

Kingsview Minerals Ltd.

Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Kingsview Minerals Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kingsview Minerals Ltd. (the Company), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, 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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of \$902,818 for the year ended December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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 Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 3, 2022

Kingsview Minerals Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2021	December 31, 2020
ASSETS		
CURRENT		
Cash	\$ 442,043	\$ 138,493
Sales tax receivable	37,175	-
Prepaid expenses and deposits	34,151	76,176
Subscriptions receivable <i>(Note 5)</i>	-	55,100
Loans receivable <i>(Note 4)</i>	-	20,200
	<u>\$ 513,369</u>	<u>\$ 289,969</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 6)</i>	\$ 90,170	\$ 29,877
Subscriptions received in advance	-	24,075
	<u>90,170</u>	<u>53,952</u>
 SHAREHOLDERS' EQUITY		
Share capital <i>(Note 5)</i>	1,280,775	432,375
Contributed surplus <i>(Note 5)</i>	241,600	-
Deficit	(1,099,176)	(196,358)
	<u>423,199</u>	<u>236,017</u>
	<u>\$ 513,369</u>	<u>\$ 289,969</u>

Nature of operations and going concern *(Note 1)*

Approved and authorized for issue on behalf of the Board on March 3, 2022

“James Macintosh” Director
James Macintosh

“Bob Leshchyshen ” Director
Bob Leshchyshen

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

Kingsview Minerals Ltd.
Consolidated Statements of Loss and Comprehensive Loss
Years Ended December 31,
(Expressed in Canadian Dollars)

	2021	2020
EXPENSES		
Administration and office (Note 6)	\$ 41,040	\$ 49,873
Exploration and evaluation expenditures (Note 3)	435,242	-
Professional fees	145,966	23,097
Share-based compensation (Note 6)	172,000	-
Marketing and shareholder information	92,992	36,405
Regulatory, filing and transfer agent fees	11,796	7,656
Travel	3,782	-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (902,818)	\$ (117,031)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.01)
Weighted average number of common shares outstanding	22,976,973	8,384,685

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

Kingsview Minerals Ltd.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, December 31, 2019	10,825,000	\$ 76,625	\$ -	\$ (79,327)	\$ (2,702)
Private placements (Note 5)	2,615,000	355,750	-	-	355,750
Loss for the year	-	-	-	(117,031)	(117,031)
Balance, December 31, 2020	13,440,000	432,375	-	(196,358)	236,017
Acquisition of 12185849 Canada Inc. (Note 9)	5,100,000	229,500	-	-	229,500
Private placements (Note 5)	7,745,000	716,500	-	-	716,500
Cancelled shares (Note 5)	(560,000)	(28,000)	-	-	(28,000)
Share-based compensation (Note 5)	-	-	172,000	-	172,000
Warrants issued (Note 5)	-	(69,600)	69,600	-	-
Loss for the year	-	-	-	(902,818)	(902,818)
Balance, December 31, 2021	25,725,000	\$ 1,280,775	\$ 241,600	\$ (1,099,176)	\$ 423,199

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

Kingsview Minerals Ltd.
Consolidated Statements of Cash Flows
Years Ended December 31,
(Expressed in Canadian Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (902,818)	\$ (117,031)
Adjustment for non-cash items:		
Shares issued for exploration and evaluation expenditures	229,500	-
Share-based compensation	172,000	-
Changes in non-cash working capital items:		
Sales tax receivable	(37,175)	-
Accounts payable and accrued liabilities	63,098	15,403
Prepaid expenses and deposits	42,025	(76,176)
Cash flows used in operating activities	<u>(433,370)</u>	<u>(177,804)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from acquisition of 12185849 Canada Inc.	220	-
Loans receivable repayment	20,200	19,813
Cash flows provided by investing activities	<u>20,420</u>	<u>19,813</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds for issuance of common shares	716,500	326,450
Subscriptions received in advance	-	(30,000)
Cash flows provided by financing activities	<u>716,500</u>	<u>296,450</u>
CHANGE IN CASH	303,550	138,459
Cash - beginning of year	138,493	34
CASH - END OF YEAR	<u>\$ 442,043</u>	<u>\$ 138,493</u>
Non-cash items:		
Fair value of warrants issued	\$ 69,600	\$ -
Cancelled shares	\$ 28,000	\$ -
Shares to be cancelled	\$ -	\$ 28,000
Subscriptions receivable	\$ -	\$ 1,300

