167,200
Share-based payments on RSU's granted	-	-	-	208,772	-	208,772
Net loss for the year	-	-	-	-	(3,005,054)	(3,005,054)
Balance, March 31, 2022	70,511,337	$ 4,888,794	$ (48,065)	$ 305,630	$ (3,839,154)	$ 1,307,205

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

HAWKMOON RESOURCES CORP.
STATEMENTS OF CASH FLOWS
For the years ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)

	2022	2021
Operating Activities		
Net loss for the year	$ (3,005,054)	$ (451,729)
Items not affecting cash:		
Other income	(130,397)	-
Share-based payment	375,972	-
Unrealized gain on marketable securities	-	(17,000)
Gain on sale of marketable securities	(5,129)	-
Write-off of mineral property	73,500	-
Changes in non-cash working capital items related to operations:		
Amounts receivable	(85,154)	(14,756)
Prepaid expenses and deposits	(4,603)	(28,775)
Due from related party	(40,865)	-
Accounts payable and accrued liabilities	133,543	24,414
Cash used in operating activities	(2,688,187)	(487,846)
Investing Activities		
Purchase of marketable securities	(19,864)	(12,500)
Proceeds on sale of marketable securities	54,493	-
Mineral property acquisition	(248,500)	-
Cash used in investing activities	(213,871)	(12,500)
Financing Activities		
Shares issued for cash	3,511,875	1,151,760
Share issue cost	(336,108)	(46,650)
Share subscriptions received	-	19,210
Cash provided by financing activities	3,175,767	1,124,320
Change in cash during the year	273,709	623,974
Cash, beginning of year	764,429	140,455
Cash and cash equivalents, end of the year	$ 1,038,138	$ 764,429
Cash and cash equivalents consist of:		
Cash	$ 1,038,138	$ 763,930
Cash held in trust	-	499
	$ 1,038,138	$ 764,429
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest	$ -	$ -
Income taxes	$ -	$ -

Non-cash transactions – (Note 13)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On April 15, 2021, the Company was listed and commenced trading on the CSE on April 19, 2021 under the trading symbol "HM".

The Company was incorporated on April 26, 2019 in British Columbia. The head office and registered and records office of the Company is located at 409 Granville Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 1T2.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These financial statements were approved and authorized for issue by the Board of Directors on August 29, 2022.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, unless otherwise noted.

(c) Going Concern

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. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At March 31, 2022, the Company has not achieved profitable operations, has accumulated losses of $3,839,154 (2021 - $834,100) since inception and expects to incur further losses in the development of its business.

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 results of operations at this time.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

2. BASIS OF PREPARATION – (cont'd)

(c) Going Concern – (cont'd)

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the financial statements, unless otherwise indicated.

Cash and Cash Equivalents

Cash include cash on hand, demand deposits with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Exploration and Evaluation Assets

Exploration and evaluation rights to explore

Costs incurred before the Company has obtained the legal rights to explore on area are expensed in the year in which they are incurred.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration, option payment under an earn-in arrangement and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to "property, plant and equipment" on the statement of financial position. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Exploration and evaluation expenditures

Exploration and evaluation ("E & E") expenditures are charged to operations in the year incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Impairment of Assets

The Company's assets are reviewed for an indication of impairment at each statement of financial position date and whenever events suggest that the carrying amounts may not be recoverable. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the profit or loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial Instruments

Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss ("FVTPL") are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Financial Instruments – (cont'd)

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as other income in the Statement of Loss and Comprehensive Loss in the period which it arises.

The Company's cash and cash equivalents and due from related party are measured at amortized cost. Marketable securities are recorded at FVTPL.

Impairment of Financial Assets at Amortized Cost

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

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities as financial liabilities held at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There were no potentially dilutive common shares related to warrants and stock options outstanding at March 31, 2022 and 2021. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share. As at March 31, 2022, the Company had 46,113,383 (2021 – 9,470,100) potentially dilutive shares outstanding.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Income Taxes – (cont'd)

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for other than business combination which does not have an impact. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

Share Capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements is determined to be the more easily measurable component and is valued at their fair value, as determined by the closing quoted bid price on the date of issuance once the shares are listed on a stock exchange. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to contributed surplus.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. The equity portion is measured at the market value and the residual is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the "premium" the investor attributes to a flow-through share versus an ordinary share.

