



Damara Gold Corp.

Condensed Interim Financial Statements (un-audited)

January 31, 2022

Expressed in Canadian Dollars

DAMARA GOLD CORP.
Three and Six Months Ended January 31, 2022
(Expressed in Canadian Dollars)

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited 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 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.

For further information please contact:

Lawrence Nagy, CEO or

Terese Gieselman, CFO

(250) 717-1840

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (un-audited)

As at January 31, 2022 and July 31, 2021

Expressed in Canadian Dollars

	Note	January 31 2022	July 31 2021
ASSETS			
Current			
Cash and cash equivalents	2	\$ 278,041	\$ 496,497
Restricted cash		112,482	809,475
Receivables		57,674	22,882
Prepays		7,544	16,293
		455,741	1,345,147
Non Current			
Exploration and evaluation assets	5	2,322,396	674,270
Total Assets		\$ 2,778,137	\$ 2,019,417
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	9	69,606	124,145
Shareholders' Equity			
Share Capital	6	34,740,473	33,834,443
Contributed surplus	7	1,547,854	1,524,800
Deficit		(33,579,796)	(33,463,970)
Total Shareholders' Equity		2,708,531	1,895,272
Total Liabilities and Shareholders' Equity		\$ 2,778,137	\$ 2,019,417

Approved on behalf of the Board of Directors by:

/s/ Lawrence Nagy

Lawrence Nagy, Director

/s/ William Lindqvist

William Lindqvist, Director

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

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (un-audited)

For the three and six months ended January 31

Expressed in Canadian Dollars

	Note	Three Months Ended January 31		Six Months Ended January 31	
		2022	2021	2022	2021
Expenses					
Administrative and general	8,9,10	\$ 54,626	\$ 36,050	\$ 93,254	\$ 69,204
Share-based payments		23,054	-	23,054	-
Property evaluation		500	(1,800)	500	63,646
Total Expenses		(78,181)	(34,250)	(116,809)	(132,850)
Other items					
Interest revenue		652	-	983	-
Net loss and comprehensive loss for the period		\$ (77,528)	\$ (34,250)	\$ (115,826)	\$ (132,850)
Loss per share for the period - basic and diluted	11	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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

DAMARA GOLD CORP.**(An Exploration Stage Company)****CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (un-audited)**

For the six months ended January 31

Expressed in Canadian Dollars

	Note	Share Capital	Contributed Surplus	Deficit	Total
Balance July 31, 2020		\$31,692,281	\$ 1,419,262	\$(33,092,847)	\$ 18,696
Net loss for the period		-	-	(132,850)	(132,850)
Share issued for exploration and evaluation assets	5,6	292,923	-	-	292,923
Fair value of agent warrants issued	6	-	8,369	-	8,369
Share issued for private placement	6	500,000	-	-	500,000
Share issue costs		(14,182)	-	-	(14,182)
Balance January 31, 2021		\$32,471,021	\$ 1,427,631	\$(33,225,697)	\$ 672,955

	Note	Share Capital	Contributed Surplus	Deficit	Total
Balance July 31, 2021		\$33,834,443	\$ 1,524,800	\$(33,463,970)	\$1,895,272
Net loss for the period		-	-	(115,826)	(115,826)
Share issued for exploration and evaluation assets	5,6	738,103	-	-	738,103
Share issued for private placement	5	174,999	-	-	174,999
Share-based payments	7	-	23,054	-	23,054
Share issue costs		(7,072)	-	-	(7,072)
Balance January 31, 2022		\$34,740,473	\$ 1,547,854	\$(33,579,796)	\$ 2,708,531

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

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (un-audited)