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

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

Kingsview Minerals Ltd ("Kingsview" or the "Company") which was incorporated under the *Business Corporations Act* (British Columbia) on October 2, 2018. On February 24, 2022, the common shares of the Company commenced trading on the Canadian Securities Exchange (the "CSE") under the symbol KVM. The principal business of the Company is the acquisition and exploration of resource properties. The registered and records office of the Company is Suite 510 - 580 Hornby Street, Vancouver, B.C., V6C 3B6.

On August 14, 2020, the Company changed its name from 1181630 B.C. to Kingsview Minerals Ltd.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient debt or equity financing, or generate profitable operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that any future exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Management estimates that the Company has sufficient working capital to meet its projected minimum financial obligations for the next fiscal year.

At December 31, 2021, the Company had not yet achieved profitable operations and had accumulated losses of \$1,099,176 (2020 - \$196,358). For the year ended December 31, 2021, the Company had a net loss of \$902,818 (2020 - \$117,031). The Company expects to incur further losses in the development of its business, all of which raise material uncertainties which casts significant doubt about the Company's ability to continue as a going concern.

During the year ended December 31, 2021, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These uncertainties raise substantial doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

The Board of Directors approved these consolidated financial statements on March 3, 2022.

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance and compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The policies applied in these consolidated financial statements are presented below and are based on IFRS issued and outstanding as of March 3, 2022

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiary in which the Company has control. Control is based on whether an investor has power over the investee, exposure or rights from its involvement with the investee, and the ability to use its power over the investee to affect the amount of return. The financial statements of subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements include the financial statements of 12185849 Canada Inc. from the acquisition date on February 26, 2021.

Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements. They are as follow:

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates and judgments (continued)

- The determination of deferred income tax assets and liabilities.
- The recoverability of loans receivable.
- The judgment made by management that has a significant effect on the financial statements and estimates with a significant risk of material adjustment is the going concern assumption.
- Share-based compensation.
- Economic recoverability and probability of future benefits of exploration and evaluation costs

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

The Company has classified its cash as FVTPL and its loans receivable at amortized cost.

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 loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables the Company has no material loss allowance at adoption or as at December 31, 2021.

Financial liabilities

Financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable and accrued liabilities as amortized cost.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Fair value

The carrying value of loans receivable and accounts payable and accrued liabilities approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

2021

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 442,043	\$ -	\$ -	\$ 442,043

2020

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 138,493	\$ -	\$ -	\$ 138,493

Exploration and evaluation expenditures

The Company charges to operations all mineral property acquisition costs and exploration and evaluation expenses incurred prior to the determination of economically recoverable reserve. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Impairment of non-current assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. 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.

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar.

The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the income attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share-based payment

The Company recognizes a share-based payment charge in profit or loss for stock options granted to consultants, employees, officers, and directors of the Company. The share-based payment charge is based on the fair value of option awards granted, measured using the Black-Scholes option pricing model at the date of issue. Options granted to consultants or other non-employees are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. The fair value of stock options granted is amortized to expense on a graded basis over the vesting periods of the options granted with an offsetting amount recorded in equity reserves. Any expense recorded for options that are forfeited because non-market vesting conditions are not satisfied is reversed in the period in which the forfeiture occurs.