When the expenditures are renounced, the Company records a deferred tax liability and deferred tax expense (renounced expenditures multiplied by the effective corporate tax rate).

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant using the Black-Scholes valuation model and recorded as compensation expense in profit or loss, with a corresponding increase to contributed surplus. The fair value determined at the grant date of the equity-settled share based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of stock options that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments, along with the amounts reflected in contributed surplus, is credited to share capital. Shares are issued from treasury upon the exercise of the equity-settled share based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by the use of the Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

All equity-settled share-based payments are reflected in contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. Amounts reflected in contributed surplus for stock options which expire unexercised remain in contributed surplus.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

The Company measures the cost of equity-settled share-based transactions by reference to the fair value of the equity instruments at the date at which they are granted. For restricted share units ("RSU's"), the fair value of the grant is determined by multiplying the Company's share price at grant date by the number of RSU's granted. The resulting fair value of the RSU's is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. Actual number of RSU's that will eventually vest is likely to be different from estimation.

Recent accounting pronouncements

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are not expected to have a material impact on the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical Judgments, Estimates and Assumptions in Applying Accounting Policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and Evaluation Assets and Impairment

The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Going Concern

The assessment of the Company's ability to continue as a going concern requires significant judgement. See Note 2(c).

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The following tables summarize the Company's exploration and evaluation assets as at March 31, 2022 and 2021.

As at March 31, 2022 and 2021	Romeo Property	Wilson Property	Lava Property	Total
Balance, March 31, 2020 and 2021	$ 16,000	$ -	$ -	$ 16,000
Cash – payment	20,000	212,000	16,500	248,500
Shares issued	37,500	96,000	33,000	166,500
Write-off of mineral property	(73,500)	-	-	(73,500)
Balance, March 31, 2022	$ -	$ 308,000	$ 49,500	$ 357,500

The following tables summarize the Company's exploration expenditures for the years ended March 31, 2022 and 2021.

For the year ended March 31, 2022	Wilson Property	Lava Property	Romeo Property	Total
Exploration expenditures				
Assays	$ -	$ 20,008	$ -	$ 20,008
Geological	186,089	23,016	30,248	239,353
Drilling	534,669	173,674	-	708,343
Field expenses and miscellaneous	127,238	9,996	19,221	156,455
Survey	1,500	58,417	-	59,917
	$ 849,496	$ 285,111	$ 49,469	$ 1,184,076

For the year ended March 31, 2021	General	Romeo Property	Total
Exploration expenditures			
Geological	$ 28,800	$ 12,250	$ 41,050
Field expenses and miscellaneous	-	48,615	48,615
Reports and data gathering	-	13,000	13,000
	$ 28,800	$ 73,865	$ 102,665

5. EXPLORATION AND EVALUATION ASSETS – (cont'd)

Romeo Property

By a mineral property option agreement dated May 17, 2019, the Company may acquire up to a 100% interest in the Romeo Property. This property consists of 53 mineral claims located in the Quebec, Canada. As consideration, the Company will pay cash of $150,000, issue 1,500,000 common shares of the Company and incur $1,000,000 in exploration expenditures as follows:

a) Cash payment of $10,000 and issuance of 300,000 common shares within 60 days of acceptance of the Agreement (paid and issued);
b) Incur a minimum of $60,000 in exploration expenditures within the six months from the agreement date (incurred);
c) Cash payment of $20,000 and issuance of 300,000 common shares of the Company within 30 days on the listing of the Company on the CSE (issued and paid);
d) Cash payment of $30,000 and issuance of 300,000 common shares of the Company and incur $200,000 in exploration expenditures within one year after listing on the CSE (April 15, 2022);
e) Cash payment of $40,000 and issuance of 300,000 common shares of the Company and incur $340,000 in exploration expenditures within two years after listing on the CSE (April 15, 2023); and
f) Cash payment of $50,000, issuance of 300,000 common shares of the Company and incur $400,000 exploration expenditures within three years after listing on the CSE (April 15, 2024).

