CAPROCK MINING CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED FEBRUARY 28, 2022

(WITH COMPARATIVE FIGURES FOR THE PERIOD FROM DATE OF INCORPORATION (SEPTEMBER 14, 2020) TO FEBRUARY 28, 2021)

(UNAUDITED)

Notice to Reader

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

CAPROCK MINING CORP.

Condensed Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	Note	As at February 28 2022	(Audited) As at August 31 2021
ASSETS			
Current			
Cash and cash equivalents	7	$ 1,029,726	$ 1,389,659
Receivables	8	18,008	43,483
Prepaid and other assets		32,557	44,158
Total current assets		1,080,291	1,477,300
Exploration and evaluation assets	9	2,000,000	-
Total assets		**$ 3,080,291**	**$ 1,477,300**
LIABILITIES			
Current			
Trade payables and accrued liabilities	10	$ 72,701	$ 69,982
Total current liabilities		72,701	69,982
SHAREHOLDERS' EQUITY			
Share capital	11	3,553,824	1,553,824
Warrants reserve	11	408,500	408,500
Deficit		(954,734)	(555,006)
Total shareholders' equity		3,007,590	1,407,318
Total liabilities and shareholders' equity		**$ 3,080,291**	**$ 1,477,300**

Basis of preparation and going concern assumption (note 2)
Subsequent events (note 16)

Approved by the Board:

"Vishal Gupta" Director

"Andres Tinajero" Director

CAPROCK MINING CORP.

Condensed Interim Statements of Operations and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note	Three months ended February 28 2022	Three months ended February 28 2021	Six months ended February 28 2022	Period from Incorporation to February 28 2021
Expenses					
Non-recoverable input tax credits		$ -	$ -	$ 24,439	$ -
Exploration and evaluation expenditures	9	-	8,529	27,436	22,272
General and administrative		15,860	-	24,504	-
Advertising and promotion		2,997	-	6,180	-
Travel and entertainment		600	-	3,525	-
Professional fees	12	137,233	40,585	283,899	63,085
Shareholder costs		11,189	-	29,745	-
		167,879	49,114	399,728	85,357
Net loss and comprehensive loss		**$ (167,879)**	**$ (49,114)**	**$ (399,728)**	**$ (85,357)**
Loss per common share					
Basic	13	$ (0.006)	$ (0.005)	$ (0.013)	$ (0.009)
Weighted average number of common shares outstanding					
Basic	13	30,372,500	10,000,000	30,372,500	10,000,000

The accompanying notes form an integral part of these unaudited condensed interim financial statements

CAPROCK MINING CORP.

Condensed Interim Statements of Changes in Shareholders' Equity (unaudited)

(Expressed in Canadian Dollars)

		Common shares		Units to be	Warrants			
	Note	**Shares**	**Amounts**	**issued**	**Number**	**Amounts**	**Deficit**	**Total**
Shares issued for cash	11	10,000,000	$ 50,000	$ -	-	$ -	$ -	$ 50,000
Proceeds received on subsequent financings		-	-	15,000	-	-	-	15,000
Net loss for the period		-	-	-	-	-	(85,357)	(85,357)
Balances, February 28, 2021		**10,000,000**	**$ 50,000**	**$ 15,000**	**-**	**$ -**	**$ (85,357)**	**$ (20,357)**
Balances, September 1, 2021		30,372,500	$ 1,553,824	$ -	10,400,510	$ 408,500	$ (555,006)	$ 998,818
Shares issued for exploration and evaluation assets	9	10,000,000	2,000,000	-	-	-	-	2,000,000
Net loss for the period		-	-	-	-	-	(399,728)	(399,728)
Balances, February 28, 2022		**40,372,500**	**$ 3,553,824**	**$ -**	**10,400,510**	**$ 408,500**	**$ (954,734)**	**$ 2,599,090**

CAPROCK MINING CORP.

