Taurus Gold Corp.

(formerly Nouagoha Mining Inc.)

Condensed Interim Financial Statements

For the nine months ended

April 30, 2022

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of Taurus Gold Corp. (formerly Nouagoha Mining Inc.) (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

June 29, 2022

Taurus Gold Corp.

(formerly Nouagoha Mining Inc.)

Condensed Interim Statements of Financial Position

Unaudited – Prepared by Management

As at April 30, 2022 and July 31, 2021

	Note	April 30, 2022 $	July 31, 2021 $
Assets			
Current assets			
Cash		7,771	101,841
Sales tax receivable		19,253	12,783
Prepaid expenses		3,229	11,134
		30,253	125,758
Non-current assets			
Mineral property interests	4	1,556,493	1,542,002
		1,556,493	1,542,002
Total assets		**1,586,746**	1,667,760
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	7	13,661	89,388
Promissory notes payable	5	133,332	-
		146,993	89,388
Non-current liabilities			
Deferred income tax liability	10	115,000	145,000
Total liabilities		**261,993**	234,388
Shareholders' equity			
Share capital	6	1,794,994	1,794,994
Deficit		(470,241)	(361,622)
Total shareholders' equity		**1,324,753**	1,433,372
Total liabilities and shareholders' equity		**1,586,746**	1,667,760
Nature and continuance of operations	1		
Events after the reporting period	12		

Approved on behalf of the Board of Directors on June 29, 2022:

"Lori Walton" Director *"Trevor Harding"* Director

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

Taurus Gold Corp.

(formerly Nouagoha Mining Inc.)

Condensed Interim Statements of Income (loss) and Comprehensive Income (loss)

Unaudited – Prepared by Management

For the three and nine months ended April 30, 2022 and April 30, 2021

		Three months ended		Nine months ended	
		April 30, 2022	April 30, 2021	**April 30, 2022**	April 30, 2021
	Note	**$**	$	**$**	$
Expenses					
Consulting	7	-	18,474	20,438	58,545
General and administrative		5,412	3,876	16,730	5,076
Professional fees	7	36,444	18,521	68,169	29,733
Share-based compensation	6	-	-	-	81,100
Transfer agent and filing fees		17,785	20,067	28,336	42,167
Website costs		1,746	978	2,696	24,721
Loss from operating expenses		**(61,387)**	(61,916)	**(136,369)**	(241,342)
Other income on settlement of flow-through premium liability		**-**	150,754	**-**	150,754
Interest expense	5	(900)	-	(2,250)	-
Income (loss) for the period before income taxes		**(62,287)**	88,838	**(138,619)**	(90,588)
Deferred income tax recovery	10	12,000	-	30,000	-
Income (loss) and comprehensive income (loss) for the period		**(50,287)**	88,838	**(108,619)**	(90,588)
Loss per share					
Weighted average number of common shares outstanding					
- Basic #	6	**28,322,620**	28,322,620	**28,322,620**	22,603,729
- Diluted #	6	**28,322,620**	28,322,620	**28,322,620**	22,603,729
Basic loss per share $	6	**(0.00)**	0.00	**(0.00)**	(0.00)
Diluted loss per share $	6	**(0.00)**	0.00	**(0.00)**	(0.00)

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

Taurus Gold Corp.

(formerly Nouagoha Mining Inc.)