Should the Company acquire 100% of the property, the optionor will retain a 2% net smelter returns royalty, 1% of which may be purchased by the Company for $1,000,000.

During the year ended March 31, 2022, management of the Company has decided not to continue with this project and wrote-off the $73,500 in acquisition cost.

Wilson Gold Property

On April 22, 2021, the Company entered into an option agreement with Cartier Resources Inc. to acquire 100% interest in the Wilson Gold property located in Verneuil township east of the town of Lebel-sur-Quevillon Quebec. As consideration, the Company is required to pay cash of $1,000,000, issue an aggregate of 5,000,000 common shares, incur not less than $6,000,000 in exploration expenditures and drill a minimum of 24,000 metres over a period of five years as follows:

a) Cash payment of $200,000 and issuance of 700,000 common shares upon execution of the agreement (paid and shares issued);
b) Cash payment of $150,000, issuance of 700,000 common shares, minimum exploration expenditures of $750,000 and drilling of 3,000m within the first anniversary date (subsequently paid, issued and incurred);
c) Cash payment of $150,000, issuance of 800,000 common shares, minimum exploration expenditures of $750,000 and drilling of 3,000m within the second anniversary date;
d) Cash payment of $250,000, issuance of 800,000 common shares, minimum exploration expenditures of $1,000,000 and drilling of 4,000m within the third anniversary date;
e) Cash payment of $250,000, issuance of 1,000,000 common shares, minimum exploration expenditures of $1,500,000 and drilling of 6,000m within the fourth anniversary date;
f) Issuance of 1,000,000 common shares, minimum exploration expenditures of $2,000,000 and drilling of 8,000m within the fifth anniversary date.

5. EXPLORATION AND EVALUATION ASSETS – (cont'd)

Wilson Gold Property – (cont'd)

The Company still have commitments of royalties of 4.5% to various owners with the options to repurchase.

Upon exercise of the option, Cartier Resources Inc. will retain a 2% net smelter return royalty ("NSR") of which 1% NSR may be purchased by the Company for $4,000,000.

On November 23, 2021, the Company entered into a purchase option agreement with three arms length individuals (the "Vendors") to acquire 100% interest in six mining claims which is contiguous to the Wilson gold property. As consideration, the Company will pay cash of $86,000 over three years (paid $12,000 and issued 200,000 common shares on signing) and issue 400,000 common shares over a three year period. Upon exercise of the option, the Vendors will retain 1.5% NSR of which 0.5% may be purchased by the Company for $600,000.

Lava Gold Property

On May 18, 2021, the Company entered into an option agreement with two arms length individuals (the "Vendors") to acquire 100% interest in the Lava gold property located in Latulipe-et-Gaboury township of western Quebec. As consideration, the Company will pay cash of $115,500, issue 1,320,000 common shares and complete $500,000 of work expenditures over a three year period as follows:

a) Cash payment of $16,500, issuance of 330,000 common shares within five business days of exchange acceptance (paid and shares issued);
b) Cash payment of $33,000, issuance of 330,000 common shares and incur $100,000 in exploration expenditures on or before the first anniversary date (subsequently paid and issued and incurred);
c) Cash payment of $33,000, issuance of 330,000 common shares and incur an additional $200,000 in exploration expenditures on or before the second anniversary date;
d) Cash payment of $33,000, issuance of 330,000 common shares and incur an additional $200,000 in exploration expenditures on or before the third anniversary date;

Upon exercise of the option, the Vendors will retain a 3% net smelter return royalty ("NSR") of which 1% NSR may be purchased by the Company for $1,000,000.

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. A continuity of the Company's marketable securities is as follows:

Investment in marketable securities	**Fair Value at March 31, 2022**	**Fair Value at March 31, 2021**
	$	$
Public Company		
Klondike Silver Corp.	-	20,000
Private Companies		
Mayne Minerals Inc.	-	2,500
Investment in warrants	-	7,000
Total	-	29,500

During the year ended March 31, 2022, the Company purchased $19,864 in investments and disposed of its investments for total proceeds of $54,493 and recognized a gain of $5,129 on disposal.