For the six months ended January 31

Expressed in Canadian Dollars

	Note	2022	2021
OPERATING ACTIVITIES			
Loss for the period		\$ (115,826)	\$ (132,850)
Items not affecting cash			
Share-based payments	7	23,054	-
Changes in non-cash working capital			
Receivables		8,750	(14,795)
Prepaid expenses and advances		(34,792)	-
Trade and other payables		(169,930)	(38,076)
Cash used in operating activities		(288,743)	(185,721)
INVESTING ACTIVITIES			
Exploration and evaluation asset expenditures	5	(794,632)	(270,236)
Total cash provided in investing activities		(794,632)	(270,236)
FINANCING ACTIVITIES			
Private placements	6	174,998	500,000
Share issue costs		(7,072)	(5,813)
Cash provided in financing activities		167,926	494,187
Decrease in cash during the period		(915,449)	38,230
Cash beginning of period		1,305,972	68,623
Cash end of period		\$ 390,523	\$ 106,853
Composition of cash and restricted cash			
Cash		\$ 278,041	\$ 106,853
Restricted Cash		112,482	-
Cash and restricted cash end of the period		\$ 390,523	\$ 106,853

Supplemental Disclosure with Respect to Cash Flows (Note 12)

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

DAMARA GOLD CORP.

Notes to Condensed Interim Financial Statements – (unaudited)
For the Three and Six Months Ended January 31, 2022 and 2021
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Damara Gold Corp. (“Damara” or the “Company”) was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia as Solomon Resources Limited. On September 30, 2014, the Company changed its name to Damara Gold Corp. Effective October 1, 2014 the Company commenced trading on the TSX Venture Exchange (the “Exchange”) under the symbol “DMR” as a Tier 2 issuer.

The Company is in the business of identifying and acquiring prospective and under-explored gold properties worldwide. The Company’s corporate head office is at Suite 335 – 1632 Dickson Ave, Kelowna, BC V1Y 7T2.

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS

These condensed interim financial statements for the three and six month period ended January 31, 2022 and 2021 and have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s July 31, 2021 audited annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the International Financial Reporting Interpretations Committee.

The preparation of condensed interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in Note 4.

The financial statements were authorized for issue by the Board of Directors on March 30, 2022.

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial assets, which have been measured at fair value. The methods used to measure fair value are discussed in Note 3 of the Company’s July 31, 2021 audited annual financial statements. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information. The condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not generated revenues from its operations to date. During the six months ended January 31, 2022, the Company incurred a net loss of \$115,826 (2021 - \$132,850) and, as of that date, had a deficit of \$33,579,796 (July 31, 2021 - \$33,463,970). The Company currently has sufficient cash resources and working capital of \$386,135 as at January 31, 2022 (July 31, 2021 - \$1,221,002) to complete the remaining \$112,482 of flow through expenditure requirement on or before December 31, 2022 (July 31, 2021 - \$809,475). The required flow-through expenditures as at January 31, 2022 of \$112,482 (July 31, 2021 - \$809,475) is recorded as restricted cash.

DAMARA GOLD CORP.

Notes to Condensed Interim Financial Statements – (unaudited)
For the Three and Six Months Ended January 31, 2022 and 2021
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2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS (cont'd)

The Company will continue to have to raise funds beyond its current working capital balance in order to continue the development of its exploration properties and general operations.

These conditions indicate the existence of material uncertainties, which casts significant doubt about the Company's ability to continue as a going concern.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

As a result of the COVID-19 pandemic, British Columbia has implemented a number of quarantine measures. With these measures in place, the Company in certain cases has modified its exploration plans by setting up with a camp onsite or within close proximity of a project and avoiding public places such as restaurants and hotels while out in the exploration field when required. While COVID-19 has not had a material impact on the Company's operations, the duration and ultimate impact of the COVID-19 outbreak is unknown at this time. Further governmental actions to contain the outbreak may impact our ability to complete our planned exploration programs. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed interim financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited financial statements for the year ended July 31, 2021. These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended July 31, 2021.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

DAMARA GOLD CORP.

Notes to Condensed Interim Financial Statements – (unaudited)
 For the Three and Six Months Ended January 31, 2022 and 2021
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4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below.

