WEDGEMOUNT RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2021

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Wedgemount Resources Corp.

Opinion

We have audited the consolidated financial statements of Wedgemount Resources Corp. (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2021, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the period from incorporation on August 27, 2020 to July 31, 2021, 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 July 31, 2021, and its financial performance and its cash flows for the period from incorporation on August 27, 2020 to July 31, 2021 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

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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 skepticism 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Gordon Cummings.

"D&H Group LLP"

Chartered Professional Accountants

Vancouver, B.C.
November 26, 2021

WEDGEMOUNT RESOURCES CORP.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at

		July 31, 2021
ASSETS		
Current		
Cash	$	1,467,106
Receivables		44,682
Prepaids		128,158
		1,639,946
Exploration and evaluation assets (Note 4)		390,478
Reclamation deposit (Note 4)		29,500
	$	2,059,924
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 5 and 8)	$	300,836
Flow-through share premium (Note 6)		24,614
		325,450
SHAREHOLDERS' EQUITY		
Share capital (Note 6)		2,428,185
Reserves (Note 6)		203,184
Deficit		(896,895)
		1,734,474
	$	2,059,924

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors by:

/s/ "Mark Vanry"
Mark Vanry, Director

/s/ "Richard Barth"
Richard Barth, Director

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

WEDGEMOUNT RESOURCES CORP.
CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		From incorporation on August 27, 2020 to July 31, 2021
Expenses		
Administrative	$	20,300
Exploration evaluation expenditures (Note 4)		373,226
Filing and regulatory		39,093
Management fees (Note 8)		37,500
Marketing		63,441
Office and miscellaneous		23,328
Professional fees (Note 8)		188,867
Share-based payments (Notes 6 and 8)		163,895
Shareholder communication		2,112
Transfer agent		4,699
		(916,461)
Recognition of flow-through premium (Note 6)		19,566
Loss and comprehensive loss for the period	$	(896,895)
Loss per common share – basic and diluted	$	(0.06)
Weighted average number of common shares outstanding – basic and diluted		14,398,739

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

WEDGEMOUNT RESOURCES CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Number of shares	Amount	Reserves	Deficit	Total
August 27, 2020	-	$ -	$ -	$ -	$ -
Issuance of common shares (Note 6)	23,546,536	2,389,448	-	-	2,389,448
Flow-through premium	-	(44,180)	-	-	(44,180)
Issuance of common shares pursuant to exploration and evaluation assets option agreements (Note 4)	750,000	258,000	-	-	258,000
Share issue costs	-	(175,083)	39,289	-	(135,794)
Share-based payments (Note 6)	-		163,895	-	163,895
Loss for the period	-	-	-	(896,895)	(896,895)
July 31, 2021	24,296,536	$ 2,428,185	$ 203,184	$ (896,895)	$ 1,734,474

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

WEDGEMOUNT RESOURCES CORP.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

		From incorporation on August 27, 2020 to July 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$	(896,895)
Adjust for items not involving cash:		
Share-based payments		163,895
Recognition of flow-through premium		(19,566)
Change in non-cash working capital items:		
Receivables		(44,682)
Prepaids		(128,158)
Accounts payable and accrued liabilities		300,836
Net cash used in operating activities		(624,570)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets		(132,478)
Reclamation deposit		(29,500)
Net cash used in investing activities		(161,978)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital		2,389,448
Share issue costs		(135,794)
Net cash provided by financing activities		2,253,654
Change in cash		1,467,106
Cash, beginning of period		-
Cash, end of period	$	1,467,106

Supplemental cash flow information (Note 9)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Wedgemount Resources Corp. (the "Company") was incorporated on August 27, 2020 under the Business Corporations Act of British Columbia. The Company is a mineral exploration company with a focus on acquiring, exploring and advancing exploration and evaluation assets in Canada. The Company's head office and registered and records office address is 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol WDGY.

