Financial Statements of

BURRELL RESOURCES INC.

For the years ended December 31, 2021 and 2020
Expressed in Canadian Dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Burrell Resources Inc.

Opinion

We have audited the accompanying financial statements of Burrell Resources Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these 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 ("IFRS").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

March 4, 2022

BURRELL RESOURCES INC.
Statements of Financial Position
(Expressed in Canadian dollars)
As at December 31,

	2021	2020
	$	$
Assets		
Current assets		
Cash	719,072	162,353
Sales tax receivable	1,260	510
Prepaid expenses	-	6,012
	720,332	168,875
Non-current assets		
Exploration and evaluation assets (Note 4)	58,410	37,320
Total Assets	778,742	206,195
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	13,852	11,394
	13,852	11,394
Shareholders' Equity		
Capital stock (Note 6)	840,486	209,840
Reserves (Note 6)	66,500	-
Deficit	(142,096)	(15,039)
	764,890	194,801
Total Liabilities and Shareholders' Equity	778,742	206,195

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved and authorized by the Board for issuance on March 4, 2022:

"N. Ross Wilmot"	"Patrick McGrath"
N. Ross Wilmot	Patrick McGrath

The accompanying notes are an integral part of these financial statements

BURRELL RESOURCES INC.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)
For the years ended December 31,

	2021	2020
	$	$
Expenses		
Share-based compensation (Note 6 & 8)	66,500	-
Management fees (Note 8)	18,000	-
Transfer agent and filing fees	15,360	269
Professional fees	14,073	12,277
General administrative costs	7,013	927
Consulting	3,358	-
Shareholder communications	2,753	-
	(127,057)	(13,473)
Loss and comprehensive loss	(127,057)	(13,473)
Basic and diluted weighted average number of shares outstanding	14,985,757	6,617,464
Basic and diluted loss per common share	($0.01)	($0.00)

The accompanying notes are an integral part of these financial statements

BURRELL RESOURCES INC.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
For the years ended December 31,

	Number of common shares	Capital Stock	Reserves	Deficit	Total
Balance, December 31, 2019	**3,700,100**	**$ 18,500**	**$ -**	**$ (1,566)**	**$ 16,934**
Issuance of share capital for cash	9,317,000	186,340	-	-	186,340
Issuance of share capital for property data acquisition	50,000	5,000	-	-	5,000
Loss for the year	-	-	-	(13,473)	(13,473)
Balance, December 31, 2020	**13,067,100**	**$ 209,840**	**$ -**	**$ (15,039)**	**$ 194,801**
Cash from re-pricing of common shares issued in 2019	-	37,000	-	-	37,000
Cancelation of common shares issued in 2019	(1,000,100)	(15,000)	-	-	(15,000)
Issuance of share capital for cash – initial public offering	5,333,333	800,000	-	-	800,000
Share issue costs – initial public offering	-	(191,354)	-	-	(191,354)
Loss for the year	-	-	-	(127,057)	(127,057)
Share-based compensation	-	-	66,500	-	66,500
Balance, December 31, 2021	**17,400,333**	**$ 840,486**	**$ 66,500**	**$ (142,096)**	**$ 764,890**

The accompanying notes are an integral part of these financial statements

BURRELL RESOURCES INC.
Statements of Cash Flows
(Expressed in Canadian dollars)
For the years ended December 31,

	2021	2020
	$	$
Operating activities		
Loss for the year	(127,057)	(13,473)
Items not affecting cash:		
Share-based compensation	66,500	-
Net change in non-cash working capital		
Change in sales tax receivable	(750)	(455)
Change in prepaid expenses	6,012	(6,012)
Change in accounts payable and accrued liabilities	4,588	7,645
Net cash used in operating activities	(50,707)	(12,295)
Financing activities		
Proceeds from issuance of common shares, net of share issue costs	608,646	186,340
Cash from re-pricing of common shares	37,000	-
Cash paid for cancelled shares	(15,000)	-
Net cash provided by financing activities	630,646	186,340
Investing activities		
Payment for mineral property activities	(23,220)	(30,190)
Net cash used in investing activities	(23,220)	(30,190)
Increase in cash	556,719	143,855
Cash - beginning of year	162,353	18,498
Cash - end of year	719,072	162,353