Critical Estimates*Valuation of Share-based Payments*

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

Critical Judgments*Going Concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5. EXPLORATION AND EVALUATION ASSETS

	Placer Mountain
Balance at July 31, 2020	\$ -
Acquisition costs	292,922
Exploration costs	381,348
Balance at July 31, 2021	\$ 674,270
Acquisition costs	763,103
Exploration costs	885,023
Balance at January 31, 2022	\$ 2,322,396

Placer Mountain Property, British Columbia

On October 15, 2020, Damara entered into an assignment and assumption agreement with Canagold Resources Ltd. ("Canagold") pursuant to which Canagold has assigned (the "Assignment") all of its rights, obligations, interests and assets with respect to a property option agreement dated December 20, 2018 and amended on June 3, 2019 (the "Option Agreement") between Canagold, Universal Copper Ltd. ("Universal") and Sydney Wilson ("Wilson") to acquire a 75% interest (the "Option") in certain mineral claims of Universal and Wilson ("Placer Mountain" or the "Property"), subject to the Universal NSR and Wilson NSR (as defined herein).

DAMARA GOLD CORP.

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5. EXPLORATION AND EVALUATION ASSETS (cont'd)

The Property is comprised of 22 mineral claims covering approximately 8,955 hectares located approximately 35km south of Princeton, British Columbia.

The Property is subject to a 1% net smelter return (“**NSR**”) to Universal which can be purchased for \$1,000,000 (the “**Universal NSR**”) and a 2% NSR to Wilson which can be reduced to 1% for cash purchase of \$1,000,000 (the “**Wilson NSR**”).

On April 13, 2021, the Company in accordance with the terms of the Option Agreement provided notice (the “**Notice**”) of its intent to exercise the Option and acquire its 75% interest and on August 4, 2021 the parties entered into a definitive joint venture agreement (the “**JV Agreement**”). Pursuant to the terms of the Option Agreement, Damara made the cash payment of \$25,000 to Universal on execution of the JV Agreement.

Consideration for the Assignment included:

- Completion of \$300,000 in earn-in exploration expenditures (completed);
- the issuance of 3,989,950 common shares with a fair value of \$292,922 issued on or before December 31, 2020 (issued); and
- the issuance of 9,841,371 common shares with a fair value of \$738,103 issued on or before December 31, 2021 (issued).

Realization

The Company's investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production or proceeds from the disposition thereof.

a. Title

Although the Company has taken steps to ensure the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

b. Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

DAMARA GOLD CORP.

Notes to Condensed Interim Financial Statements – (unaudited)
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6. SHARE CAPITAL**(a) Authorized Share Capital**

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

(b) Common Shares

	Note	Number	Issue Price	Total
Balance at July 31, 2020		26,312,579	-	\$31,692,281
Shares issued for private placement		10,000,000	\$0.05	500,000
Shares issued for private placements		10,049,222	\$0.09	904,430
Shares issued for private placement		2,857,143	\$0.07	200,000
Shares issued for private placement		3,500,000	\$0.08	280,000
Shares issued for exploration and evaluation assets	5	3,594,941	\$0.07	233,671
Shares issued for exploration and evaluation assets	5	395,009	\$0.15	59,251
Shares issued on exercise of options		1,000,000	\$0.05	50,000
Shares issued on exercise of warrants		20,680	\$0.10	2,068
Fair value of options transferred on exercise		-	-	57,167
Fair value of warrants transferred on exercise		-	-	580
Share issue costs		-	-	(145,005)
Balance at July 31, 2021		57,729,574		\$33,834,443
Shares issued for private placement		1,944,444	\$0.09	174,999
Shares issued for exploration and evaluation assets	5	9,841,371	\$0.075	738,103
Share issue costs		-	-	(7,072)
Balance at January 31, 2022		69,515,389	-	\$34,740,473

(b) Common Shares

During the period ended January 31, 2022 the Company issued the following:

On December 17, 2021 the Company issued 1,944,444 common shares of the Company on a flow-through basis (the "**2021 FT Shares**") at a price of \$0.09 per 2021 FT Shares for gross proceeds of \$174,999.96.