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

During the year ended March 31, 2022:

On April 16, 2021, the Company completed its offering and issued 7,500,000 units for gross proceeds of $750,000. Each Unit is comprised of one common share and one Share purchase warrant (a "Warrant") entitling the holder to acquire one common share at a price of $0.15 per share expiring on April 16, 2023 subject to the option of the Company to accelerate the expiry date of the Warrants if the weighted average trading price of the common shares during the 10 consecutive trading days immediately prior to the date on which such calculation is made is equal to or greater than $0.25. In connection with the offering, the Company paid a cash finder's fee totaling $115,213 consisting of a commission of $60,000, corporate finance fee of $25,000 and other costs totaling $30,213. The Company also issued 600,000 agent's warrants exercisable at $0.15 per share expiring on April 16, 2023. These finders' warrants were fair valued at $48,000 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.31%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.15. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies.

On April 16, 2021, the Company issued 550,000 common shares at a price of $0.05 for total proceeds of $27,500 and issued 100,000 units at a price of $0.10 per unit for total proceeds of $10,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.15 per share expiring two years from listing.

7. SHARE CAPITAL – (cont'd)

(b) Issued – (cont'd)

During the year ended March 31, 2022: – (cont'd)

On April 22, 2021, pursuant to the terms of an option agreement the Company issued 700,000 common shares fair valued at $84,000.

On May 3, 2021, the Company issued 380,000 common shares pursuant to the exercise of stock options for total proceeds of $49,400. The Company transferred $30,400 from contributed surplus to share capital.

On May 6, 2021, pursuant to the terms of an option agreement the Company issued 300,000 common shares fair valued at $37,500.

On May 26, 2021, pursuant to the terms of an option agreement the Company issued 330,000 common shares fair valued at $33,000.

During August 2021, the Company completed a private placement of 7,114,571 non-flow-through units ("NFT unit") at a price of $0.07 per NFT unit, and 3,415,000 flow-through units ("FT unit") at a price of $0.10 per FT unit for a total gross proceed of $839,520. Each NFT unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at a price of $0.17 per share for period of 24 months from date of issuance. Each FT unit consisted of one flow-through common share and one share purchase warrant with similar terms as noted above. The Company recognized a flow-through premium of $102,450. In connection with the private placements, the Company paid cash finders fees of $60,176 and issued 477,330 finders' warrants exercisable at $0.17 per share for a period of 24 months from the date of issuance. These finders' warrants were fair valued at $9,547 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.45%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.07. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies.

On August 3, 2021, the Company issued 427,500 common shares upon the vesting of RSU's and transferred $53,438 from contributed surplus.

On November 3, 2021, the Company issued 427,500 common shares upon the vesting of RSU's and transferred $53,438 from contributed surplus.

During December 2021, the Company completed a private placement of 745,332 common shares at a price of $0.075 per share for total gross proceeds of $55,900 of which $13,500 is included in share subscriptions receivable at March 31, 2022; 2,070,333 non-flow-through units ("NFT unit") at a price of $0.09 per NFT unit for total gross proceeds of $186,330. Each NFT unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at a price of $0.12 per share for period of 24 months from date of issuance.

8,425,000 flow-through units ("FT unit") at a price of $0.10 per FT unit for total gross proceeds of $842,500 of which $53,775 is included in share subscriptions receivable at March 31, 2022. Each FT unit consisted of one flow-through common share and one-half share purchase warrant with each whole warrant (4,212,500) entitling the holder to purchase one common share at a price of $0.12 per share for a period of 24 months from the date of issuance. 8,080,000 flow-through units ("FT unit") at a price of $0.10 per FT unit for total gross proceeds of $808,000 were issued. Each FT unit consisted of one flow-through common share and one share purchase warrant entitling the holder to purchase one common share at a price of $0.12 per share for period of 24 months from date of issuance. The Company paid cash finders fee of $18,045.

7. SHARE CAPITAL – (cont'd)

(b) Issued – (cont'd)

During the year ended March 31, 2022: – (cont'd)

For the two December 2021 Flow-through private placement, the Company recognized a flow-through premium of $165,050. In connection with the private placements, the Company recorded cash finders fees and share issue cost of $142,674 and issued 573,549 finders' warrants exercisable at $0.10 per share for a period of 24 months from the date of issuance. These finders' warrants were fair valued at $28,700 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.99%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.075.