Supplemental cash flow information

Cash paid for interest	$ -	$ -
Cash received for interest	-	-
Cash paid for taxes	-	-
Common shares issued for property data acquisition	-	5,000
Accounts payable included in mineral properties	-	2,130

The accompanying notes are an integral part of these financial statements

1. Nature of Operations and Going Concern

Burrell Resources Inc. (the "Company") is a company focused on the exploration of mineral assets.

The Company was incorporated on December 17, 2019 pursuant to the Business Corporations Act of British Columbia and listed on the Canadian Stock Exchange ("CSE"). The registered address office of the Company is located at 750 West Pender Street, Suite 1200, Vancouver BC, V6C 2T8.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. These financial statements do not include adjustments or disclosures that may result from the Company's inability to continue as a going concern. If the Company is unable to continue as a going concern, adjustments may be necessary in the carrying value of assets and liabilities, the reported net losses and statement of financial position classifications used, and such adjustments could be material. Management estimates that the Company will be able to meet its obligations and to sustain operations for at least the next twelve months.

The Company has not yet realized profitable operations, has relied on non-operational sources of financing to fund operations, has an accumulated deficit of $142,096 (2020 - $15,039) and has working capital of $706,480 as at December 31, 2021 (2020 - $157,481).

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 downtown. To date, there have been limited adverse effects on the Company's business or ability to raise funds.

2. Basis of Presentation

Statement of compliance

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") for the periods presented. The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Critical accounting judgments, estimates and assumptions

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

Critical accounting judgment

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Share Based Compensation

Determining the fair value of stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity.

Exploration and evaluation assets

The Company capitalizes mining property acquisition costs and deferred exploration costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

3. Significant Accounting Policies

a) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's accounts payables and accrued liabilities are classified as amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed to profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss. The Company's cash is classified as FVTPL.

Financial assets at FVTOCI

Fair value through other comprehensive income ("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.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the 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 asset, discounted at the financial asset's 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 financial 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.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations and comprehensive loss.

b) Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property is put into production, sold, abandoned, or determined to be impaired.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation costs are tested for impairment and subsequently transferred to property and equipment. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

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

c) Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, legal or constructive obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning obligation is recognized at its net present value in the period in which it is incurred, using a discounted cash flow technique with market-based risk-free discount rates and estimates of the timing and amount of the settlement of the obligation.

Upon initial recognition of the liability, the corresponding decommissioning cost is added to the carrying amount of the related asset. Following initial recognition of the decommissioning obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to significant estimates including the current discount rate, the amount or timing of the underlying cash flows needed to settle the obligation and the requirements of the relevant legal and regulatory framework. Subsequent changes in the provisions resulting from new disturbance, updated cost estimates, changes to estimated lives of operations and revisions to discount rates are also capitalized to the related asset. Amounts capitalized are depreciated over the lives of the assets to which they relate. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to expense and is included within finance costs in profit or loss.

d) Taxation

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company uses the 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 measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bud price on the issued date. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as reserves.

f) Share-based compensation

The Company's stock option plan allows the Company's directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Where options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based compensation expense is recognized over the tranche's vesting period by a charge to profit or loss. For employees, the compensation expense is amortized on a straight-line basis over the requisite service period which approximates the vesting period. Share based compensation expense for share options granted to non- employees is recognized over the contract services period or, if none exists, from the date of grant until the options vest. Share based compensation associated with unvested options granted to non-employees is re-measured on each statement of financial position date.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

g) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average common shares outstanding are increased to include additional shares for the assumed exercise of share options and share purchase warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

h) Impairment of long-lived 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 the 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.

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.

4. Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mineral properties. The Company has investigated title to its mineral properties, to the best of its knowledge, title to the mineral property assets remains in good standing.