On December 31, 2021, the Company issued 9,841,371 common shares pursuant to the Option as described in Note 5 hereinabove. The common shares were valued at \$738,103 as determined by the market price when issued being \$0.075 per share.

During the year ended July 31, 2021 the Company issued the following:

December 2020 Financing

On December 7, 2020, in connection with the Assignment as described in Note 5, the Company completed a financing and issued an aggregate of 10,000,000 units (a "**Unit**") at a price of \$0.05 per Unit for aggregate gross proceeds of \$500,000 (the "**December Financing**").

DAMARA GOLD CORP.

Notes to Condensed Interim Financial Statements – (unaudited)
For the Three and Six Months Ended January 31, 2022 and 2021
(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)

(b) Common Shares (cont'd)

Each Unit consists of one common share in the capital of the Company (a “**Common Share**”) and one-half of one Common Share purchase warrant (each whole warrant a “**December Warrant**”). Each December Warrant entitles the holder to acquire one additional Common Share at a price of \$0.10 per share until December 7, 2022.

In connection with the December Financing, the Company issued to eligible finders an aggregate of 247,000 finders warrants (the “**December Agent Warrants**”). Each December Agent Warrant entitles the holder to acquire one Common Share at a price of \$0.10 until December 7, 2022.

The fair value of the non-cash share issuance costs of \$6,926 for the December Agent's Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.065, exercise price of \$0.10, risk-free interest rate of 0.20%, average projected volatility of 102.68%, dividend yield of nil, average expected life of the warrants of 2 years and the fair value of the warrants of \$0.03. Additional share issue costs of \$9,420 were recorded for regulatory filing fees, administration and transfer agent fees.

On December 7, 2020, the Company issued 3,594,941 common shares pursuant to the Option as described in Note 5 hereinabove. The common shares were valued at \$233,671 as determined by the market price when issued being \$0.065 per share.

On December 31, 2020, the Company issued 395,009 common shares pursuant to the Option as described in Note 5 hereinabove. The common shares were valued at \$59,251 as determined by the market price when issued being \$0.15 per share.

May 2021 Financing

On May 31, 2021 the Company issued 6,111,111 units of the Company on a flow-through basis (the “**May FT Units**”) at a price of \$0.09 per May FT Unit for gross proceeds of \$550,000 and issued 2,857,143 units of the Company on a non-flow-through basis (the “**May NFT Units**”) at a price of \$0.07 for gross proceeds of \$200,000, collectively the “**May Financing**”.

Each May FT Unit consists of one Common Share issued on a flow-through basis under the *Income Tax Act* (Canada) (the “**Tax Act**”) and one-half of one Common Share purchase warrant (each whole warrant a “**May Warrant**”). Each May Warrant entitles the holder thereof to purchase one non-flow-through Common Share at an exercise price of \$0.15 until May 31, 2023.

Each May NFT unit will consist of one Common Share in the capital of the Company and a May Warrant as described above.

In connection with the May Financing the Company has paid an aggregate cash finders' fees of \$37,896 cash and issued 444,000 finders warrants (the “**May Agents Warrants**”). Each May Agent Warrant will entitle the holder to acquire one additional Common Share at a price of \$0.15 until May 31, 2023 on the same terms as the May Warrants.

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For the Three and Six Months Ended January 31, 2022 and 2021
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6. SHARE CAPITAL (cont'd)

(b) Common Shares (cont'd)

The fair value of the non-cash share issuance costs of \$25,221 for the May Agents Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.105, exercise price of \$0.15, risk-free interest rate of 0.31%, average projected volatility of 121.81%, dividend yield of nil, average expected life of the warrants of 2 years and the fair value of the warrants of \$0.06.