On March 23, 2022, the Company issued another 100,000 FT unit for total proceeds of $10,000 with similar terms as noted above and allocated $3,000 as flowthrough premium. The Company also issued another 690,000 finders' warrants exercisable at $0.10 per share for a period of 24 months from the date of issuance. These finders' warrants were fair valued at $31,044 using the Black-Scholes-Option Pricing Model with the following assumptions risk-free interest rate of 0.99%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.075. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies.

On February 3, 2022, the Company issued 427,500 common shares upon the vesting of RSU's and transferred $53,437 from contributed surplus.

On March 14, 2022, pursuant to the terms of an option agreement the Company issued 200,000 common shares fair valued at $12,000.

During the year ended March 31, 2021:

On September 11, 2020, the Company completed a non-brokered private placement of 1,787,600 units at $0.10 for total proceeds of $178,760. Each unit consisted of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price of $0.15 per share expiring two years from the date of listing on the CSE. In connection with the private placement, the Company paid a cash finder's fee of $700 and issued 7,000 finders' warrants exercisable at $0.15 for a period of two years from the date of issuance. These finder's warrants were fair valued at $280 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.25%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.10.

On September 2, 2020, the Company completed a non-brokered private placement of 1,100,000 units at $0.10 for total proceeds of $110,000. Each unit consisted of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price of $0.15 per share expiring three years from the date of listing on the CSE.

On July 31, 2020, the Company completed a non-brokered private placement of 4,950,000 units at $0.10 for total proceeds of $495,000. Each unit consisted of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price of $0.15 per share expiring three years from the date of listing on the CSE. In connection with the private placement, the Company paid a cash finder's fee of $3,850 and issued 38,500 finders' warrants exercisable at $0.15 for a period of two years from the date of issuance. These finder's warrants were fair valued at $1,540 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.26%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.10.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL – (cont'd)

(b) Issued – (cont'd)

During the year ended March 31, 2021: - (cont'd)

On July 30, 2020, the Company completed a non-brokered private placement of 1,545,000 units at $0.10 for total proceeds of $154,500. Each unit consisted of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price $0.15 per share expiring two years from the date of listing on the CSE.

On July 29, 2020, the Company completed a non-brokered private placement of 13,036,000 shares at $0.05 for total proceeds of $651,800. In connection with the private placement, the Company paid a cash finder's fee of $42,100 and issued 42,000 finders' warrants exercisable at $0.05 for a period of two years from the date of issuance. These finders' warrants were fair valued at $1,260 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.26%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.05.

(c) Share Purchase Warrants

The changes in share purchase warrants were as follows:

	March 31, 2022	Weighted Average Exercise Price	March 31, 2021	Weighted Average Exercise Price
Balance, beginning of year	9,382,600	$0.15	-	$ -
Issued	32,592,404	0.14	9,382,600	0.15
Balance, end of year	41,975,004	$0.14	9,382,600	$0.15

As at March 31, 2022, the Company had 41,975,004 share purchase warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life
7,600,000	$0.15	April 16, 2023	1.04 yrs.
3,332,600	$0.15	April 19, 2023	1.05 yrs.
6,789,571	$0.17	August 2, 2023	1.34 yrs.
3,215,000	$0.17	August 9, 2023	1.36 yrs.
525,000	$0.17	September 10, 2023	1.45 yrs.
6,050,000	$0.15	April 19, 2024	2.05 yrs.
4,000,000	$0.12	December 1, 2023	1.67 yrs.
10,362,833	$0.12	December 8, 2023	1.69 yrs.
100,000	$0.12	March 23, 2024	2.02 yrs.
41,975,004			1.49 yrs.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL – (cont'd)

(d) Finders' Warrants

The changes in finders' warrants were as follows:

	March 31, 2022	Weighted Average Exercise Price	March 31, 2021	Weighted Average Exercise Price
Balance, beginning of year	87,500	$0.10	-	$ -
Issued	2,340,879	0.13	87,500	0.10
Balance, end of year	2,428,379	$ 0.13	87,500	$ 0.10

As at March 31, 2022, the Company had 2,428,379 finders' warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life
600,000	$0.15	April 16, 2023	1.04 yrs.
42,000	$0.05	April 19, 2023	1.05 yrs.
45,500	$0.15	April 19, 2023	1.05 yrs.
107,050	$0.17	August 2, 2023	1.34 yrs.
48,300	$0.17	August 9, 2023	1.36 yrs.
321,980	$0.17	September 10, 2023	1.45 yrs.
690,000	$0.10	December 1, 2023	1.67 yrs.
573,549	$0.10	December 8, 2023	1.69 yrs.
2,428,379			1.09 yrs.

