BUSCANDO RESOURCES CORP.

(Formerly "Accelerate Capital Corp.")

Financial Statements

(Expressed in Canadian Dollars)

For the years ended December 31, 2021 and 2020

(Unaudited – Prepared by Management)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
www.devissergray.com
t 604.687.5447
f 604.687.6737

Independent Auditor's Report

To the Shareholders of Buscando Resources Corp.,

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenue and has an accumulated deficit of $145,708 as at December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is G. Cameron Dong.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC, Canada
April 25, 2022

BUSCANDO RESOURCES CORP.
Statements of Financial Position
As at December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Note		**December 31, 2021**		December 31, 2020
ASSETS					
Current Assets					
Cash		$	**384,358**	$	30,518
Taxes receivable			**2,250**		-
Amount receivable			**5,903**		2,690
			392,511		33,208
Non-Current Assets					
Mineral properties	4		**128,564**		75,000
Total Assets		$	**521,075**		108,208
LIABILITIES					
Current Liabilities					
Accounts payable & accrued liabilities		$	**25,244**		42,000
Total Liabilities			**25,244**		**42,000**
SHAREHOLDERS' EQUITY					
Share capital *(net of issuance costs)*	6		**188,500**		71,000
Special warrants *(net of issuance costs)*	5		**387,186**		32,286
Reserves			**65,853**		-
Deficit			**(145,708)**		(37,078)
			495,831		66,208
		$	**521,075**	$	108,208

Nature of operations and going concern	1
Events after the reporting date	11

On behalf of the Directors

"Kyler Hardy", *President & CEO*
Kyler Hardy

"Farzad Forooghian", *Director*
Farzad Forooghian

BUSCANDO RESOURCES CORP.
Statements of Loss and Comprehensive Loss
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Note	**For the years ended December 31, 2021**	For the years ended December 31, 2020
General and Administrative Expenses			
General and administrative		**14,500**	200
Consulting		**-**	10,000
Professional fees		**12,144**	12,000
Transfer agent & filing fees		**15,790**	-
Stock-based compensation		**65,853**	-
Interest & bank charges		**343**	72
Total expenses		**108,630**	22,272
Net and comprehensive loss for the year		**$ (108,630)**	$ (22,272)
Basic and diluted loss per share		**(0.02)**	(0.01)
Weighted average number of common shares outstanding		**6,096,568**	3,200,002

BUSCANDO RESOURCES CORP.
Statements of Changes in Shareholders' Equity
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Amount	Number of Special Warrants		Amount	Reserves	Deficit	Total Shareholders' Equity
Balance December 31, 2019		**3,200,001**	**$16,000**	**-**		**$ -**	**$ -**	**($14,806)**	**$1,194**
		-	-	-		-	-	-	-
Shares issued - mineral property		1,000,000	50,000	-		-	-	-	50,000
Shares issued - shares for services		100,000	5,000	-		-	-	-	5,000
Special warrants		-	-	885,000		44,250	-	-	44,250
Speal warrants issue costs		-	-	-		(11,964)	-	-	(11,964)
Net loss for the period		-	-	-		-	-	(22,272)	(22,272)
Balance December 31, 2020		**4,300,001**	**$71,000**	**885,000**	**$**	**32,286.00**	**$ -**	**($37,078)**	**$66,208**
Common shares issued - private placement		2,000,000	100,000	-		-	-	-	100,000
Special warrants		-	-	3,724,000		372,400	-	-	372,400
Special warrants issuance costs		175,000	17,500	-		(17,500)	-	-	-
Options granted		-	-	-		-	65,853	-	65,853
Net loss for the period		-	-	-		-	-	(108,630)	(108,630)
Balance December 31, 2021		**6,475,001**	**$188,500**	**4,609,000**		**$387,186**	**$65,853**	**($145,708)**	**$495,831**

BUSCANDO RESOURCES CORP.
Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

		December 31, 2021		December 31, 2020
Operating Activities				
Net loss for the year	**$**	**(108,630)**	$	(22,272)
Non-cash items				
Stock-based compensation		**65,853**		-
Shares issued for consulting services		**-**		5,000
Changes in non-cash working capital				
Accounts receivable		**(3,213)**		(2,690)
Taxes receivable		**(2,250)**		39
Due to related parties		**500**		-
Accounts payable & accrued liabilities		**7,745**		12,000
Cash flows (used in) operating activities		**(39,995)**		(7,923)
Investing Activities				
Mineral properties		**(53,565)**		-
Cash flows used in investing activities		**(53,565)**		-
Financing Activities				
Issuance of new shares		**100,000**		-
Proceeds from subscription of special warrants (net of issuance costs)		**372,400**		32,286
Advance from related parties		**-**		5,000
Repayment to related parties		**(25,000)**		-
Cash flows provided by financing activities		**447,400**		37,286
Increase in cash		**353,840**		29,363
Cash, beginning of year		**30,518**		1,155
Cash, end of year	**$**	**384,358**	$	30,518

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on June 9, 2017 under the laws of British Columbia, Canada and is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada. Its head office and registered office is located at 520 – 999 West Hastings Street, Vancouver, BC V6C 2W2.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2021, the Company has not generated any revenue and has an accumulated deficit of $145,708 (Dec 31, 2020 - $37,078), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"). These financial statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended December 31, 2021.