Condensed Interim Statements of Changes in Shareholders' Equity

Unaudited – Prepared by Management

For the nine months ended April 30, 2022 and April 30, 2021

	Common shares #	**Share capital $**	**Reserves $**	**Deficit $**	**Total $**
August 1, 2020	4,500,000	112,500	-	(94,518)	17,982
Private placement - flow-through common shares	8,315,080	868,017	-	-	868,017
Private placement - common shares	1,507,540	226,131	-	-	226,131
Flow-through premium	-	(150,754)	-	-	(150,754)
Shares issued for mineral property interest	10,000,000	500,000	-	-	500,000
Share-based compensation	-	-	81,100	-	81,100
Re-allocated on expiry of warrants	-	-	(42,000)	42,000	-
Compensation warrants exercised	4,000,000	200,000	-	-	200,000
Re-allocated on exercise of warrants	-	39,100	(39,100)	-	-
Share subscriptions received	-	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	(90,588)	(90,588)
April 30, 2022	28,322,620	1,794,994	-	(143,106)	1,651,888
August 1, 2021	28,322,620	1,794,994	-	(361,622)	1,433,372
Loss and comprehensive loss for the period	-	-	-	(108,619)	(108,619)
April 30, 2022	**28,322,620**	**1,794,994**	**-**	**(470,241)**	**1,324,753**

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

Taurus Gold Corp.

(formerly Nouagoha Mining Inc.)

Condensed Interim Statements of Cash Flows

Unaudited – Prepared by Management

For the nine months ended April 30, 2022 and April 30, 2021

	Note	**2022** $	2021 $
Operating activities			
Loss for the period		(108,619)	(90,588)
Items not involving cash:			
Share-based compensation		-	81,100
Other income on settlement of flow-through premium liability		-	(150,754)
Accrued interest on promissory notes		2,832	-
Deferred income tax recovery		(30,000)	-
Changes in non-cash working capital items:			
Prepaid expenses		7,905	(2,523)
Sales tax receivable		(6,470)	(9,237)
Accounts payable and accrued liabilities		(72,392)	5,105
		(206,744)	(166,897)
Financing activities			
Proceeds from issuance of common shares/units		-	1,063,919
Proceeds from promissory notes		130,500	-
Proceeds from exercise of compensation warrants		-	200,000
		130,500	1,263,919
Investing activities			
Mineral property costs		(17,826)	(1,031,467)
		(17,826)	(1,031,467)
Change in cash		(94,070)	65,555
Cash, beginning of period		101,841	45,240
Cash, end of period		**7,771**	110,795

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Taurus Gold Corp. (formerly Nouagoha Mining Inc.) (the “Company”) was incorporated under the *Business Corporations Act* (Alberta) on March 26, 2019. The registered address, head office, principal address and records office of the Company are located at Suite 600, 815 – 8th Avenue S.W. Calgary, Alberta T2P 3P2.

On June 28, 2022, the Company filed and obtained receipt for their long-form prospectus offering and concurrent listing on the Canadian Securities Exchange (the "CSE").

The Company initially filed a (final) prospectus on June 14, 2021 (the "Prospectus") to qualify an offering to the public of units (the "Units") of the Company at a price of $0.25 per Unit for gross proceeds of $2,000,000 (the "Offering"). Each Unit was comprised of one common share in the capital of the Company and one common share purchase warrant entitling the holder to acquire one common share at a price of $0.40 per share until the date that is twenty-four months following closing of the Offering. On November 10, 2021, the Company filed a second amended and restated prospectus, which amended and restated the amended and restated prospectus of the Company dated September 9, 2021, which had amended and restated the Prospectus. The second amended and restated prospectus amended the terms of the Offering such that the Company would complete the Offering for $2,000,000 comprising a combination of up to a maximum of 4,000,000 flow-through units ("Flow-Through Units") at a price of $0.25 per Flow-Through Unit, each Flow-Through Unit comprising one common share ("Common Share") which qualifies as a "flow-through share" pursuant to the *Income Tax Act* (Canada), and one half of one Common Share purchase warrant (each whole warrant, a "Flow-Through Unit Warrant") exercisable at a price of $0.40 per Common Share for a period of 24 months), and a combination of a minimum of 5,000,000 and up to a maximum of 10,000,000 Common Share units ("Common Share Units", and together with the "Flow-Through Units", the "Offered Units") at a price of $0.20 per Common Share Unit, each Common Share Unit comprising one Common Share and one half of one Common Share purchase warrant (each whole warrant, a "Common Share Unit Warrant", and collectively with the Flow-Through Unit Warrants, the "Offered Warrants"), with each Common Share Unit Warrant exercisable at a price of $0.35 per Common Share for a period of 24 months following completion of the Offering.

