

**HAWKMOON RESOURCES CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company for the three months ended June 30, 2022 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**HAWKMOON RESOURCES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
As at June 30, 2022 and March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<b>June 30, 2022</b>	<b>March 31, 2022</b>
<b>ASSETS</b>		
Current		
Cash	\$ 807,701	\$ 1,038,138
Amounts receivable	134,446	113,672
Due from related party (Note 7)	43,487	40,865
Prepaid expenses and deposits (Note 7)	56,051	69,368
	1,041,685	1,262,043
Exploration and evaluation assets (Note 5)	585,200	357,500
	<b>\$ 1,626,885</b>	<b>\$ 1,619,543</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 182,148	\$ 172,235
Premium on flow-through (Note 10)	135,873	140,103
	318,021	312,338
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	5,115,870	4,888,794
Share subscriptions received (receivable)	(28,065)	(48,065)
Contributed surplus	420,934	305,630
Accumulated deficit	(4,199,875)	(3,839,154)
	1,308,864	1,307,205
	<b>\$ 1,626,885</b>	<b>\$ 1,619,543</b>

Going concern (Note 2)  
Commitments (Notes 5 and 10)  
Subsequent events (Note 11)

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 CONDENSED INTERIM FINANCIAL STATEMENTS

**HAWKMOON RESOURCES CORP.****CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	<b>For the three months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
		(Note 12)
Expenses		
Consulting fees (Note 7)	\$ 89,901	\$ 246,262
Filing fees	656	2,085
General exploration costs (Notes 5 and 7)	46,999	59,821
Interest and bank charges	6,272	-
Marketing	98,373	32,492
Investor relations	75,622	72,352
Office and general	2,585	10,410
Rent (Note 7)	3,900	4,400
Share-based payment (Notes 6 and 7)	4,685	217,783
Professional fees	18,091	41,054
Regulatory and transfer agent fee	7,092	11,743
Travel and conferences	10,775	-
Website	-	39,740
	<u>364,951</u>	<u>738,142</u>
Loss before other income	(364,951)	(738,142)
Other incomes (expense)		
Other income (Note 10)	4,230	-
Unrealized loss on marketable securities	-	(11,000)
	<u>Net loss and comprehensive loss for the period</u>	<u>\$ (749,142)</u>
	\$ (360,721)	\$ (749,142)
Basic and diluted loss per share	\$ (0.00)	\$ (0.02)
Weighted average number of common shares outstanding	<u>72,910,513</u>	<u>37,016,843</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

**HAWKMOON RESOURCES CORP.****CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the three months ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Capital Stock	Share Subscriptions Received	Contributed Surplus	Deficit	Total Shareholders' Equity
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	(18,600)	-	-	18,900
Exercise of stock options	380,000	79,800	-	(30,400)	-	49,400
Shares issued for mineral properties	1,330,000	154,500	-	-	-	154,500
Share subscriptions received	-	-	18,000	-	-	18,000
Share-based payments	-	-	-	167,200	-	167,200
Share-based payments on RSU granted	-	-	-	50,583	-	50,583
Net loss for the period	-	-	-	-	(749,142)	(749,142)
Balance, June 30, 2021	39,078,601	\$ 2,534,917	\$ 610	\$ 238,463	\$ (1,583,242)	\$ 1,208,748
Balance, March 31, 2022	70,511,337	\$ 4,888,794	\$ (48,065)	\$ 305,630	\$ (3,839,154)	\$ 1,307,205
Private placement	3,000,000	150,000	-	-	-	150,000
Share issue cost - cash	-	(12,005)	-	-	-	(12,005)
Agent's warrants issued	-	(8,911)	-	8,911	-	-
Shares issued for mineral properties	1,030,000	44,700	-	-	-	44,700
Shares issue for RSU	427,500	53,292	-	(53,292)	-	-
Share subscriptions received	-	-	20,000	-	-	20,000
Warrant private placement	-	-	-	155,000	-	155,000
Share-based payments on RSU granted	-	-	-	4,685	-	4,685
Net loss for the period	-	-	-	-	(360,721)	(360,721)
Balance, March 31, 2022	74,968,837	\$ 5,115,870	\$ (28,065)	\$ 420,934	\$ (4,199,875)	\$ 1,308,864