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

New standards and interpretations

New standards not yet adopted, and interpretations issued but not yet effective

At the date of authorization of these Financial Statements, the IASB and the IFRS Interpretations Committee have issued certain new and revised Standards and Interpretations which are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from these financial statements. The Company has not early adopted and is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

3. EXPLORATION AND EVALUATION EXPENDITURES

Year Ended December 31, 2021	Echum, Centennial, and Lendrum
Acquisition costs	\$ 229,480
Field work	205,762
	<hr/> \$ 435,242 <hr/>

Echum, Centennial, and Lendrum, Ontario

During the year ended December 31, 2021, the Company acquired certain mineral properties and mineral claims in Ontario as part of a share exchange agreement to acquire 100% of 12185849 Canada Inc.

The property has a net smelter return royalty (“NSR”) of two percent owed to the previous owner of the property. The Company has a right to purchase one percent of the NSR back for \$1,000,000.

4. LOANS RECEIVABLE

During the year ended December 31, 2019, the Company entered into a loan agreement to lend \$20,200. The loan is non-interest bearing and receivable on or before June 30, 2021. The loan is secured by 1,010,000 common shares of the Company held by the debtor. During the year ended December 31, 2021, the Company received repayment of the loan in full.

During the year ended December 31, 2018, the Company entered into loan agreements with certain directors and non-arm’s length borrowers, whereby the Company agreed to loan the borrowers an aggregate of \$19,813 at an interest rate of 5% per annum. During the year ended December 31, 2020, the Company received repayment of the loans in full.

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

5. SHARE CAPITAL

a) Authorized:

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

b) Issued and outstanding as at December 31, 2021: 25,725,000 common shares.

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

- i) issued 5,100,000 common shares (valued at \$229,500) to acquire 100% of 12185849 Canada Inc. (Note 9).
- ii) issued 2,320,000 units at a price of \$0.075 per unit for cash proceeds of \$174,000. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to acquire one additional common share of the Company at a price of \$0.10 per share until February 26, 2024. The warrants were valued at \$69,600 using the Black-Scholes option pricing model.
- iii) cancelled 400,000 common shares at \$0.05 per share for total proceeds of \$20,000.
- iv) cancelled 160,000 common shares at \$0.05 per share for total proceeds of \$8,000.
- v) issued 5,425,000 common shares at a price of \$0.10 per share for cash proceeds of \$542,500.

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

- i) cancelled 5,000,000 common shares at a price of \$0.005 per share for total proceeds of \$25,000.
- ii) issued 6,395,000 common shares at \$0.05 per share for total proceeds of \$319,750, of which \$44,400 was received during the year ended December 31, 2019, \$27,000 was recorded as subscriptions receivable and \$20,000 was recorded as shares to be cancelled as 400,000 shares were cancelled subsequently.
- iii) issued 1,220,000 common shares at \$0.05 per share for total proceeds of \$61,000, of which \$8,800 was received during the year ended December 31, 2019 and \$8,000 was recorded as shares to be cancelled as 160,000 shares were cancelled subsequently.

Options

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time.

Kingsview Minerals Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended December 31, 2021, and 2020

5. SHARE CAPITAL (continued)

Options (continued)

During the year ended December 31, 2021, the Company granted 2,000,000 stock options to directors, officers and consultants of the Company. The options are exercisable at \$0.15 per option for five years with an estimated fair value of \$172,000.

	Year ended December 31, 2021		Year ended December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Beginning of year granted	-	\$ -	-	\$ -
	2,000,000	0.15	-	-
End of year	2,000,000	\$ 0.15	-	\$ -

The fair value of stock options was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Fair value common share	\$0.10	-
Exercise price	\$0.15	-
Expected life (years)	5	-
Interest rate	0.94%	-
Annualized volatility	140%	-
Dividend yield	0.00%	-

As at December 31, 2021, the following options were issued, outstanding, and exercisable:

Number of options	Exercise Price	Expiry Date
2,000,000	\$0.15	May 15, 2026

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5. SHARE CAPITAL (continued)