The Company had received conditional approval to list the common shares issuable pursuant to the Offering on the Canadian Securities Exchange (the “CSE”). Listing was be subject to the Company fulfilling all of the listing requirements of the CSE, including prescribed distribution and financial requirements.

The Company was unable to complete the Offering, and the distribution period under the Prospectus expired. In addition, the CSE's conditional approval had lapsed.

On March 16, 2022 the Company filed a preliminary long-form prospectus dated March 14, 2022 (the "2022 Prospectus"), with the securities regulatory authorities in the provinces of Alberta, British Columbia, and Ontario to qualify the distribution to the public of a combination of a minimum of 5,000,000 and up to a maximum of 7,500,000 Common Share Units and up to a maximum of 2,000,000 Flow Through Units, at a price of $0.20 per Common Share Unit and $0.25 per Flow-Through Unit, for total proceeds of $1,500,000 (the "2022 Offering"). Concurrently with the filing of the 2022 Prospectus, the Company applied to list its Common Shares on the CSE.

Under the 2022 Offering, each Common Share Unit is comprised of one Common Share and one half of one Common Share purchase warrant (each whole warrant, a "Warrant") entitling the holder to acquire one Common Share at a price of $0.35 per Common Share until the date that is twenty-four (24) months following the closing of the Offering. Each Flow-Through Unit is comprised of one Common Share which qualifies as a "flow-through share" pursuant to the *Income Tax Act* (Canada) and one half of one Warrant. The Company does not intend to list the warrants on the CSE or any other stock exchange.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

Going concern of operations

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

These condensed interim financial statements (the "financial statements") are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at April 30, 2022, the Company has recurring losses and has a working capital deficit of $116,741 (July 31, 2021 – working capital of $36,370). In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares and shareholder advances in the form of unsecured promissory notes for working capital purposes.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As such, there is a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended July 31, 2021, and do not include all the information required for full annual financial statements 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 ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value, and have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited financial statements and are those the Company expects to adopt in its annual financial statements for the year ended July 31, 2022. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

4. MINERAL PROPERTY INTERESTS

	Charlotte Project $	Total $
Balance, August 1, 2020	-	-
Acquisition - cash	10,000	10,000
Acquisition - shares	500,000	500,000
Drilling	957,573	957,573
Geologist and consulting	68,978	68,978
Travel	5,451	5,451
Balance, July 31, 2021	**1,542,002**	**1,542,002**
Geologist and consulting	14,491	14,491
Balance, April 30, 2022	**1,556,493**	**1,556,493**

Charlotte Property

On August 18, 2020 (the “Effective Date”), the Company entered into an option agreement (“Original Option Agreement”) with 1011308 B.C. Ltd. (“1011308 BC”) to acquire up to a 100% interest in 139 mineral claims in the Mt. Nansen Region West of Carmacks in the south-central Yukon, Canada.

Under the terms of the Original Option Agreement, within 60 days of the Effective Date, the Company was required to satisfy certain obligations preceding the earn-in activity:

- Payment of $250,000 to 1011308 BC (the "Initial Payment"); and
- Issuance of 10,000,000 common shares to 1011308 BC at a price of $0.05 per share (issued at a fair value of $500,000) (note 6).

Within two years of the Effective Date, the Company was required satisfy certain additional obligations to acquire a 51% interest in the property (the “First Option”):

- Incur $2,000,000 in exploration expenditures on the property; and
- Issuance of 10,000,000 common shares to 1011308 BC.

Within four years of the Effective Date, and subsequent to the Company completing the requirements of the First Option, the Company was required to satisfy certain additional obligations to acquire an additional 25% interest in the property (the “Second Option”):

- Incur an additional $2,000,000 in exploration expenditures on the property; and
- Issuance of 10,000,000 common shares to 1011308 BC.