Antelope Project, Nevada, United States

The antelope project consists of two contiguous property option agreements.

Antelope I

On August 13, 2020, and amended on December 11, 2020, the Company entered into the Antelope Option Agreement, pursuant to which the Company agreed to lease a 100% interest in certain surface and mineral rights situated in the Antelope area, in White Pine County, Nevada (“Antelope I”) in consideration of the following:

(i) US$3,550 on or before August 31, 2020 (paid);
(ii) US$10,000 on or before August 31, 2020 (paid);
(iii) US$12,000 on or before November 30, 2022;
(iv) US$17,000 on or before November 30, 2023;
(v) US$22,000 on or before November 30, 2024; and
(vi) US$26,000 on or before November 30, 2025 and on each anniversary date thereafter until the claims are in production;

Pursuant to the Antelope I agreement, the property owner also agreed to grant to the Company an option to acquire the property, prior to production on the property, in consideration for US$750,000.

As further consideration for the lease, the Company will pay to the property owner a net smelter return (“NSR”) between 1.5% and 2.5% dependent on the price of gold (US$1,250 to US $1,750 per ounce), provided that the Company may re-purchase the NSR in consideration for US$750,000.

Antelope II

On November 2, 2020, and amended on January 11, 2021, the Company entered into a second Antelope Option Agreement to further consolidate its position in the Antelope area (“Antelope II”). The Company agreed to lease a 100% interest in certain surface and mineral rights in consideration as follows:

(Expressed in Canadian Dollars)

(i) US$2,500 on signing (paid);
(ii) Completing a 43-101 technical report by May 2, 2021 (completed)
(iii) US$10,000 and $10,000 in common shares of the Company's stock divided by the weighted average of the last 10 trading days on or before November 2, 2022;
(iv) US$15,000 on or before November 2, 2023;
(v) US$20,000 on or before November 2, 2024;
(vi) US$25,000 on or before November 2, 2025; and
(vii) US$30,000 on or before each anniversary date thereafter until the claims are in production;

Pursuant to the Antelope II agreement, the property owner also agreed to grant to the Company an option to acquire the property, prior to production on the property, in consideration for US$4,000,000.

As further consideration for the lease, the Company will pay to the property owner a NSR between 2% and 3% dependent on the price of gold (US$1,000 to US$2,500 per ounce), provided that the Company may re-purchase half the NSR in consideration for US$750,000.

Total expenditures for the year ended December 31, 2021 were as follows:

		Antelope
Balance, December 31, 2019	$	-
Additions:		
Property acquisitions costs		23,760
Technical report		8,560
Data acquisition (Note 6(a))		5,000
Balance, December 31, 2020	$	37,320
Additions:		
Property maintenance costs		8,927
Technical report		12,163
Balance, December 31, 2021	$	58,410

5. Financial Instruments

Financial instruments recognized on the statement of financial position consist of cash and accounts payable and accrued liabilities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

- Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The carrying amounts on the statement of financial position for accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturities of these financial instruments.

The Company's other financial instrument, cash, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets.

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at December 31, 2021:

(a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with high quality financial institutions. The Company's sales tax receivable consist of input tax credit refunds from the federal government and as such, the Company believes the risk to be minimal.

(b) Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign exchange risk on its cash and accounts receivable or its obligations under accounts payable and accrued liabilities.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. As at December 31, 2021, the Company had working capital of $706,480 including cash of $719,072 to settle current liabilities of $13,852.

The Company monitors its ability to meet its short-term administrative expenditures by raising additional funds through share issuance when required. The Company does not have investments in any asset backed deposits.

d) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to any significant interest rate risk.

(e) Price risk

The Company is exposed to price risk with respect to 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. The Company is exposed to negligible price risk.

6. Capital Stock

(a) Authorized

Common shares

The Company is authorized to issue an unlimited number of common shares without par value. At December 31, 2021, the Company had 17,400,333 common shares issued and outstanding (2020 – 13,067,100).