Condensed Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note	Six months ended February 28 2022	Period from Incorporation to February 28 2021
Cash provided by (used in) operating activities			
Net comprehensive loss for the period		$ (399,728)	$ (85,357)
Changes in non-cash working capital items:			
Receivables	8	25,475	(4,485)
Prepaid and other assets		11,601	(363)
Trade payables and accrued liabilities	10	2,719	65,752
		(359,933)	(24,453)
Cash provided by (used in) financing activities			
Common shares issued	11	-	50,000
Subscription funds on units to be issued		-	15,000
		-	65,000
(Decrease) increase in cash and cash equivalents		(359,933)	40,547
Cash and cash equivalents, beginning of the period		1,389,659	-
Cash and cash equivalents, end of the period		**$ 1,029,726**	**$ 40,547**

1. Corporate information and nature of operations

Caprock Mining Corp. ("Caprock" or the "Company") was incorporated as Blingold Corp. under the provisions of the *Business Corporations Act* (Ontario) on September 14, 2020. On July 12, 2021, the Company filed Articles of Amendment to change the name from Blingold Corp. to Caprock Mining Corp. The Company was incorporated to explore and evaluate mineral properties in Canada. The registered and head office of the Company is located at 77 King Street West, Suite 2905, Toronto, Ontario, M5K 1H1. The Company does not have any subsidiaries.

The Company currently has an agreement to acquire mineral properties in Ontario, which agreement closed upon the listing of the Company's common shares on the Canadian Securities Exchange (the "CSE"). As such, the Company is considered to be in the exploration stage and has not yet determined whether its mineral properties contain economically recoverable reserves. The continued operations of the Company and the recoverability of amounts shown or expended for exploration and evaluation ("E&E") assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

2. Basis of presentation

Going concern of operations

These unaudited condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. Although the Company has a positive working capital position as of February 28, 2022, it will need to raise additional capital in the near term to fund its ongoing operations and business activities. There is no assurance that such financings will be available on terms acceptable to the Company or at all. As a result of these circumstances, material uncertainties cast significant doubt about the appropriateness of the going concern presumption. These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses, and classifications in the statement of financial position that may be necessary were the Company unable to continue as a going concern, and these adjustments could be material.

The Company incurred a net loss of $399,728 for the six months ended February 28, 2022 (period from incorporation – $85,357) February 28, 2021) and had working capital of $1,007,590 at February 28, 2022 (August 31, 2021 – $1,407,318). Given the Company's need to raise capital to fund ongoing operations, these conditions indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's future viability depends on acquiring and financing mineral exploration or other projects. If the mineral projects are successful, additional funds will be required to develop these resources and place them into commercial production. The only source of future funds presently available to the Company is through the issuance of common shares, the exercise of share purchase warrants, or the sale of an interest in any of its properties or assets in whole or in part. The ability of the Company to arrange such financing or the sale of interest will depend, in part, on prevailing market conditions and the business performance of the Company. There can be no assurance that the Company will successfully arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional funding is placed through the issuance of shares, the company's control may change, and shareholders may suffer significant dilution.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic, and the ultimate duration and magnitude of the impact on the economy, capital markets, and the Company's financial position cannot be reasonably estimated. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

Statement of compliance

These unaudited interim financial statements have been prepared on a condensed basis in accordance with International Accounting Standard 34 – *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

These unaudited condensed interim financial statements were approved by the Board of Directors (the "Board") and authorized for issue on April 29, 2022.

Functional and presentation currency

These unaudited condensed interim financial statements are presented in Canadian dollars, also the Company's functional currency.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except financial instruments classified as fair value through profit or loss, measured at fair value. In addition, these unaudited condensed interim financial statements have also been prepared using the accrual basis of accounting except for cash flow information.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. As of February 28, 2022 and August 31, 2021, there were no cash equivalents.

Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, the Company expenses E&E expenditures as incurred. These expenditures include materials used, surveying costs, drilling costs, payments made to contractors and depreciation on property, plant and equipment during the exploration phase. Costs not directly attributable to E&E activities, including general administrative overhead costs, are expensed in the period in which they occur.

Acquisition costs of mineral property rights, property option payments and equipment related to E&E activities are capitalized.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain E&E expenditures which the Company would have otherwise undertaken. The Company does not record any payments made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for E&E assets as a gain on disposal.

When a project is deemed to no longer, have commercially viable prospects to the Company, E&E expenditures for that project are considered impaired. As a result, those E&E expenditure costs, overestimated recoveries, are written off to the statement of comprehensive loss.

As the Company currently has no active income, any incidental revenues earned in connection with exploration activities are applied against the asset first and then to profit and loss once the asset has been brought to $nil.