These consolidated 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 is not expected to continue operations for the foreseeable future. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company's continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company raised capital in the current period through private placements of its common shares, with the result that the current working capital balance is an amount that management estimates is sufficient to further operations for the upcoming twelve months.

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

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated 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 International Financial Reporting Interpretations Committee.

Approval of the financial statements

These consolidated financial statements were authorized by the Board of Directors of the Company on November 26, 2021.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value as explained in the significant accounting policies set out in Note 3.

2. BASIS OF PRESENTATION (cont'd…)

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiary.

Principles of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary, 1265459 B.C. Ltd. Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity's financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that may arise upon the exercise or conversion of non-voting securities are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and they are deconsolidated from the date on which control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Percentage of ownership	Principal activity
1265459 B.C. Ltd.	Canada	100%	Holding company

Significant estimates

The preparation of these consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial period and are, but are not limited to, the following:

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

2. BASIS OF PRESENTATION (cont'd…)

Significant estimates (cont'd…)

Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

Significant judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are, but are not limited to, the following:

Carrying value and the recoverability of exploration and evaluation assets

Management makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. Management has determined that expenditures incurred on exploration and evaluation assets which were capitalized may have future economic benefits and may be economically recoverable. Management reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits.

Title to exploration and evaluation assets

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

Financial instruments

Management uses its judgement to determine the category in which a financial asset or a financial liability is recorded.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

The Company's financial assets consist of cash, receivables, and reclamation deposit and are classified as amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Impairment of financial assets

An expected credit loss ("ECL") impairment model applies to financial assets classified and measured at amortized cost and contract assets and debt investments classified and measured at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the financial asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the assets, discounted at the assets' original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Company's financial liabilities consist of accounts payable and accrued liabilities and are classified as amortized cost.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the consolidated statement of financial position date. Non-monetary items are translated into Canadian dollars at the exchange rate in effect on the respective transaction dates. Revenues and expenses are translated at average rates for the period, except for depreciation, which is translated on the same basis as the related asset. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration and evaluation costs on exploration and evaluation assets are recognized in profit or loss. Costs incurred before the Company has obtained the legal rights to explore an area of interest are recognized in profit or loss. All costs related to the acquisition of exploration and evaluation assets are capitalized on an individual prospect basis. Amounts received for the sale of exploration and evaluation assets, for option payments and for exploration advances are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. Costs for a producing property will be amortized on a unit-of-production method based on the estimated life of the ore reserves. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation asset costs or recoveries when the payments are made or received. When the option payments received exceed the carrying value of the related exploration and evaluation asset then the excess is recognized in profit or loss in the period the option receipt is recognized. Option receipts in the form of marketable securities are recorded at the quoted market price on the day the securities are received.

Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the rehabilitation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with rehabilitation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized rehabilitation costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no measurable rehabilitation obligations for the period presented.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment

At the end of each reporting period, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any 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 the asset's 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 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset or CGU 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 CGU in prior periods. A reversal of an impairment loss is recognized in profit or loss.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Share capital

Common shares are classified as shareholders' equity. Incremental costs, net of tax effects, directly attributable to the issue of common shares are recognized as deductions from shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

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 Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

When warrants expire unexercised, the value previously recorded in reserves is transferred to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments

The Company accounts for all grants of options to directors, officers, employees, consultants, and advisors in accordance with the fair value method for accounting for share-based payments. Share-based payment awards are calculated using the Black-Scholes option pricing model. Share-based payments to consultants and advisors, who are not providing similar services as employees, are measured at the grant date by using the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured and are recorded at the date the goods or services are received.

Compensation expense for share-based payments is recognized immediately for past services and pro-rata for future services over the vesting period of the share-based payment. A corresponding increase in reserves is recorded when share-based payments are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based payments previously recorded in reserves. When options expire unexercised or are forfeited, the related portion of share-based payments previously recorded in reserves is transferred to deficit.