Within six years of the Effective Date, and subsequent to the Company completing the requirement of the Second Option, the Company was required to satisfy certain additional obligations to acquire the remaining 24% interest in the property (the “Third Option”):

- Incur an additional $2,000,000 in exploration expenditures on the property;
- Issuance of 10,000,000 common shares to 1011308 BC; and
- Delivering a Preliminary Economic Assessment on the property to 1011308 BC.

4. MINERAL PROPERTY INTERESTS (continued)

Under the terms of the Original Option Agreement, certain principals of 1011308 BC retain a 3.0% net smelter return royalty, collectively ("NSR") on any commercial production on the property. In the event that the Company exercised the Third Option, the Company would have had the right to purchase one-third (1.0%) of the NSR for the purchase price of $1,500,000 for a period of 90 days.

The Company issued 7,500,000 common shares to 1011308 BC on August 18, 2020. On October 18, 2020, the Company and 1011308 BC entered into an amending agreement, pursuant to which they agreed to extend the period in which the Company is required to make the Initial Payment to the earlier of (i) five (5) business days following closing of the Offering, and (ii) March 15, 2021. On March 15, 2021, the Company and 1011308 BC entered into a second amending agreement extending the deadline of the Initial Payment to March 15, 2022.

On March 14, 2022, the Company and 1011308 BC entered into an amended and restated option agreement (the "Amended and Restated Option Agreement") amending and restating the terms of the Original Option Agreement. Under the terms of the Amended and Restated Option Agreement, the Company has the right to acquire a 75% earned interest in the Charlotte Property by exercising the first option, with a second option to acquire the remaining 25%. The exercise of the first option is conditional upon the Company: (i) paying to 1011308 BC $50,000 upon the earlier of five (5) business days following completion of the Offering and March 14, 2023; (ii) issuing 30,000,000 Common Shares to 1011308 BC, and (iii) incurring not less than $1,500,000 in expenditures on or before March 14, 2024 (or making the equivalent payment of cash to 1011308 BC in lieu) (the "First Option Expenditure Amount"). For the purposes of the Company's requirement to incur the First Option Expenditure Amount, the Company and 1011308 BC have agreed that the expenditures in the amount of $1,034,835 incurred during the term of the Original Option Agreement shall be included in the calculation of the First Option Expenditure Amount.

Under the terms of the Amended and Restated Option Agreement, the right of the Company to exercise the second option and acquire an additional 25% earned interest (100% total) in the Charlotte Property is conditional upon the Company, on or before March 14, 2026: (i) having exercised the first option and, concurrently with the delivery of the first option exercise notice, delivering written notice of the Company's intention to pursue the second option; (ii) the Company issuing an additional 10,000,000 Common Shares to 1011308 BC; (iii) the Company paying to 1011308 BC $200,000; and (iv) the Company delivering a mineral resource estimate report to 1011308 BC, prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

On May 26, 2022, the Company and the Optionor entered into the Second Amended and Restated Option Agreement, amending and restating the Amended and Restated Option Agreement. Under the terms of the Second Amended and Restated Option Agreement, the Company now has the right to acquire a 51% earned interest in the Charlotte Property by exercising the first option, with a second option to acquire 25% and a third option to acquire the remaining 24%. The exercise of the first option is conditional on the following: (i)The Corporation paying the Optionor $50,000 (the "First Option Payment") on the earlier of: (i) five (5) Business Days following completion of the Offering, and (ii) the first anniversary of the Second Amended and Restated Option Agreement; (ii)The Corporation issuing 10,000,000 Common Shares to the Optionor; and (iii)The Corporation incurring not less than $1,500,000 in expenditures on or before the second anniversary of the date of the Second Amended and Restated Option Agreement (or making the equivalent payment of cash to the Optionor in lieu) (the "First Option Expenditure Amount").