E&E assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). The Company estimates the recoverable amount of each cash-generating unit ("CGU") based on areas of interest. Management groups mineral claims contiguous and specific to an area encompassing the same prospective minerals into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period the entity has the right to explore in the specific area has expired during the reporting period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further E&E of mineral resources in the specific area are neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources. The entity has decided to discontinue such activities in the particular area.
- Sufficient data exists to indicate that, although development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full, from successful development or sale.

An impairment loss may be reversed when there is a change in the circumstances that had initially dictated that impairment had occurred. An example of such a situation might include, but not be limited to, the recommencement of exploration activity on a mineral property due to a significant change in commodity prices.

The recoverable amount is the higher of fair value less disposal costs and value in use. 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.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered a mine under development and is classified as 'mines under construction'. E&E assets are also tested for impairment before the assets are transferred to development properties.

E&E assets are classified as intangible assets. Cash subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits, if any, are classified as loans and receivables.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when the environmental disturbance is caused by development or production. Such costs arising from the decommissioning of plant and other site preparation work discounted to their net present value are provided for and capitalized to the asset's carrying amount as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through an amortization method as appropriate. The corresponding liability is adjusted for each period for the unwinding of the discount rate and changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage created on an ongoing basis during production are provided for at their net present values and charged against profits.

The Company has no material restoration, rehabilitation and environmental costs as of February 28, 2022 and August 31, 2021.

Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other investments. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

Provisions

Provisions are recognized for uncertain timing or amount liabilities resulting from past transactions, including legal or constructive obligations. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Income taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

Current income taxes

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns concerning situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. They are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary taxable differences between the carrying amounts of assets and their corresponding tax bases.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which temporary deductible differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred Tax Liabilities

- are generally recognized for all temporary taxable differences;
- are recognized for temporary taxable differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and, probably, the difference will not reverse in the foreseeable future;
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes;
- are recognized to the extent it is probable that taxable profits will be available against which the temporary deductible differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized regarding temporary differences arising from initial recognition of assets and liabilities acquired other than in a business combination.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset.

The Company's common shares and warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Loss Per Share

Basic Loss Per Share is calculated by dividing total loss from continuing operations attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of shares) is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted Loss Per Share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential shares. The results of anti-dilutive potential shares are ignored in calculating Diluted Loss Per Share. All options are considered anti-dilutive when the Company is in a loss position.

Share-based compensation transactions

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). In situations where equity instruments are issued, and some or all of the goods or services received by the entity as consideration cannot be specifically identified, such as share-based payments to employees, they are measured at the fair value of the share-based payment. Share-based payments to employees are recognized as cash-settled share-based compensation transactions.

Equity-settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period. The corresponding amount is described in "equity-settled share-based payments reserve."

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performances and service conditions are satisfied.

The terms of an equity-settled award are modified; the minimum expense recognized is the expense as if the terms had not been changed. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options (if any) is reflected as additional dilution in the computation of loss per share.

Financial assets and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 - *Financial Instruments* ("IFRS 9") are classified and measured as "financial assets at fair value," as either fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"), and "financial assets at amortized costs," as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered entirely when determining their classification at FVTPL or amortized cost. Cash and amounts receivable held for contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by considering any discount or premium on acquisition fees or costs integral to the EIR.

Subsequent measurement – Financial assets at FVTPL

Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the statements of financial position, with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVTPL.

Subsequent measurement – Financial assets at FVTOCI

Financial assets measured at FVTOCI are non-derivative financial assets that are not held for trading. The Company has made an irrevocable election at the time of initial recognition to measure the assets at FVTOCI. The Company does not measure any financial assets at FVTOCI.

After initial measurement, investments measured at FVTOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains all the risks and rewards of ownership substantially.

Impairment of financial assets

The Company's only financial assets subject to impairment are HST/GST receivable, measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses ("ECL"), accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are integral to the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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. prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The Company's financial instruments consist of the following:

Financial Instruments	**Classification**
Cash	FVTPL
Receivables (excluding sales tax recoverable)	Amortized cost
Trade and other payables	Amortized cost

Expected credit loss impairment model

IFRS 9 introduced a single ECL impairment model, which is based on changes in credit quality since the initial application. The adoption of the ECL impairment model had no impact on the Company's unaudited condensed interim financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

New accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2022, or later periods. The Company is currently assessment the impact of adopting the following amendments on its financial statements.