The financial statements were approved by the Board of Directors on April 25th, 2022.

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

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, if applicable, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates and assumptions

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

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets,

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

provisions for restoration and environmental obligations and contingent liabilities.

b. Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
ii. The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

c. Cash

Cash includes cash on hand and deposits held at call with banks.

d. Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

e. Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Option payments are recorded as exploration and evaluation assets when the payments are made.

Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded in the statement of loss and comprehensive loss, unless there are associated capitalized exploration and evaluation assets from which these credits have been derived, at which point they are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

f. Share capital

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

g. Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

h. Warrants

The Company makes certain estimates and assumptions when calculating the estimated fair value of warrants issued. The significant assumptions used include the estimate of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the value of the warrants issued

i. Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

j. Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

k. Financial instruments

Classification

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

The Company classifies its financial instruments as follows:

Financial assets/liabilities	**Classification IFRS 9**
Cash	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable are classified in this category.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise. Cash is classified in this category.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive loss ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. There are no financial instruments classified in this category as at December 31, 2021 and 2020.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. There are no financial instruments classified in this category as at December 31, 2021 and 2020.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

l. Accounting standards adopted during the current period

There are no new accounting standards or recent pronouncements that the Company expects will have a material impact on the Company's annual financial statements.

4. EXPLORATION AND EVALUATION ASSETS

On December 11, 2020, the Company entered into an asset purchase agreement to purchase 100% of the right title and interest in the Rupert Property, located in British Columbia, Canada. The Company agreed to the following

i. make cash payments of $150,000 to be paid as follows:
   - $25,000 on the closing date (paid);
   - $50,000 on or before March 15, 2023; and
   - $75,000 on or before March 15, 2024.

ii. Issue 3,750,000 shares as follows
   - 1,000,000 on the closing date (issued at $0.05 per share);
   - 1,250,000 on or before March 15, 2023; and
   - 1,500,000 on or before March 15, 2024.

iii. Incur exploration expenses of $200,000 as follows:
   - $100,000 on or before March 15, 2023 ($53,564 incurred); and
   - $100,000 on or before March 15, 2024.

In addition, the Company granted a 2% net smelter return to the Vendor of the property. At any time, 1% of the net smelter return can be purchased by the Company for $1,500,000.

The Vendor of the property has common directors and officers with the Company.

5. SPECIAL WARRANTS

As at December 31, 2021, there were 4,609,000 special warrants outstanding (December 31, 2020: 885,000). Subsequent to year-end, the special warrants converted into common shares and warrants. See Note 11.

On December 2, 2021, the company issued 24,000 special warrants at a price of $0.10 per special warrant for an aggregate amount of $2,400. Upon exercising, each special warrant will entitle the holder, without any additional consideration, to one common share in the capital of the company and one common share purchase warrant. Each common share purchase warrant will entitle the holder to acquire one common share of the Company at a price of $0.20 for a period of two years.

On June 23, 2021, the company issued 1,200,000 special warrants at a price of $0.10 per special warrant for an aggregate amount of $120,000. Upon exercising, each special warrant will entitle the holder, without any additional consideration, to one common share in the capital of the company and one common share purchase warrant. Each common share purchase warrant will entitle the holder to acquire one common share of the Company at a price of $0.20 for a period of two years.

On April 1, 2021, the company issued 2,500,000 special warrants at a price of $0.10 per special warrant for an aggregate amount of $250,000. Upon exercising, each special warrant will entitle the holder, without any additional consideration, to one common share in the capital of the company and one common share purchase warrant. Each common share purchase warrant will entitle the holder to acquire one common share of the Company at a price of $0.20 for a period of two years. In connection with this issuance, the Company issued 175,000 finder units. Each finders' units consist of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to acquire one common share of the Company at a price of $0.20 for a period of two years, subject to an accelerated expiry.

On October 31, 2020, the company issued 197,000 special warrants at a price of $0.05 per special warrant for an aggregate amount of $9,600. Upon exercising, each special warrant will entitle the holder, without any additional consideration, to one common share in the capital of the company.