Flow-through common shares

The Company may, from time to time, issue flow-through common shares (as defined in the *Income Tax Act* (Canada)) to finance a portion of its Canadian exploration and development programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the proceeds received from flow-through common shares into: a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a liability, and share capital. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the subscription price over the fair value of the shares without the flow-through feature at the time of issuance. Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized and the flow-through share premium is amortized to profit or loss on a pro-rata basis.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

Income (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share are calculated by dividing the loss attributable to common shares of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. There was no dilutive effect for the period presented.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Deferred tax is generally provided on all temporary differences at the consolidated statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning after August 1, 2021. These have not been applied in preparing these consolidated financial statements. There are no IFRSs or IFRS Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on these consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Property	Eagle	Cookie	Friendly	Total
August 27, 2020	$ -	$ -	$ -	$ -
Cash	25,000	20,000	40,000	85,000
Share issuances	28,000	90,000	140,000	258,000
Staking	-	47,478	-	47,478
July 31, 2021	$ 53,000	$ 157,478	$ 180,000	$ 390,478

Eagle property

On September 23, 2020, the Company entered into an option agreement (the "Eagle Agreement") with ArcWest Exploration Inc. ("ArcWest") to acquire an initial 60% percent interest ("First Option") in and to certain mineral claims located in northern British Columbia which are collectively known and described as the Eagle Property ("Eagle").

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Eagle property (cont'd…)

To acquire Eagle, the Company must make cash payments totaling $110,000, fund a total of $2,050,000 in exploration expenditures, and issue a total of 1,350,000 common shares by December 31, 2023, as follows:

		Acquisition in cash		Exploration expenditures	Acquisition in shares
September 23, 2020 (completed)	$	15,000	$	-	150,000
Commencement of the Company's shares trading (completed)		10,000		-	250,000
December 31, 2020 (completed)		-		50,000	-
December 31, 2021		25,000		250,000	250,000
December 31, 2022		30,000		750,000	300,000
December 31, 2023		30,000		1,000,000	400,000
	$	110,000	$	2,050,000	1,350,000

Upon completion of the First Option and providing notice to ArcWest, the Company will have a 60 day period to earn an additional 20% interest, for an aggregate 80% interest ("Second Option") or form a joint venture ("JV"). The Second Option can be attained by completing and delivering to ArcWest a feasibility study on or before the fourth anniversary of the date notice was given. In order to keep the Second Option in good standing, the Company will be obligated to pay to ArcWest $100,000 on each anniversary of the delivery of the notice until such time that the feasibility study has been completed and delivered to ArcWest. Following the exercise or lapse of the Second Option, the parties will form a JV to hold and operate Eagle, which each party will proportionately fund.

Should either the Company or ArcWest's interest be diluted to less than 10%, then that interest will convert to a 2% Net Smelter Return Royalty ("NSR"), 1% of which may be purchased by the other party for $2,000,000 at any time. Eagle is also subject to a 2% NSR in favour of a past property owner, 1% of which may be purchased for $1,000,000.

Cookie property (formerly the Red property)

On May 26, 2021, the Company entered into an option agreement (the "Cookie Agreement") with DL Cooke & Associates Ltd. ("DL Cooke") to acquire a 100% percent interest in and to certain mineral claims located in the southern Toodoggone copper belt of north-central British Columbia which are collectively known and described as the Cookie property ("Cookie").

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Cookie property (formerly the Red property) (cont'd…)

To acquire Cookie, the Company must make cash payments totaling $220,000, fund a total of $1,075,000 in exploration expenditures, and issue a total of 1,800,000 common shares by May 26, 2026 as follows:

	Acquisition in cash	Exploration expenditures	Acquisition in shares
November 19, 2020 (completed)	$ 5,000	$ -	-
March 17, 2021 (completed)	5,000	-	-
May 26, 2021 (completed)	10,000	-	-
June 9, 2021 (completed)	-	-	150,000
December 31, 2021	-	50,000	150,000
May 26, 2022	20,000	-	-
December 31, 2022	-	125,000	250,000
May 26, 2023	30,000	-	-
December 31, 2023	-	200,000	350,000
May 26, 2024	40,000	-	-
December 31, 2024	-	300,000	400,000
May 26, 2025	50,000	-	-
December 31, 2025	-	400,000	500,000
May 26, 2026	60,000	-	-
	$ 220,000	$ 1,075,000	1,800,000

DL Cooke retained a 2% NSR of which 1% may be purchased for $1,000,000 at any time and a 1.25% NSR on any additional staked property within the area of interest of which 1% may be purchased for $1,000,000 at any time.