IAS 1 – *Presentation of Financial Statements* ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as a settlement of liability unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

4. Significant Accounting Judgements and Estimates

Measurement Uncertainty

The preparation of these financial statements requires management to make specific estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the reporting date and reported amounts of revenues and 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 reasonable expectations of future events under the circumstances.

The following are the critical judgments and estimate areas that have the most significant effect on the amounts recognized in these unaudited condensed interim financial statements:

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets. They are determined using various valuation techniques. The inputs to these models are derived from observable market data where possible, but where visible market data are not available, judgment is required to establish fair values. Refer to Note 5 for further details.

Income taxes

Measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in interpreting and applying the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs after the issuance of the consolidated financial statements.

Restoration, rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed in the current and prior periods.

5. Financial instruments and risk management

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies its financial instruments carried at fair value according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly;
Level 3 – Inputs for assets or liabilities that are not based on observable market data

Categories of Financial Instruments

Financial Assets

	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
February 28, 2022:				
Cash and cash equivalents	1,029,726	-	-	1,029,726
February 28, 2021:				
Cash and cash equivalents	40,547	-	-	40,547

The fair values of all the Company's financial instruments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to various financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Currency risk

As most of the Company's expenditures are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. All of the Company's cash is deposited with highly-rated financial institutions, and accordingly, management considers credit risk to be low. There have been no significant changes to the Company's credit risk management policies since the end of the last fiscal year-end.

(Expressed in Canadian Dollars)

The Company’s receivables comprises of HST refund due from the Canada Revenue Agency. Management believes that the credit risk concentration concerning receivables is low.

The Company applies the simplified approach to providing for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all receivables. Receivables have been grouped based on shared credit risk characteristics and the days past due to measuring the ECL.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due or can only do so at a high cost. The Company does not yet generate revenues from its principal operations and has been generating cash flows primarily from financing activities for the six months ended February 28, 2022 and the period from incorporation to February 28, 2021.

The following is an analysis of financial obligations based on their due dates:

	Less than 1 year ($)	1-5 years ($)	More than 5 years ($)	Totals ($)
February 28, 2022:				
Trade payables and accrued liabilities	72,701	-	-	72,701
February 28, 2021:				
Trade payables and accrued liabilities	65,752	-	-	65,752

There have been no significant changes to the Company's liquidity risk management policies since the end of the last fiscal year-end. See note 2 for discussion of going concern risk.

Considering the available liquidity as of February 28, 2022, the expected burn rates from operations and future commitments, the Company's exposure to liquidity risk is deemed to be high as of February 28, 2022. The Company expects to address this risk by raising funds through external financing as needed (see Note 2).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Commodity price and equity price risk

The Company is not exposed to commodity price risk concerning gold and other precious metals because the Company is not in the production stage and does not hold any of the above commodities. The Company is also not exposed to equity price risk because it does not hold any marketable securities investment subject to equity price fluctuation.

(Expressed in Canadian Dollars)

6. Capital management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives, including funding of future growth opportunities and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions to meet its objectives given its current outlook and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing assets. The capital structure is reviewed by management and the board of directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. The forecast is updated based on activities related to its business activities.

The Company's capital management objectives, policies and processes have remained substantially unchanged since the end of the last fiscal year-end.

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

7. Cash and cash equivalents

Cash and cash equivalents include amounts held in the Company's bank accounts at a Canadian Chartered Bank and in trust accounts with legal counsel, which amounts are under the Company's control. As at February 28, 2022, there were no cash equivalents.

8. Receivables

Receivables are comprised of amounts outstanding for HST/GST input tax credits:

	As at February 28, 2022 ($)	As at February 28, 2021 ($)
HST/GST receivable	18,008	4,485

9. Exploration and evaluation assets

The Company entered into an agreement with Big Ridge Gold Corp. ("Big Ridge") dated March 11, 2021 (the "Big Ridge Agreement"), to acquire an aggregate of 523 mining claims and 15 leases in the province of Ontario known as the Mud Lake, Golden Heart, Brookbank East, Three Towers, Miner Lake and Green Oaks properties, subject to royalties (collectively, the "Big Ridge Property") for the purchase price of 10,000,000 common shares at a deemed price of $0.10 per Common Share. As a condition of closing, the Company must have all necessary approvals to complete a Going Public Transaction which occurred on January 26, 2022 when the Company's common shares were listed and posted for trading on the CSE. The Big Ridge Property acquisition closed on February 28, 2022 and the 10,000,000 common shares were issued at the price of $0.20 per share, being the closing price of the common shares on that date.