June 2021 Financing

On June 17, 2021, the Company issued 3,938,111 units of the Company on a flow-through basis (the “**June FT Units**”) at a price of \$0.09 per FT Unit for gross proceeds of \$354,430 and issued 3,500,000 units of the Company on a non-flow-through basis (the “**June NFT Units**”) at a price of \$0.08 for gross proceeds of \$280,000, collectively the “**June Financing**”.

Each June FT Unit consists of one Common Share issued on a flow-through basis under the Tax Act and one-half of one Common Share purchase warrant (each whole warrant a “**June Warrant**”). Each June Warrant entitles the holder thereof to purchase one non-flow-through Common Share at an exercise price of \$0.15 until June 17, 2023.

Each June NFT Unit consists of one Common Share in the capital of the Company and a June Warrant as described above.

The Company has paid an aggregate cash finders' fees of \$29,699 cash and issued 350,820 finders warrants (the “**June Agents Warrants**”). Each June Agent Warrant will entitle the holder to acquire one additional Common Share at a price of \$0.15 until June 17, 2023, on the same terms as the June Warrants.

The fair value of the non-cash share issuance costs of \$17,462 for the June Agent's Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.095, exercise price of \$0.15, risk-free interest rate of 0.45%, average projected volatility of 122.42%, dividend yield of nil, average expected life of the warrants of 2 years and the fair value of the warrants of \$0.05.

Additional aggregate share issue costs of \$18,381 were recorded for regulatory filing fees, administration and transfer agent fees.

On May 28, 2021, 150,000 common shares were issued pursuant to the exercise of 150,000 options and an exercise price of \$0.05 for gross proceeds of \$7,500.

On June 22, 2021, 150,000 common shares were issued pursuant to the exercise of 150,000 options and an exercise price of \$0.05 for gross proceeds of \$7,500.

On July 26, 2021, 700,000 common shares were issued pursuant to the exercise of 700,000 options and an exercise price of \$0.05 for gross proceeds of \$35,000.

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6. SHARE CAPITAL (cont'd)**(c) Share Purchase Warrants**

The following is a summary of changes in warrants from August 31, 2020 to January 31, 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance at July 31, 2020	10,957,351	\$0.13
Expired	(5,957,351)	\$0.15
Issued	13,203,184	\$0.13
Balance at July 31, 2021 and January 31, 2022	18,203,184	\$0.12

As at January 31, 2022 the share purchase warrants have a weighted average remaining contractual life of 1.00 (July 31, 2021 – 1.51) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
August 31, 2022	\$0.10	5,000,000
December 7, 2022	\$0.10	5,000,000
May 31, 2023	\$0.15	4,484,128
June 17, 2023	\$0.15	3,719,056
Total		18,203,184

(d) Agents' Warrants

The following is a summary of changes in agents' warrants from August 1, 2020 to January 31, 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance at July 31, 2020	-	-
Issued	1,041,820	\$0.14
Exercised	(20,680)	\$0.10
Balance at July 31, 2021 and January 31, 2022	1,021,140	\$0.14

As at January 31, 2022 the agent warrants have a weighted average remaining contractual life of 1.24 (July 31, 2021 – 1.74) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
December 7, 2022	\$0.10	226,320
May 31, 2023	\$0.15	444,000
June 17, 2023	\$0.15	350,820
		1,021,140

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7. SHARE-BASED PAYMENTS**(a) Option Plan Details**

The Company adopted a stock option plan (the “Plan”) to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall be not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options vest when granted unless otherwise specified by the Board of Directors.