Warrants

The number of options outstanding and exercisable is summarized as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Beginning of year	-	\$ -	-	\$ -
Issued	2,320,000	0.10	-	-
End of year	2,320,000	\$ 0.10	-	\$ -

The fair value of warrants was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Fair value common share	\$0.045	-
Exercise price	\$0.10	-
Expected life (years)	3	-
Interest rate	0.40%	-
Annualized volatility	141%	-
Dividend yield	0.00%	-

As at December 31, 2021, the following warrants were issued, outstanding, and exercisable:

Number of warrants	Exercise Price	Expiry Date
2,320,000	\$0.10	February 26, 2024

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6. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

As at December 31, 2021, included in accounts payable and accrued liabilities is \$Nil (2020 - \$4,276) due to companies controlled by directors of the Company.

During the year ended December 31, 2021, the Company incurred \$11,000 (2020 - \$40,000) consulting and accounting fees to companies controlled by former directors of the Company.

During the year ended December 31, 2021, the Company incurred stock-based compensation to officers and directors of \$98,900 (2020 - \$Nil).

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at December 31, 2021, the Company's shareholders' equity was \$423,199 and it had \$90,170 in current liabilities. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The capital for expansion was mostly derived from proceeds from the issuance of common shares.

During the year ended December 31, 2021, the Company did not change its approach to capital management.

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

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2021, the Company's financial instruments are comprised of cash, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

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8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company had a cash balance of \$442,043 to settle current liabilities of \$90,170. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

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

a. Interest rate risk

The Company has cash balances and no interest-bearing debt. As of December 31, 2021, the Company has no interest-bearing financial assets or liabilities.

b. Foreign currency risk

The Company has a nominal amount of cash denominated in a foreign currency. As a result, the Company is not subject to any substantial foreign exchange risk from fluctuations in foreign exchange rates. The Company has not entered into any derivative or other financial instruments to mitigate this foreign exchange risk.

c. 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, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. ACQUISITION OF 12185849 CANADA INC.

During the year ended December 31, 2021, the Company completed the acquisition of 12185849 Canada Inc. ("Canada Inc.") by issuing 5,100,000 common shares to the former shareholders on February 26, 2021.

The transaction does not constitute a business combination as 12185849 Canada Inc. does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of 12185849 Canada Inc. has been accounted for as an asset acquisition, whereby all of the assets acquired, and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing the transaction, Canada Inc. became a subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

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9. ACQUISITION OF 12185849 CANADA INC. (continued)

Net Assets Acquired	
Cash	\$ 220
Acquisition of claims	229,480
Accounts payable and accrued liabilities	(200)
	\$ 229,500
Total Purchase Price	
Issuance of 5,100,000 common shares	\$ 229,500
	\$ 229,500

The fair value of the 5,100,000 common shares of the Company was determined to be \$0.045 per common share, based on the concurrent private placement.

10. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets in Canada.

11. INCOMES TAXES

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

	2021	2020
Loss for the year	\$ (902,818) 27%	\$ (117,031) 27%
Expected income tax (recovery)	\$ (243,761)	\$ (31,598)
Non-deductible expenses	46,469	1,863
Change in unrecognized tax benefit	197,292	29,735
Total income tax expense (recovery)	\$ -	\$ -

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11. INCOMES TAXES (continued)

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2021	2020
Deferred Tax Assets (liabilities)		
Non-capital losses available for future period	\$ 130,930	\$ 51,153
Exploration and evaluation expenditures	117,515	-
	248,445	51,153
Unrecognized deferred tax assets	(248,445)	(51,153)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2021	Expiry Date Range	2020	Expiry Date Range
Temporary Differences				
Non-capital losses available for future period	\$ 484,926	2038 to 2041	\$ 189,455	2038 to 2040
Exploration and evaluation expenditures	\$ 435,242	N/A	-	-

Tax attributes are subject to review, and potential adjustment, by tax authorities.