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

**HAWKMOON RESOURCES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
For the three months ended June 30, 2022 and 2021  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<b>For the three months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (360,721)	\$ (749,142)
Items not affecting cash:		
Share-based payments	4,685	217,783
Other income	(4,230)	-
Unrealized gain/loss on marketable securities	-	11,000
Changes in non-cash working capital items related to operations:		
Amounts receivable	(20,774)	(26,928)
Prepaid expenses and deposits	13,317	(204,611)
Accounts payable and accrued liabilities	9,913	77,019
Due from related party	(2,622)	-
Cash used in operating activities	(360,432)	(674,879)
<b>Investing Activity</b>		
Mineral property acquisition	(183,000)	(236,500)
Cash used in investing activity	(183,000)	(236,500)
<b>Financing Activities</b>		
Shares issued for cash	150,000	818,300
Warrants issued for cash	155,000	-
Share issue cost	(12,005)	(115,213)
Share subscriptions received	20,000	18,000
Cash provided by financing activities	312,995	721,087
Changes in cash during the period	(230,437)	(190,292)
Cash, beginning of period	1,038,138	764,429
Cash, end of the period	\$ 807,701	\$ 574,137
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<b>Non-cash Transactions</b>		
Shares issued for exploration and evaluation assets	\$ 44,700	\$ 154,500
Fair value transferred on exercise of stock options	\$ -	\$ 30,400
Fair value of agent's warrants	\$ 8,911	\$ 48,000

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

## **HAWKMOON RESOURCES CORP.**

Notes to the Condensed Interim Financial Statements

As at June 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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### **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”. On May 11, 2021, the Company also listed and commenced trading on the Börse Frankfurt in Germany under the symbol “966”.

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 condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on August 29, 2022.

#### **(b) Basis of Measurement**

The condensed interim 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 condensed interim 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 June 30, 2022, the Company has not achieved profitable operations, has accumulated losses of \$4,199,875 (March 31, 2022 - \$3,839,154) 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.

## **HAWKMOON RESOURCES CORP.**

Notes to the Condensed Interim Financial Statements

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### **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 preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at March 31, 2022.

#### 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.



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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS – (cont'd)****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.

**5. EXPLORATION AND EVALUATION ASSETS**

The following tables summarize the Company's exploration and evaluation assets as at June 30, 2022 and March 31, 2022.

<b>As at June 30, 2022 and March 31, 2022</b>	<b>Romeo Property</b>	<b>Wilson Property</b>	<b>Lava Property</b>	<b>Total</b>
Balance, March 31, 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
Cash – payment	-	150,000	33,000	183,000
Shares issued	-	31,500	13,200	44,700
Balance, June 30, 2022	\$ -	\$ 489,500	\$ 95,700	\$ 585,200

The following tables summarize the Company's exploration expenditures for the three months ended June 30, 2022 and 2021.

<b>For the three months ended June 30, 2022</b>	<b>Wilson Property</b>	<b>Total</b>
Exploration expenditures		
Geological	\$ 42,299	\$ 42,299
	\$ 42,299	\$ 42,299

<b>For the three months ended June 30, 2021</b>	<b>Wilson Property</b>	<b>Lava Property</b>	<b>Romeo Property</b>	<b>Total</b>
Exploration expenditures				
Geological	\$ 24,667	\$ 2,825	\$ 16,850	\$ 44,342
Survey		15,479	-	15,479
	\$ 24,667	\$ 18,304	\$ 16,850	\$ 59,821

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Notes to the Condensed Interim Financial Statements

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### **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 (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.

## **HAWKMOON RESOURCES CORP.**

Notes to the Condensed Interim Financial Statements

As at June 30, 2022 and 2021

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

#### Wilson Gold Property – (cont'd)

The Company still have commitments of royalties of 4% to various owners with the options to repurchase.