Stock option activity from August 1, 2020 to January 31, 2022 was as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2020	1,150,000	\$0.05
Expired	(150,000)	\$0.05
Exercised	(1,000,000)	\$0.05
Granted	2,300,000	\$0.08
Balance at July 31, 2021	2,300,000	\$0.08
Granted	400,000	\$0.08
Balance at January 31, 2022	2,700,000	\$0.08

As at January 31, 2022 the following options were outstanding:

Expiry Date	Exercise Price	Number of Options
July 26, 2026	\$0.08	2,300,000
December 30, 2026	\$0.08	100,000
January 21, 2027	\$0.08	300,000
		2,700,000

As at January 31, 2022, 2,700,000 (July 31, 2021 – 2,300,000) options were outstanding and exercisable with a weighted average remaining contractual life of 4.56 (July 31, 2021 - 4.99) years.

(b) Fair Value of Options Issued During the Period

During the period ended January 31, 2022, the weighted average fair value at grant date of options granted was \$0.08 per option (2021 - \$Nil).

(c) Expenses Arising from Share-based Payment Transactions

The total fair value of options granted during the period ended January 31, 2021 was \$23,054 (2021 - \$Nil) which has been recorded as a share-based payment expense in the condensed interim statements of comprehensive loss with a corresponding increase in contributed surplus.

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7. SHARE-BASED PAYMENTS (cont'd)

The Black-Scholes option pricing model inputs for options granted during the periods ended January 31, 2022 and January 31, 2021 include:

Grant Date	Expiry Date	Share Price	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
30-Dec-21	30-Dec-26	\$0.075	\$0.08	1.30%	5	106.63%	
21-Jan-22	21-Jan-27	\$0.075	\$0.08	1.67%	5	106.64%	

Expected volatility is based on the historical volatility of the Company's market share price.

8. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	For the Three Months Ended January 31		For the Six Months Ended January 31	
		2022	2021	2022	2021
Accounting and legal	9	\$713	\$2,328	\$2,128	\$8,300
Consulting		22,893	14,493	47,255	29,473
Website, shareholder communication		7,211	0	9,417	2,250
Office and administration fees		9,887	9,770	13,068	12,939
Insurance	10	2,637	2,271	6,032	3,784
Exchange and regulatory fees		6,923	2,769	6,923	4,307
Rent		3,000	3,000	6,000	6,000
Transfer agent fees		1,361	1,419	2,431	2,152
		\$54,626	\$36,050	\$93,254	\$69,204

9. KEY MANAGEMENT COMPENSATION

Compensation for key management and personnel, including Company officers, directors, and private companies controlled by officers and directors, was as follows:

	January 31 2022	January 31 2020
Key management personnel compensation comprised :		
Consulting fees	\$47,255	\$43,073
Administration	11,325	\$9,638
	\$58,580	\$52,710

Included in trade and other payables are amounts due to officers, directors and former officers, directors and related parties for fees and expenses of \$12,570 at January 31, 2022 (July 31, 2021 - \$6,166).

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For the Three and Six Months Ended January 31, 2022 and 2021
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10. RELATED PARTY TRANSACTIONS**Rent**

The Company currently pays Golden Ridge Resources Ltd. (a company with common directors and officers) rent and expenses on a month-to-month basis for shared offices space for total rent of \$6,000 (2020 - \$6,000).

11. LOSS PER SHARE

	Three Months Ended January 31		Six Months Ended January 31	
	2022	2021	2022	2021
Net loss attributable to ordinary shareholders	(\$77,528)	(\$98,600)	(\$115,826)	(\$132,850)
Weighted average number of common shares	69,515,389	30,465,404	59,874,833	26,312,579
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

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

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the six months ended January 31, 2022 and 2021 the following transactions were excluded from the statements of cash flows:

- i) Included in accounts payable is \$44,603 (2021 - \$Nil) of exploration expenditures that are capitalized to exploration and evaluation assets.
- ii) A compensation charge of \$Nil (2021 – \$8,369) associated with the grant of (2021 – 247,000) Agent Warrants was recorded as share issue costs (Note 6).

13. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada. The Company's non-current assets as at January 31, 2022 and July 31, 2021 are all in Canada.