During the period from incorporation on August 27, 2020 to July 31, 2021, the Company acquired additional contiguous claims by staking.

Friendly property

On May 27, 2021, the Company entered into an option agreement (the "Friendly Agreement") with Electrum Resource Corporation ("Electrum") to acquire a 100% percent interest in and to certain mineral claims located in south-central British Columbia which are collectively known and described as the Friendly Lake-Deer Lake copper-gold property ("Friendly").

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Friendly property (cont'd…)

To acquire Friendly, the Company must make cash payments totaling $775,000, fund a total of $6,750,000 in exploration expenditures, and issue a total of 5,000,000 common shares by May 27, 2026 as follows:

	Acquisition in cash	Exploration expenditures	Acquisition in shares
May 27, 2021 (completed)	$ 25,000	$ -	-
June 10, 2021 (completed)	-	-	200,000
May 27, 2022	50,000	250,000	300,000
May 27, 2023	75,000	500,000	500,000
May 27, 2024	125,000	1,000,000	1,000,000
May 27, 2025	200,000	2,000,000	1,250,000
May 27, 2026	300,000	3,000,000	1,750,000
	$ 775,000	$ 6,750,000	5,000,000

The Company previously paid $15,000 for a first right of refusal on the property. Electrum retained a 3% NSR of which 1.5% may be purchased for $2,000,000 prior to a production decision.

Reclamation deposit

As at July 31, 2021, the Company had a reclamation deposit of $29,500 to cover potential disturbances on Eagle.

Exploration and evaluation expenditures

Exploration and evaluation expenditures for the period from incorporation on August 27, 2020 to July 31, 2021 are as follows:

Property	Eagle	Cookie	Friendly	Total
Accommodation and transportation	$ 25,803	$ 12,491	$ -	$ 38,294
Assay	3,113	-	-	3,113
Community relations	8,700	-	-	8,700
Equipment and supplies	9,170	8,939	-	18,109
Fieldwork	37,344	-	-	37,344
Geology	78,206	79,914	369	158,489
Geophysics	81,749	-	-	81,749
Logistics and support	-	25,654	-	25,654
Property maintenance	-	1,774	-	1,774
	$ 244,085	$ 128,772	$ 369	$ 373,226

(Expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		July 31, 2021
Accounts payable	$	207,318
Accrued liabilities		93,518
	$	300,836

6. SHARE CAPITAL

Authorized share capital

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

Issued share capital

During the period from incorporation on August 27, 2020 to July 31, 2021, the Company issued:

a) 1 common share at a price of $0.01 per common share for total proceeds of $nil;

b) 3,999,999 units at a price of $0.01 per unit for total proceeds of $40,000. Each unit was comprised of one common share and one warrant, exercisable at a price of $0.10 per common share until September 10, 2023;

c) 8,850,000 units at a price of $0.02 per unit for total proceeds of $177,000. Each unit was comprised of one common share and one warrant, exercisable at a price of $0.10 per common share until September 21, 2023;

d) 150,000 common shares, valued at $3,000, pursuant to the Eagle Agreement (Note 4);

e) 2,050,000 common shares at a price of $0.10 per common share by way of a non-brokered private placement, for total proceeds of $205,000

f) 6,000,000 common shares at $0.10 per share for gross proceeds of $600,000 by way of its IPO. The Company paid a total of $103,304 in cash for fees and issued 420,000 finder's warrants. Each finders' warrant entitles the holder to purchase one common share at a price of $0.10 per common share until May 20, 2023. The finder's warrants were valued at $21,927, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk-free interest rate of 0.33%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 100%;

g) 250,000 common shares, valued at $25,000, pursuant to the Eagle Agreement (Note 4);