Upon exercise of the option, the 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 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 three a 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 (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.

### **6. SHARE CAPITAL**

#### **(a) Authorized**

Unlimited common shares with no par value.

## **HAWKMOON RESOURCES CORP.**

Notes to the Condensed Interim Financial Statements

As at June 30, 2022 and 2021

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### **6. SHARE CAPITAL – (cont'd)**

#### **(b) Issued**

During the three months ended June 30, 2022:

On April 22, 2022, pursuant to the terms of an option agreement the Company issued 700,000 common shares fair valued at \$31,500.

On May 3, 2022, the Company issued 427,500 common shares upon the vesting of Restricted Share Unit (“RSU”) and transferred \$53,292 from contributed surplus.

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 entitling the holder to purchase one common share at a price of \$0.05 per share expiring on May 16, 2024. In connection with the private placement the Company paid cash finders fee of \$12,005 and issued 560,000 finder’s warrants exercisable at \$0.07 per share expiring on May 16, 2024. These finder’s warrants were fair valued at \$8,911 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 2.53%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of \$0.04. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies.

On May 30, 2022, pursuant to the terms of an option agreement the Company issued 330,000 common shares fair valued at \$13,200.

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.

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

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### **6. SHARE CAPITAL – (cont'd)**

#### **(b) Issued – (cont'd)**

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

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 and transferred \$53,438 from contributed surplus.

On November 3, 2021, the Company issued 427,500 common shares upon the vesting of RSU 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 subscription 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.

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Notes to the Condensed Interim Financial Statements

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### 6. 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 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 \$0.08.

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 \$0.09. 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 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.

#### (c) Share Purchase Warrants

On May 16, 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 entitle the holder to purchase one common share of the Company at a price of \$0.025 per share expiring on May 16, 2024.

The changes in share purchase warrants were as follows:

	June 30, 2022	Weighted Average Exercise Price	March 31, 2022	Weighted Average Exercise Price
Balance, beginning of period	41,875,004	\$0.14	9,382,600	\$0.15
Issued	9,200,000	0.03	32,492,404	0.14
Balance, end of period	51,175,004	\$0.12	41,875,004	\$0.14

**HAWKMOON RESOURCES CORP.**

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**6. SHARE CAPITAL – (cont'd)****(c) Share Purchase Warrants – (cont'd)**

As at June 30, 2022, the Company had 51,175,004 share purchase warrants outstanding as follows:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Weighted average remaining life</b>
7,500,000	\$0.15	April 16, 2023	0.79 yrs.
3,332,600	\$0.15	April 19, 2023	0.80 yrs.
6,789,571	\$0.17	August 2, 2023	1.09 yrs.
3,215,000	\$0.17	August 9, 2023	1.11 yrs.
525,000	\$0.17	September 10, 2023	1.20 yrs.
6,050,000	\$0.15	April 19, 2024	1.81 yrs.
4,000,000	\$0.12	December 1, 2023	1.42 yrs.
10,362,833	\$0.12	December 8, 2023	1.44 yrs.
100,000	\$0.12	March 23, 2024	1.68 yrs.
3,000,000	\$0.05	May 16, 2024	1.88 yrs.
6,200,000	\$0.025	May 16, 2024	1.88 yrs.
<b>51,175,004</b>			<b>1.35 yrs.</b>

**(d) Finders' Warrants**

The changes in finders' warrants were as follows:

	<b>June 30, 2022</b>	<b>Weighted Average Exercise Price</b>	<b>March 31, 2022</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of period	2,428,379	\$0.13	87,500	\$0.10
Issued	560,000	0.07	2,340,879	0.13
Balance, end of period	2,988,379	\$ 0.12	2,428,379	\$ 0.13