On July 9, 2021, the Company completed an Initial Public Offering ("IPO") by the issuance of 5,333,333 common shares for gross proceeds of $800,000. Pursuant to the terms of the IPO, the Company incurred cash share issuance costs of $191,354.

(Expressed in Canadian Dollars)

During the year ended December 31, 2021, the Company repriced 3,700,000 common shares issued in 2019 from $0.005 per share to $0.015 resulting in additional gross proceeds of $37,000. In addition, 1,000,100 common shares issued to a founding director and officer for $0.015 per share were cancelled for consideration of $15,000. The net impact to the Company was a cancellation of 1,000,100 common shares and net proceeds of $22,000.

During the year ended December 31, 2020, the Company issued 9,317,000 common shares at $0.02 per share for gross proceeds of $186,340 and 50,000 common shares for data acquisition for its option mineral properties at a price of $0.10 per share with a fair value of $5,000.

Escrow

During the year ended December 31, 2021, the Company entered into an escrow agreement whereby 2,250,000 common shares will be held in escrow and are scheduled for release 10% on the listing on the CSE and 15% every six months from the date of listing. At December 31, 2021, there were 2,025,000 common shares held in escrow (2020 – Nil).

(b) Share Purchase Options

The Company has established a rolling stock option plan (“Option Plan”) enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the CSE, currently ten years. All stock options issued are subject to vesting terms and vest at the discretion of the Board. Exercise prices on options granted under the plan cannot be lower than the greater of the last closing price for the shares as quoted on the CSE, the trading day prior to the grant date and the grant date.

The number and weighted average exercise prices of the stock options are as follows:

	Number of share purchase options	Weighted average exercise price
Balance, December 31, 2019 and 2020	-	-
Granted	700,000	$0.15
Balance, December 31, 2021	700,000	$0.15

As at December 31, 2020, the Company has outstanding stock options exercisable as follows:

Issuance Date	Expiry Date	Exercise Price	Issued	Exercisable	Weighted Average Remaining Life (years)
July 12, 2021	July 12, 2026	$0.15	700,000	700,000	4.53
Total			700,000	700,000	4.53

The following is a summary of the most recent share based options granted by the Company and the fair value of each grant. The fair value was calculated using the Black-Scholes option pricing model and the following inputs and assumptions:

	2021	2020
Exercise price	$0.15	-

(Expressed in Canadian Dollars)

Market price	$0.15	-
Expected life of options (years)	5	-
Expected stock price volatility	78%	-
Average risk-free interest rate	1.4%	-
Expected forfeiture rate	-	-

The Company recorded $66,500 (2020 – $Nil) in share-based compensation during the year ended December 31, 2021 related to the option grant.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprising issued capital stock, reserves and deficit.

The Company is not subject to externally imposed capital requirements. The Company does not pay dividends. There were no changes to the Company's capital management strategies during the year ended December 31, 2021.

The Company intends to raise additional working capital as required by the issuance of its common shares or units consisting of common shares and warrants to purchase common shares in the future.

8. Related Party Transactions

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.

The remuneration of directors and key management personnel during the year ended December 31, 2021 was $18,000 (2020 - $Nil). The Company also paid $66,500 (2020 - $Nil) in share based compensation.

As at December 31, 2021, there was $Nil owing to related parties (2020 - $Nil).

9. Segmented Information

The Company operates in one business segment being the exploration of mineral properties. The Company's mineral property assets are all in the United States.

(Expressed in Canadian Dollars)

10. Income taxes

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
Net loss before income taxes	$ (127,057)	$ (13,473)
Expected income tax recovery at statutory tax rates	(34,000)	(4,000)
Permanent differences	18,000	-
Share issue costs	(52,000)	-
Change in unrecognized deductible temporary differences	68,000	4,000
Total deferred tax recovery	$ -	$ -

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

	2021	Expiry Dates	2020	Expiry Dates
Share issue costs	$ 153,000	2021-2023	$ -	NA
Non-capital losses	$ 114,000	2021-2041	$ 4,361	2020-2040

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