Under the terms of the Second Amended and Restated Option Agreement, the right of the Company to exercise the second option, on or before the fourth anniversary of the date of the Second Amended and Restated Option, and acquire an additional 25% earned interest (76% total earned interest) in the Charlotte Property is conditional on the following: (i) The Corporation having exercised the first option and, concurrently with the delivery of the first option exercise notice, delivering written notice to the Optionor stating its intention to pursue the second option; (ii)The Corporation issuing to, or as directed by, the Optionor, an additional 10,000,000 Common Shares on or before the fourth anniversary of the date of the Second Amended and Restated Option Agreement; (iii) The Corporation paying the Optionor $200,000 on or before the fourth anniversary of the date of the Second Amended and Restated Option Agreement; and (iv) The Corporation incurring not less than

4. MINERAL PROPERTY INTERESTS (continued)

$1,500,000 in additional expenditures on or before the fourth anniversary of the date of the Second Amended and Restated Option Agreement.

Under the terms of the Second Amended and Restated Option Agreement, the right of the Company to exercise the third option, on or before the sixth anniversary of the date of the Second Amended and Restated Option, and acquire the remaining 24% earned interest (100% total earned interest) in the Charlotte Property is conditional on the following: (i) The Corporation having exercised the second option and, concurrently with the delivery of the second option exercise notice, delivering written notice to the Optionor stating its intention to pursue the third option; (ii) The Corporation issuing to, or as directed by, the Optionor, an additional 10,000,000 Common Shares on or before the sixth anniversary of the date of the Second Amended and Restated Option Agreement; (iii) The Corporation incurring not less than $1,500,000 in additional expenditures on or before the sixth anniversary of the date of the Second Amended and Restated Option Agreement; and (iv)The Corporation delivering the Resource Estimate Report to the Optionor on or before the sixth anniversary of the date of the Second Amended and Restated Option Agreement.

In the event the Company elects to earn less than a 100% interest in the Charlotte Property, the parties have agreed to form a joint venture to further explore and develop the Charlotte Property, all upon and subject to the terms and conditions set out in the Second Amended and Restated Option Agreement.

The Charlotte Property is subject to an existing 3% NSR payable to certain non-arm's length parties of the Corporation and Optionor. The NSR also applies to additional claims staked or otherwise acquired within a five-kilometre radius of the Charlotte Property. In the event that the Corporation exercises the third option pursuant to the Second Amended and Restated Option Agreement, the Company shall have the right to purchase one-third of the NSR by paying $1,500,000.

5. PROMISSORY NOTES PAYABLE

On November 3, 2021, the Company borrowed an aggregate of $45,000 (the "2021 Loans") from certain existing shareholders of the Company, in each case evidenced by the issuance of unsecured, non-convertible promissory notes (each, a "Promissory Note") bearing an interest rate of 1% per month and repayment of the principal amount owing, plus any accrued and unpaid interest, at the earlier of: (i) the Offering, or (ii) November 3, 2022.. The lenders are not able to demand repayment of the 2021 Loans before the maturity date, although the Company is permitted to prepay the 2021 Loans in whole or in part without notice or penalty.

During the period ended April 30, 2022, certain shareholders advanced an aggregate of $90,500 under the same terms as the 2021 Loans, with a maturity date of March 11, 2023 (the "2022 Loans", and together with the 2021 Loans, the "Loans"). The Company has issued unsecured, non-convertible promissory notes evidencing the 2022 Loans and has issued amended and restated promissory notes to lenders of the 2021 Loans, as each existing lender advanced additional principal to the Company pursuant to the 2022 Loans. The amended promissory notes also extend the terms of the 2021 Loans to March 11, 2023. The Loans are not convertible into Common Shares or other securities of the Company.

As at April 30, 2022, principal plus accrued interest on the 2021 Loans totaled $133,332 (July 31, 2021 - $nil).

6. SHAREHOLDERS' EQUITY

The authorized share capital of the Company consists of unlimited common and preferred shares without par value. All issued shares are fully paid.

Issuances of common shares during the nine months ended April 30, 2022:

There were no issuances of common shares during the nine months ended April 30, 2022.