As at June 30, 2022, the Company had 2,988,379 finders' warrants outstanding as follows:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Weighted average remaining life</b>
600,000	\$0.15	April 16, 2023	0.79 yrs.
42,000	\$0.05	April 19, 2023	0.80 yrs.
45,500	\$0.15	April 19, 2023	0.80 yrs.
107,050	\$0.17	August 2, 2023	1.09 yrs.
48,300	\$0.17	August 9, 2023	1.11 yrs.
321,980	\$0.17	September 10, 2023	1.20 yrs.
690,000	\$0.10	December 1, 2023	1.42 yrs.
573,549	\$0.10	December 8, 2023	1.44 yrs.
560,000	\$0.07	May 16, 2024	1.88 yrs.
<b>2,988,379</b>			<b>1.31 yrs.</b>

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### 6. SHARE CAPITAL – (cont'd)

#### (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 June 30, 2022, the Company had 3,660,001 (March 31, 2022 – 4,575,001) common shares held in escrow with the next escrow release on October 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.

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:

	June 30, 2022	Weighted Average Exercise Price	March 31, 2022	Weighted Average Exercise Price
Balance, beginning of period	1,710,000	\$0.13	-	\$ -
Granted	-	-	2,090,000	0.13
Exercised	-	-	(380,000)	0.13
Balance, end of period	1,710,000	\$0.13	1,710,000	\$0.13

As at June 30, 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 2.84 years.

#### *Restricted Share Unit Plan*

On May 3, 2021, the Company agreed to grant 1,710,000 Restricted Stock Unit ("RSU") 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 \$208,920 as share-based payment and, as the Company intends to settle the RSU 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 RSUs and transferred \$160,313 from contributed surplus. During the three months ended June 30, 2022, the Company recognized \$4,685 as share based payment. On May 16, 2022, the Company issued the remaining 427,500 RSUs and transferred \$53,292 from contributed surplus.



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**7. 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:

	For the three months ended June 30,	
	2022	2021
Consulting fees		
Branden Haynes, Director and CEO	\$ 30,000	\$ 30,000
Thomas Clarke, Director, VP explorations		
Company controlled by Director and CFO	9,000	9,000
	39,000	39,000
General exploration		
Company controlled by Director and VP explorations	28,602	39,560
Rent		
Company controlled by Director and VP explorations	1,500	1,000
Company controlled by Director and CFO	2,400	2,400
	3,900	3,400
Share-based payment		
Branden Haynes, Director and CEO	1,233	49,311
Geoff Balderson, Director and CFO	1,233	49,311
Hugh Oswald, Director	685	27,395
Thomas Clarke, Director and VP explorations	1,233	49,311
	4,384	175,328
	\$ 75,886	\$ 257,288

Included in prepaid expenses at June 30, 2022 is \$13,423 (March 31, 2022 - \$9,823) in advances on expenses to the CEO and VP of explorations.

Included in accounts payable and accrued liabilities at June 30, 2022 is \$11,144 (March 31, 2022 - \$12,044) in unpaid consulting fees and other balances owing to directors and officers of the Company. These amounts owing are unsecured, due on demand, and non-interest bearing.

As at June 30, 2022, due to related party of \$43,487 (March 31, 2022 - \$40,865) is an amount due from the CEO of the Company. It is unsecured, non-interest bearing, and due on demand.

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### **8. 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 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 period ended June 30, 2022.

### **9. 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, policies 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 June 30, 2022, the Company had a working capital of \$723,664 (March 31, 2022 - \$949,705).

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### **9. 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. 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, 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.

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### **9. 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).

### **10. 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 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 to the subscribers. A flow-through premium of \$270,500 was recognized initially, with \$135,873 remaining at June 30, 2022 (March 31, 2022 - \$140,103) and \$4,320 was recognized as other income during the period ended June 30, 2022. As at June 30, 2022, the Company has remaining approximately \$1,350,000 (March 31, 2022 - \$1,381,000) in exploration expenditures to incur.

### **11. SUBSEQUENT EVENTS**

Subsequent to June 30, 2022:

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 which is included in share subscriptions received at June 30, 2022. 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 of which \$15,000 is included in share subscriptions received at June 30, 2022. 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.

### **12. COMPARATIVE FIGURES**

Certain comparative figures have been restated to conform with the presentation adopted in the current period.