(e) Escrow Shares

Pursuant to an escrow agreement dated March 5, 2021, an aggregate of 6,100,001 common shares were placed into escrow to be released as to 10% upon receipt of notice from the CSE confirming the listing of the Company's common shares on the CSE with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following receipt of such notice. As at March 31, 2022, the Company had 4,575,001 (March 31, 2021 – 6,100,001) common shares held in escrow with the next escrow release on April 15, 2022.

(f) Stock Options

The Company adopted a stock option plan whereby the Board of Directors may, from time to time, grant incentive stock options to directors, officers, employees and consultants. Under the plan, stock options issued may not exceed 10% of the issued common shares of the Company. The term of the options shall be ten years from the grant date unless otherwise determined by the Board. The exercise price shall be determined by the Board but shall not be less than the fair market value of the common shares on the grant date.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL – (cont'd)

(f) Stock Options – (cont'd)

On May 3, 2021, the Company granted 2,090,000 stock options to directors, officers (1,600,000) and consultants (490,000). The stock options entitle the holders thereof the right to purchase one common share for each option at $0.13 per share expiring on May 3, 2025. These stock options vested at the date of grant with a fair value of $167,200 which was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.125; Risk-free interest rate of 0.49%; Dividend yield of 0%; Expected life of 4 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies.

The changes in stock options were as follows:

	March 31, 2022	Weighted Average Exercise Price	March 31, 2021	Weighted Average Exercise Price
Balance, beginning of year	-	$ -	-	$ -
Granted	2,090,000	0.13	-	-
Exercised	(380,000)	0.13	-	-
Balance, end of year	1,710,000	$0.13	-	$ -

As at March 31, 2022, the Company had 1,710,000 stock options exercisable at $0.13 per share expiring on May 3, 2025 with a weighted average remaining life of 3.09 years. The share price on the date of stock option exercised was $0.13.

Restricted Share Unit Plan

On May 3, 2021, the Company agreed to grant 1,710,000 RSU's to directors, officers and consultants of the Company that vest at 25% every three months with the first vesting on August 3, 2021. During the year ended March 31, 2022, the Company recognized $208,772 as share-based payment and, as the Company intends to settle the RSU's through equity settlement, recorded a corresponding credit to contributed surplus. As at March 31, 2022, the Company had issued 1,282,500 common shares upon the vesting of RSU's and transferred $160,313 from contributed surplus. On May 16, 2022, the Company issued the remaining 427,500 RSU's.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

			2022		2021
Consulting fees	Branden Haynes, Director and CEO	$	149,048	$	75,000
	Hugh Oswald, Director		11,000		6,500
	Thomas Clarke, Director, VP explorations		7,134		-
	Harmony Corporate Services Ltd. a company controlled by the CFO		51,000		-
			218,182		81,500
Rent	Company controlled by Director and VP explorations		4,500		6,960
	Harmony Corporate Services Ltd. a company controlled by the CFO		8,800		-
			13,300		6,960
General exploration	Company controlled by Director and VP explorations		184,810		55,800
Share-based payment	Branden Haynes, Director and CEO		90,978		-
	Geoff Balderson, Director and CFO		90,978		-
	Hugh Oswald, Director		50,543		-
	Thomas Clark, Director, VP explorations		90,978		-
			323,477		-
		$	739,769	$	144,260

Included in prepaid expenses at March 31, 2022 is $9,823 (2021 - $4,179) in advances on expenses to the CEO and VP of explorations.

Included in accounts payable and accrued liabilities at March 31, 2022 is $12,044 (2021 - $7,445) owing to directors and officers of the Company. These amounts owing are unsecured, due on demand, and non-interest bearing.