Issuances of common shares during the nine months ended April 30, 2021:

- On August 18, 2020, the Company completed a private placement whereby an aggregate of 5,300,000 flow-through common shares were issued at a price of $0.05 per flow-through common share for gross proceeds of $265,000. No residual value was allocated as a flow-through premium in connection with the financing.

- On August 18, 2020, the Company issued 10,000,000 common shares in connection with a mineral property option agreement (note 4). The shares were valued at $0.05 per common share for total consideration of $500,000.

- On October 31, 2020, following the expiration of the 4,000,000 warrants issued on August 18, 2020, the Company issued 4,000,000 new warrants, with each warrant allowing the holder to receive one flow-through common share, in exchange for the payment of $0.05 until December 31, 2020. All 4,000,000 warrants were exercised on December 31, 2020 resulting in the issuance of 4,000,000 flow-through common shares. No residual value was allocated as a flow-through premium in connection with the financing.

- On December 30, 2020, the Company completed a flow-through private placement, in which the Company issued 1,507,540 flow-through units (the "FT Units") at a price of $0.55 per FT Unit for gross proceeds of $829,148. Each FT Unit comprises two flow-through common shares (at $0.20 per flow-through common shares), and one non-flow-through common share (at $0.15 per non-flow-through common share). As a result of the issuance of FT Units an aggregate of 3,015,080 flow-through common shares were issued and 1,507,540 non-flow-through shares were issued. The flow-through units were issued at a premium to the trading value of the Company's common shares, which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $150,754 and has been recorded as a reduction of share capital. An equivalent flow-through share premium liability has been recorded, which was reversed pro-rata as the required exploration expenditures were incurred.

Stock options

The Company has a stock option plan (the "Stock Option Plan"), whereby it can grant incentive stock options to Directors, Officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company on a non-diluted basis. The number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by any individual may not exceed 5% of the issued common shares. The vesting period for all stock options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares. All stock options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such stock options are granted.

There have been no stock options granted from incorporation to April 30, 2022.

6. SHAREHOLDERS' EQUITY (continued)

Warrants

A summary of the status of the Company's warrants as at April 30, 2022 and July 31, 2021 and changes during the period/year then ended is as follows:

	Period ended April 30, 2022		Year ended July 31, 2021	
	Warrants #	Exercise price $	Warrants #	Exercise price $
Warrants outstanding, beginning of period/year	2,500,000	0.10	2,500,000	0.10
Issued - compensatory warrants	-	-	8,000,000	0.05
Exercised - compensatory warrants	-	-	(4,000,000)	0.05
Expired - compensatory warrants	-	-	(4,000,000)	0.05
Warrants outstanding, end of period/year	**2,500,000**	**0.10**	2,500,000	0.10

As at April 30, 2022, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Exercise price $	Expiry date	Remaining life (years)
2,500,000	0.10	March 26, 2024	1.91
2,500,000			

On August 18, 2020, the Company issued 4,000,000 compensation warrants to arm's length parties for services provided. The warrants were exercisable into flow-through common shares at a price of $0.05 and had an expiration date of October 30, 2020. The warrants were fair valued at $42,000 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.05, expected life of 0.20 years, expected volatility of 120%, no dividend yield and a risk-free discount rate of 0.50%. The warrants expired unexercised on October 30, 2020, and accordingly, the fair value was reversed from reserves in the period.

On October 30, 2020, the Company issued 4,000,000 compensation warrants to arm's length parties for services provided. The warrants are exercisable into flow-through common shares at a price of $0.05 and have an expiration date of December 31, 2020. The warrants were fair valued at $39,100 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.05, expected life of 0.17 years, expected volatility of 120%, no dividend yield and a risk-free discount rate of 0.50%. All 4,000,000 warrants were exercised on December 31, 2020.

Loss per share

The calculation of basic and diluted loss per share for the nine months ended April 30, 2022 was based on the net loss of $108,619 (2021 – $179,426) and a weighted average number of common shares outstanding of 28,322,620 (2021 – 18,378,689).

All warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Executive Officers and Directors. Other related parties to the Company include companies in which key management have control or significant influence. Key management personnel receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company.

Key management compensation

Transactions with key management during the nine months ended April 30, 2022:

- $20,250 in consulting fees was paid or accrued to the former Chief Executive Officer and Director of the Company;
- $25,000 in consulting fees was paid or accrued to the Chief Executive Officer and Director of the Company; and
- $28,100 in professional fees was paid or accrued to a company in which the Chief Financial Officer of the Company exerts significant influence.

Transactions with key management during the nine months ended April 30, 2021:

- $41,625 in consulting fees was paid or accrued to the Chief Executive Officer and Director of the Company; and
- $15,150 in professional fees was paid or accrued to a company in which the Chief Financial Officer of the Company exerts significant influence.

As at April 30, 2022, $1,575 (July 31, 2021 - $14,175) is owing to key management and included in accounts payable and accrued liabilities.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash, under the fair value hierarchy is based on Level 1 quoted prices in active markets for identical assets or liabilities.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2022, the Company had a cash balance of $7,771 to settle current liabilities of $146,993. All of the Company's financial liabilities have contractual maturities of less than one year or due on demand and are subject to normal trade terms. The Company will need to raise money through debt or equity issuances.

Market risk

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

i. Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

ii. Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at April 30, 2022, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from July 31, 2021.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the nine months April 30, 2022, and July 31, 2021, is as follows:

	April 30, 2022 $	July 31, 2021 $
Loss for the period before income taxes	(108,619)	(179,426)
Statutory Canadian corporate tax rate	27.00%	27.00%
Expected income tax expense (recovery)	(30,000)	(48,000)
Change in tax resulting from:		
Non-deductible items	-	22,000
Change in recognized deductible temporary differences and other	-	26,000
Total deferred income tax recovery	(30,000)	-

Significant components of the Company's net deferred tax assets (liabilities) are as follows:

	April 30, 2022 $	July 31, 2021 $
Mineral property interests	(236,000)	(234,000)
Non-capital losses carried forward	121,000	89,000
Net deferred income tax liability	**(115,000)**	(145,000)

As at April 30, 2022, the Company has non-capital loss carry forwards of approximately $449,000 (July 31, 2021 – $95,000) which expire as follows: $24,000 in 2039, $70,000 in 2040, $234,000 in 2041, and $121,000 in 2042.

As at April 30, 2022, the Company has unclaimed resource and other deductions in the amount of approximately $681,000 (July 31, 2021 - $nil) which may be deducted against future taxable income.

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

11. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing and investing activities during the nine months ended April 30, 2022, and April 30, 2021 as follows:

	April 30, 2022	April 30, 2021
	$	$
Non-cash financing activities:		
Issuance of common shares for mineral property option payment	-	500,000
Recognition of flow-through premium liability	-	150,754
Re-allocation of compensation warrants expired	-	42,000
Fair value of warrants reallocated to share capital	-	39,100
	-	731,854
Non-cash investing activities:		
Mineral property option payment made in common shares	-	(500,000)
Mineral property costs included in accounts payable and accrued liabilities	(3,335)	(3,335)
	(3,335)	(503,335)

During the nine months ended April 30, 2022, and April 30, 2021 no amounts were paid on behalf of interest or income tax.

12. EVENTS AFTER THE REPORTING PERIOD

a) During May 2022, certain shareholders advanced an aggregate of $15,000 under the same terms as the 2021 Loans, with a maturity date of March 11, 2023. The Company has issued unsecured, non-convertible promissory notes evidencing the 2022 Loans and has issued amended and restated promissory notes to lenders of the 2021 Loans, as each existing lender advanced additional principal to the Company pursuant to the 2022 Loans. The amended promissory notes also extend the terms of the 2021 Loans, whereby the maturity date has been extended to the earlier of (i) the completion of the initial public offering of the Company, and (ii) March 11, 2023.