(Expressed in Canadian Dollars)

Carrying Values

The Company's carrying values on its E&E assets are as follows:

	Big Ridge ($)
Acquisitions	2,000,000
Expirations/forfeitures	-
Revaluations	-
Balance - February 28, 2022	2,000,000

Exploration and evaluation expenditures

The Company has incurred E&E expenditures on its properties to date which are included in deficit as follows:

	Expenditures ($)
Year ended August 31, 2021:	
Exploration and evaluation expenditures	38,021
Period ended February 28, 2022:	
Exploration and evaluation expenditures	27,436
Balance - February 28, 2022	65,457

10. Trade payables and accrued liabilities

Trade payables and accrued liabilities of the Company are principally comprised of amounts outstanding for general operating and financing activities:

	As at February 28, 2022 ($)	As at February 28, 2021 ($)
Trade payables	1,243	15,752
Accrued liabilities	71,458	50,000
	72,701	65,752

11. Share capital and warrants reserve

Common shares summary

The Company is authorized to issue an unlimited number of common shares without par value. All common shares are ranked equally with regards to the Company's residual assets.

(Expressed in Canadian Dollars)

The following is a summary of changes in common share capital:

Issuance Date		Footnote	Number of Shares	Amount ($)
September 14, 2020	Incorporation date		-	-
September 14, 2020	Private placement	(a)	10,000,000	50,000
February 28, 2021	Balance		10,000,000	50,000
September 1, 2021	Balance		30,372,500	1,553,824
February 28, 2022	Issued for Big Ridge Property	(b)	10,000,000	2,000,000
February 28, 2022	Balance		40,372,500	3,553,824

(a) On September 14, 2020, the Company sold 10,000,000 common shares at $0.005 per share for gross proceeds of $50,000.
(b) Issuance of 10,000,000 common shares at $0.20 per share to acquire the Big Ridge Property (see Note 9).

Warrants:

The Company issued Unit Warrants and Broker Warrants in connection with financings during the fiscal year ended August 31, 2021, which are disclosed as a separate component of shareholders' equity.

The following table summarizes changes in warrant balances for the period ended February 28, 2022:

Issue Date	Expiry Date	Exercise Price ($)	Opening Balance	Issued	Exercised / Expired	Closing Balance
March 12 2021	January 26, 2024 (A)	0.15	5,750,000	-	-	5,750,000
March 12 2021	January 26, 2024 (A)	0.10	672,000	-	-	672,000
April 14 2021	January 26, 2024 (A)	0.15	3,585,000	-	-	3,585,000
April 14 2021	January 26, 2024 (A)	0.10	280,110	-	-	280,110
April 26 2021	January 26, 2024 (A)	0.15	101,250	-	-	101,250
April 26 2021	January 26, 2024 (A)	0.10	12,150	-	-	12,150
			10,400,510	**-**	**-**	**10,400,510**
Weighted average exercise price ($)			**0.1454**	**-**	**-**	**0.1454**

(A) Each warrant is exercisable for one Common Share until the date that is the earlier of i) 24 months following the completion of a Liquidity Event or ii) 60 months following the date of issuance. The Liquidity Event means the completion by the Company of (i) distribution to the public of common shares in Canada or the United States under a prospectus or registration statement, as applicable, and the concurrent listing of such common shares for trading on a recognized exchange in Canada or the United States; or (ii) another transaction as a result of which all outstanding, or the securities of another issuer issued in exchange for all such outstanding common shares of the Company, are traded on a recognized exchange in Canada or the United States and are freely tradable (subject to resale restrictions on any concurrent financing and control block restrictions), including by way of a reverse takeover transaction.

On January 26, 2022, the Company's common shares were listed and posted for trading on the CSE, therefore triggering the Liquidity Event to set the expiry dates of the warrants to January 26, 2024.

No warrants were issued during the comparative period from the date of incorporation to February 28, 2021.