As at March 31, 2022, due from related party of $40,865 (2021 - $nil) is an amount due from the CEO of the Company. It is unsecured, non-interest bearing, and due on demand.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject to. Capital of the Company comprises of cash and cash equivalents and shareholders' equity.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the year.

10. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at March 31, 2022, the Company had a working capital of $949,705 (2021 - $848,520).

10. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)

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. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource 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.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's considers its exposure to interest rate risk to be not significant.

Price Risk

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

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments at amortized costs include cash and cash equivalents, due from related party and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Marketable securities are classified as fair value through profit or loss and measured at fair value using level 1 inputs. The Company's investment in warrants are measured at fair value using Level 3 inputs.

11. INCOME TAXES

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

		2022		**2021**
Loss before tax	$	3,005,054	$	451,729
Income tax recovery at local statutory rates – 27%	$	(811,400)	$	(122,000)
Permanent differences		104,300		(1,900)
Change in unrecognized tax benefits not recognized		707,100		123,900
	$	-	$	-

The nature and tax effect of the taxable temporary differences giving rise to deferred tax assets (liabilities) are summarized as follows:

		2022		**2021**
Non-capital losses	$	558,800	$	172,900
Share issue cost		80,200		10,100
Resource properties		(96,500)		53,600
Marketable securities		-		(2,300)
Unrecognized deferred tax assets		(542,500)		(234,300)
	$	-	$	-

As at March 31, 2022, the Company has Canadian exploration and development expenses of approximately $Nil (2021 - $214,500) and estimated non-capital losses of approximately $2,070,000 (2021 - $640,000) for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years, and if not utilized the non-capital loss will expire commencing 2039.

12. FLOW-THROUGH

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended March 31, 2022, the Company received $2,002,000 (2021: $Nil) from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. The Company renounced $2,001,834 (2021: $Nil) to the subscribers. A flow-through premium of $270,500 was recognized initially, with $140,103 remaining at March 31, 2022 and $130,397 was recognized as other income during the year ended March 31, 2022. As at March 31, 2022, the Company has remaining approximately $1,381,000 in exploration expenditures to incur.

13. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. The following transactions have been excluded from the statements of cash flows:

During the year ended March 31, 2022:

The Company issued 1,530,000 common shares pursuant to option agreements fair valued at $166,500.
The Company issued an aggregate of 2,340,879 agent's warrants as finders fees fair valued at $117,291.
The Company issued 1,282,500 common shares to settle RSU fair valued at $160,313.
The Company transferred $30,400 from contributed surplus to share capital pursuant to the exercise of stock options.

There are no non-cash investing and financing transactions for the year ended March 31, 2021.

14. SUBSEQUENT EVENTS

Subsequent to March 31, 2022:

On April 22, 2022, the Company paid $150,000 and issued 700,000 common shares pursuant to the terms of a property option agreement for the Wilson Property.

On May 3, 2022, the Company issued 427,500 common shares upon vesting of RSU's.

On May 16, 2022, the Company completed a private placement of 3,000,000 units at a price of $0.05 per unit for total proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.05 per share expiring on May 16, 2024. In connection with the private placement, the Company paid a cash finders fee of $12,005 and issued 560,000 agent's warrants exercisable at $0.07 per share expiring on May 16, 2024.

On May 30, 2022, the Company paid $33,000 and issued 330,000 common shares pursuant to the terms of a property option agreement for the Lava Gold Property.

14. SUBSEQUENT EVENTS – (cont'd)

During May 2022, the Company completed its first tranche of the warrant offering of 6,200,000 share purchase warrants for total proceeds of $155,000. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.025 per share expiring two years from issuance.

On July 8, 2022, the Company granted 5,000,000 stock options to directors and consultants of the company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.05 per share and expires on July 7, 2027.

On July 20, 2022, the Company completed a private placement of 100,000 units at a price of $0.05 per unit for total proceeds of $5,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.07 per share expiring on July 20, 2024.

On July 26, 2022, the Company completed a private placement of 600,000 units at a price of $0.05 per unit for total proceeds of $30,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.07 per share expiring on July 26, 2024.