On October 15, 2020, the company issued 488,000 special warrants at a price of $0.05 per special warrant for

(Expressed in Canadian dollars)

5. SPECIAL WARRANTS (continued)

an aggregate amount of $24,400. Upon exercising, each special warrant will entitle the holder, without any additional consideration, to one common share in the capital of the company. In addition, in connection with the above, the Company issued 200,000 compensation special warrants at a price of $0.05 per special warrant to Vested Technology Corp.

The special warrants will automatically be exercised on the date that is the earlier of either i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission(s) in Canada for the final prospectus qualifying the distribution of the Shares to be issued upon the exercise or deemed exercise of the Special Warrants or (ii) 18 months from the closing date (see note 11).

6. SHARE CAPITAL

Shares

Authorized: Unlimited Common shares without par value.

Issued and Outstanding Common Shares:

As at December 31, 2021, total outstanding and issued common shares: 6,475,001 (December 31, 2020: 4,300,001).

On March 3, 2021, the company issued 2,000,000 units at $0.05 per unit for gross proceeds of $100,000. Each unit comprises of one common share and one warrant. Each warrant entitles the holder to acquire one common share at a price of $0.10 for a period of two years.

On December 11, 2020, the Company issued 1,000,000 common shares to a company controlled by a director at $0.05 per share in relation to the asset purchase agreement for the Rupert Property (Note 4).

On October 31, 2020, the company issued 100,000 common shares at $0.05 per share as a consulting advisory fee.

On October 31, 2017, the company issued 3,200,000 common shares at $0.01 per share for gross proceeds of $16,000.

On June 9, 2017, the Company issued 2 incorporation shares at $0.01 per share for $0.02.

Warrants

A summary of the warrants outstanding and exercisable at December 31, 2021 is as follows:

Exercise Price	Number Outstanding and Exercisable	Expiry Date
$		
0.10	2,000,000	March 3, 2023
0.20	175,000	April 1, 2023
0.10	2,175,000	

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Options

On August 6, 2021 the company approved a stock option plan authorizing the Company to grant stock options up to a maximum of 10% of the company's issued and outstanding shares.

On November 1, 2021, the company issued 950,000 stock options to certain directors, officers, and consultants of the company. The options have an exercise price of $0.10 and expire on November 1, 2025. The options have a value of $65,853 using the Black Scholes valuation model.

The following Black Scholes variables were used to calculate stock-based compensation:

	November 1, 2021
- weighted average risk-free interest rate	1.67%
- dividend yield of	0.00%
- volatility rate	100%
- expected life (years)	4

A summary of the status of the stock options outstanding under the Company's stock option plan as at December 31, 2021, is as follows:

	Number of Options Granted	Number of Options Exercised	Number of Options Remaining	Weighted Average Exercise Price	Weighted average remaining contractual life
Granted 11/01/2021	950,000	-	950,000	0.10	3.84
Outstanding December 31 2021	950,000	-	950,000	0.10	3.84

7. DUE TO RELATED PARTIES

Accounts payable and accrued liabilities includes $500 (2020 - $30,000) owed to companies controlled by a director of the Company. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

On November 1, 2021, the company issued 750,000 stock options to certain directors and officers of the company. The options have an exercise price of $0.10 and expire on November 1, 2025. Share-based payments of $ $51,989 (2020 - $nil) were recorded to these directors and officers.

(Expressed in Canadian dollars)

8. INCOME TAXES

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

	2021	2020
	$	$
Loss for the year	(108,630)	(22,272)
Statutory tax rate	27.00%	27.00%
Expected recovery of income taxes	(29,330)	(6,013)
Effect of non-deductible amounts	17,780	530
Change in benefit not recognized	11,500	5,483
Deferred income tax recovery	-	-

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

	2021	2020
	$	$
Non-capital losses	80,800	37,470
Share issue costs	1,178	
	81,978	37,470

As at December 31, 2021, the Company has operating losses available for carry-forward of approximately $80,800 available to apply against future Canadian income tax purposes. The operating losses expire between 2040 and 2041.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the exploration and development of natural resource properties. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

10. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

10. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash is determined using level 1 inputs.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at December 31, 2021, the Company had a cash balance of $384,358 to settle current liabilities of $25,244. Liquidity risk is assessed as low.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign exchange risk:

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

Foreign currency Risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at December 31, 2021, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

11. EVENTS AFTER THE REPORTING DATE

On February 25, 2022, the Company increased the price of 429,000 previously issued common shares from $0.005 to $0.02 per share. The company received an additional $6,435.

On March 15, 2022 the Company began trading on the CSE. In conjunction with the listing the 4,609,000 special warrants were exercised resulting in an issuance of 4,609,000 common shares, 2,000,000 warrants with an exercise price of $0.10 and 175,000 warrants with an exercise price of $0.20.