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Issued share capital (cont'd…)

h) 150,000 common shares, valued at $90,000, pursuant to the Cookie Agreement (Note 4);

i) 200,000 common shares, valued at $140,000, pursuant to the Friendly Agreement (Note 4);

j) 2,352,000 units at a price of $0.50 per unit by way of a brokered private placement, for total proceeds of $1,176,000. Each unit was comprised of one common share and one-half of one common share purchase warrant, with each full warrant entitling the holder to acquire one additional common share of the Company at a price of $0.70 per common share until January 9, 2023. The Company paid a total of $30,240 in cash for fees and issued 60,480 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.70 per common share until January 9, 2023. The finders' warrants were valued at $17,362, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk-free interest rate of 0.48%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 100%; and

k) 294,536 units at a price of $0.65 per unit by way of a brokered private placement, for total proceeds of $191,448. Each unit was comprised of one flow-through common share and one-half of one share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at the exercise price of $0.85 per common share until January 9, 2023. The flow-through shares were issued at a premium of $44,180. During the period from incorporation on August 27, 2020 to July 31, 2021, as a result of the Company incurring eligible flow-through expenditures, the flow-through premium was reduced to $24,614 at as July 31, 2021 and $19,566 was recognized as income.

Escrow shares

On January 12, 2021, the Company entered into an escrow agreement pursuant to which 1,125,000 common shares have been placed in escrow and are subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators. The escrow agreement provides that 10% of the escrowed shares will be released from escrow upon the original CSE listing date and that an additional 15% will be released therefrom every six-month interval thereafter, over a period of 36 months. As at July 31, 2021, there are 1,012,500 shares held in escrow.

Flow-through premium

		Total
August 27, 2020	$	-
Flow-through premium additions		44,180
Recognition of flow-through premium		(19,566)
July 31, 2021	$	24,614

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd...)

Stock options

The Company has a rolling stock option plan under which the Board of Directors ("Board") may, from time to time in its discretion, grant options to acquire common shares of the Company to its directors, officers, employees, consultants, and advisors. The number of shares reserved for issuance under the plan may not exceed 10% of the number of issued and outstanding common shares of the Company. The exercise price of each option is determined by the Board but shall not be less than the market price of the Company's shares on the date prior to the date of grant less any discounts permitted by the CSE under its policies. The options may be granted for a maximum term of 10 years and are subject to such vesting provisions as may be determined by the Board.

During the period from incorporation on August 27, 2020 to July 31, 2021, the Company granted 1,325,000 stock options, valued at $401,817, and recorded share-based payments of $163,895.

The weighted average fair value of stock options granted during the period from incorporation on August 27, 2020 to July 31, 2021 was $0.30 per option. The fair value was calculated using the Black-Scholes option pricing model using the following assumptions:

	From incorporation on August 27, 2020 to July 31, 2021
Risk-free interest rate	0.75%
Volatility	100%
Expected life	5 years
Expected dividend yield	-
Expected forfeiture rate	-

Option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at August 27, 2020	-	$ -
Issued	1,325,000	0.36
Balance as at July 31, 2021	1,325,000	$ 0.36

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

As at July 31, 2021, the Company had outstanding options enabling the holders to acquire common shares as follows:

Number of options	Number of exercisable options		Exercise price	Weighted average remaining life (years)	Expiry date
325,000	162,500	$	0.10	4.40	December 23, 2025
1,000,000	-	$	0.45	4.82	May 25, 2026
1,325,000	162,500			4.72	

Warrants

Warrant transactions are summarized as follows:

	Number of warrants		Weighted average exercise price
Balance as at August 27, 2020	-	$	-
Issued	14,653,747		0.16
Balance as at July 31, 2021	14,653,747	$	0.16