As of February 28, 2022, the Company estimated a weighted average term to expire the warrants of 1.91 years.

(Expressed in Canadian Dollars)

Warrant reserves summary:

	Amounts ($)
Fair value of Unit Warrants	354,300
Fair value of Broker Warrants	54,200
Balance, February 28, 2022	408,500

12. Related party transactions and balances

Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. Compensation to those individuals included:

(a) Effective June 7, 2021, the Company entered into a management agreement with Windmark Financial Ltd. ("Windmark"), a company controlled by the Company's President and Chief Executive Officer, for $175,000 per year to be paid in $14,583 monthly installments as follows:

   (i) $7,292 per month, with the balance, accruing; and shall increase to,
   (ii) $10,000 per month, with the balance accruing, upon the occurrence of a Liquidity Event (see note 10 Warrants footnote (A), and shall increase to,
   (iii) $14,583 per month upon the earlier completion of (a) financing; or (b) asset acquisition.

   All accrued balances of the yearly fee not paid to Windmark shall, at the sole discretion of the Board, be paid in the form of either cash or settled in securities on the anniversary of this Agreement or as agreed to between the Parties. Windmark is also eligible to receive a cash bonus upon the Company meeting specific targets concerning its mining properties within 12 months from the commencement of the agreement. Windmark can terminate the agreement upon 30 days' notice or by the Company upon 60 days' notice.

   During the period ended February 28, 2022, the amount of $88,024 was paid to Windmark, which is included in professional fees. As of February 28, 2022, included in prepaid expense is an amount of $7,291, which was paid to Windmark in advance for the March 2022 consulting fees and included in accounts payable is the amount of $61,458, which represents the balance of compensation accrued under the terms of the management agreement.

(b) During the period ended February 28, 2022, Branson Corporate Services Ltd. ("Branson"), where the Company's current and former Chief Financial Officers ("CFO") are employed, charged fees of $36,500 (period ended February 28, 2021 - $2,500) for CFO services as well as other accounting and administrative services provided to the Company, which amount is included in professional fees. As of February 28, 2022, the amount of $nil was owed to Branson (February 28, 2021 - $nil).

(c) During the period ended February 28, 2022, Nebu Consulting, LLC ("Nebu"), where the Company's Vice-President Exploration is employed, charged fees of $40,485 for professional consulting services provided to the Company, which amount is included in professional fees. As of February 28, 2022, $nil was owed to Nebu.

(Expressed in Canadian Dollars)

(d) Key management personnel compensation during the periods ended February 28 is comprised of:

	February 28, 2022 ($)	February 28, 2021 ($)
Management and consulting fees	128,509	-
Professional fees	36,500	2,500
Share based payments	-	-

(e) On February 28, 2022, the Company issued 10,000,000 common shares to Big Ridge upon the completion of the acquisition of its mining properties (see note 9). A director of the Company is also the President and a director of Big Ridge.

13. Basic and diluted loss per share

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period.

	February 28, 2022	February 28, 2021
Loss attributable to common shareholders	$ (399,728)	$ (85,357)
Weighted average number of common shares	30,372,500	10,000,000
Basic and diluted loss per share	$ (0.013)	$ (0.009)
Weighted average number of common shares:		
Balance, beginning of period	30,372,500	-
Effect of common shares issued during the period	-	10,000,000
Balance	30,372,500	10,000,000

The basic and diluted loss per share is the same as the outstanding warrants are anti-dilutive. As at February 28, 2022, there were 10,400,510 warrants outstanding (February 28, 2021 - nil).

14. Contingencies

Environmental

Management believes that there are no probable environmental related liabilities that will have a material adverse effect on the financial position or operating results of the Company.

15. Subsequent Events

On March 9, 2022, The Company granted 1,988,000 options to purchase common shares at the price of $0.12 per common share (the "Options") to senior executives and directors of the Company. 50% of the Options vested immediately and the remaining 50% vest on March 9, 2023. The Options expire on March 9, 2027.

On March 10, 2022, the Board approved and granted 1,012,000 Restricted Share Units (each, an "RSU") to senior executives and directors of the Company at a deemed price of $0.12 per common share. 50% of the RSUs vested immediately and the remaining 50% vest on March 10, 2023. The RSUs expire on March 10, 2025.