As at July 31, 2021, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Number of warrants		Exercise price	Weighted average remaining life (years)	Expiry date
1,236,480	$	0.70	1.45	January 9, 2023
147,268	$	0.85	1.45	January 9, 2023
420,000	$	0.10	1.80	May 20, 2023
3,999,999	$	0.10	2.11	September 10, 2023
8,850,000	$	0.10	2.14	September 21, 2023
14,653,747			2.06	

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Escrow warrants

On January 12, 2021, the Company entered into an escrow agreement pursuant to which 699,999 warrants have been placed in escrow and are subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators. The escrow agreement provides that 10% of the escrowed warrants will be released from escrow upon the original CSE listing date and that an additional 15% will be released therefrom every six-month interval thereafter, over a period of 36 months. As at July 31, 2021, there are 629,999 warrants held in escrow.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

		From incorporation on August 27, 2020 to July 31, 2021
Loss before income taxes	$	(896,895)
Expected income tax recovery	$	(242,000)
Temporary difference		101,000
Permanent difference		45,000
Share issue costs		(10,000)
Addition to non-capital loss carry forward		106,000
Income tax expense (recovery)	$	-

The significant components of the Company's unrecognized deferred income tax assets and liabilities are as follows:

		July 31, 2021
Exploration and evaluation assets	$	78,000
Share issue costs		38,000
Non-capital losses		106,000
		222,000
Unrecognized deferred tax assets		(222,000)
Net deferred tax assets	$	-

(Expressed in Canadian Dollars)

7. INCOME TAXES (cont'd…)

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

			Expiry date range
Exploration and evaluation assets	$	288,000	N/A
Share issue costs		140,000	2022 to 2025
Non-capital losses		394,000	2041

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

8. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to consist of its directors and officers. The following expenses were incurred in transactions with key management personnel:

		From incorporation on August 27, 2020 to July 31, 2021
Management fees	$	37,500
Professional fees		13,500
Share-based payments		120,167
	$	171,167

As at July 31, 2021, included in accounts payable and accrued liabilities was $45,127 owing to a director, a corporation controlled by a director, and an officer.

The Company has a management services agreement with its President which provides that in the event the President's services are terminated without cause or upon a change of control of the Company, a termination payment of an amount equal to 200% of the current annual compensation plus an amount equal to two times the average of the cash discretionary bonuses paid for the two most recently completed years will be payable.

(Expressed in Canadian Dollars)

9. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash financing and investing activities are as follows:

		From incorporation on August 27, 2020 to July 31, 2021
Common shares issued for exploration and evaluation assets	$	258,000
Fair value of agents' warrants		39,289
Flow-through share premium		44,180

10. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Canada.

11. FINANCIAL INSTRUMENT RISK

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at July 31, 2021, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets, being cash and receivables. The bank accounts are held with a major Canadian bank and this minimizes the risk to the Company. Receivables are primarily due from a government agency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company has sufficient cash as at July 30, 2021 to settle its current liabilities as they come due.

11. FINANCIAL INSTRUMENT RISK (cont'd…)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

Foreign currency exchange risk

This risk relates to any changes in foreign currencies in which the Company transacts. The Company is currently not exposed to foreign currency exchange rate fluctuations as the Company only conducts business in Canada and in Canadian dollars.

Interest rate risk

This risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the period from incorporation on August 27, 2020 to July 31, 2021.

Price risk

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

The Company does not currently use financial instruments designed to hedge these market risks.

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1

Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2

Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

11. FINANCIAL INSTRUMENT RISK (cont'd…)

Fair value hierarchy (cont'd…)

Level 3

Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash, receivables, reclamation deposit, and accounts payable and accrued liabilities approximates their carrying values because of the short-term nature of these instruments.

12. CAPITAL MANAGEMENT

The Company defines capital as cash, debt, and the components of shareholders' equity. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of its exploration and evaluation assets, to maintain financial strength, 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. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financings, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements.