# FORM 51-102F4

## BUSINESS ACQUISITION REPORT

**Item 1.** **Name and Address of Company**

**1.1** **Name and Address of Company**

**COPAUR MINERALS INC.**
700 West Georgia Street, Suite 888
Vancouver, BC V7Y 1G5

**1.2** **Executive Officer**

**Chantelle Collins**
Chief Financial Officer
(604) 718-5454 extension 206

**Item 2.** **Details of Acquisition**

**2.1** **Nature of Business Acquired**

On May 12, 2022, CopAur Minerals Inc. (the "**Company**") completed its acquisition of all the issued and outstanding shares of New Placer Dome Gold Corp. (formerly listed on the TSXV under the symbol 'NGLD') ("**New Placer Dome**") pursuant to an arrangement agreement and plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Arrangement**"). For additional information about the Arrangement, please see New Placer Dome's management information circular dated April 7, 2022 and available under New Placer Dome's SEDAR profile.

New Placer Dome is the owner of a 79.99% interest in the Kinsley Mountain Gold Project, located in southeast Elko County, Nevada, USA, comprising 513 unpatented claims and five leased patented claims; an option to acquire up to a 75% undivided interest in the Bolo gold-silver project located in Nye County, Nevada, comprising 187 unpatented lode mining claims and one patented lode mining claim; and its 100% owned Troy Mountain gold property located in eastern Nye County, Nevada, USA, comprising 59 unpatented mineral claims.

**2.2** **Date of Acquisition**

May 12, 2022.

**2.3** **Consideration**

Consideration

In consideration for the acquisition of all of the issued and outstanding common shares of New Placer Dome, the Company issued 0.1184 of a Company common share for each issued and outstanding common share of New Placer Dome (the "**Exchange Ratio**"), for an aggregate issuance of 20,759,159 common shares of the Company to the former New Placer Dome shareholders.

Pursuant to the Arrangement, all outstanding share purchase warrants of New Placer Dome became exercisable to acquire common shares of the Company, with the numbers of securities and exercise prices adjusted in accordance with the Exchange Ratio. Incentive stock options of New Placer Dome were exchanged for incentive stock options of the Company adjusted as to number and price in accordance with the Exchange Ratio, and otherwise with the same terms as the original New Placer Dome options except that such options held by any persons who did not continue as officers, directors, employees or consultants of New Placer Dome or its affiliates will continue to be outstanding until the date that is 12 months following the effective date of the Arrangement.

**2.4 Effect on Financial Position**

Prior to the acquisition of New Placer Dome, the Company was focused on the exploration of its Williams Gold-Copper Project located in northern British Columbia, Canada. As a result of the acquisition of New Placer Dome, the Company diversified its portfolio of projects by adding the three Nevada gold projects of New Placer Dome.

The Company does not at present have any plans or proposals for material changes in the Company's or New Placer Dome's affairs (corporate structure, personnel or management) that will have an impact on the financial performance and financial position of the Company.

**2.5 Prior Valuations**

None.

**2.6 Parties to Transaction**

The acquisition was not with an informed person, associate or affiliate of the Company.

**2.6 Date of Report**

July 29, 2022.

**Item 3. Financial Statements**

The following financial statements attached as Schedule "A" hereto are included in this Business Acquisition Report:

1. Audited consolidated financial statements of New Placer Dome for the fiscal years ended June 30, 2021 and 2020.

2. Condensed interim consolidated financial statements of New Placer Dome for the nine months ended March 31, 2022 and 2021.

The auditors of New Placer Dome have not given their consent to include their audit report in this report.

**Schedule A to Business Acquisition Report of CopAur Minerals Inc.**

[See attached]

# New Placer Dome Gold Corp.

## Consolidated Financial Statements

## For the Years Ended June 30, 2021 and 2020

## (Expressed in Canadian Dollars)

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Smythe CPA

**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF NEW PLACER DOME GOLD CORP.**

## *Opinion*

We have audited the consolidated financial statements of New Placer Dome Gold Corp. (the "Company"), which comprise:

- the consolidated statements of financial position as at June 30, 2021 and 2020;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

## *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

## *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $3,385,405 during the year ended June 30, 2021 and, as of that date, had an accumulated deficit of $8,892,368. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on 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 of Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

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

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

In preparing the consolidated 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.

## *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 auditors' report is Kevin Kwan.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
October 27, 2021

**NEW PLACER DOME GOLD CORP.**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
(Expressed in Canadian Dollars)

| As at | Note | **June 30, 2021** | June 30, 2020 |
|---|---|---|---|
| **ASSETS** | | **$** | $ |
| **Current assets** | | | |
| Cash | | **46,284** | 8,235,037 |
| Sales tax receivable | | **25,489** | 72,731 |
| Prepaid expenses | | **8,443** | 15,000 |
| | | **80,216** | 8,322,768 |
| **Exploration and evaluation assets** | 4 | **14,143,576** | 7,140,293 |
| **TOTAL ASSETS** | | **14,223,792** | 15,463,061 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | 6 | **301,011** | 103,652 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 5 | **18,956,857** | 18,213,507 |
| Reserves | 5 | **3,858,292** | 2,652,865 |
| Accumulated deficit | | **(8,892,368)** | (5,506,963) |
| | | **13,922,781** | 15,359,409 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **14,223,792** | 15,463,061 |

*The accompanying notes are integral to these consolidated financial statements.*

**Approved on Behalf of the Board of Directors on October 27, 2021.**

| | |
|---|---|
| /s/ Max Sali | /s/ Brad Telfer |
| Director | Director |

**NEW PLACER DOME GOLD CORP.**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
(Expressed in Canadian Dollars)

| | | Share Capital | | | | |
|---|---|---|---|---|---|---|
| | Notes | Number of Class A Common Shares | Amount | Reserves | Accumulated Deficit | Total |
| | | | $ | $ | $ | $ |
| **Balance, June 30, 2019** | | **21,768,750** | **4,100,968** | **182,000** | **(1,684,714)** | **2,598,254** |
| Private placement | 5 | 56,129,399 | 12,348,468 | - | - | 12,348,468 |
| Share issuance costs: | 5 | | | | | |
| Cash | | - | (883,035) | - | - | (883,035) |
| Warrants | | - | (546,000) | 546,000 | - | - |
| Shares issued for option and warrant exercises | 5 | 228,093 | 25,237 | - | - | 25,237 |
| Shares and warrants issued for mineral property | 4 | 12,015,843 | 3,167,869 | 158,300 | - | 3,326,169 |
| Stock based compensation | 4, 5 | - | - | 1,766,565 | - | 1,766,565 |
| Net loss for the year | | - | - | - | (3,822,249) | (3,822,249) |
| **Balance, June 30, 2020** | | **90,142,085** | **18,213,507** | **2,652,865** | **(5,506,963)** | **15,359,409** |
| Shares issued for mineral property | 4 | 1,795,483 | 587,250 | - | - | 587,250 |
| Exercise of options and warrants | 5 | 476,251 | 162,850 | - | - | 162,850 |
| Share issuance costs | | - | (6,750) | - | - | (6,750) |
| Stock based compensation | 5 | - | - | 1,205,427 | - | 1,205,427 |
| Net loss for the year | | - | - | - | (3,385,405) | (3,385,405) |
| **Balance, June 30, 2021** | | **92,413,819** | **18,956,857** | **3,858,292** | **(8,892,368)** | **13,922,781** |

*The accompanying notes are integral to these consolidated financial statements.*

**NEW PLACER DOME GOLD CORP.**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**
(Expressed in Canadian Dollars)

| | Note | **For the Year Ended June 30, 2021** | For the Year Ended June 30, 2020 |
|---|---|---|---|
| | | **$** | $ |
| **EXPENSES** | | | |
| Consulting | 6 | **475,238** | 303,924 |
| Foreign exchange | | **102,002** | (3,734) |
| Marketing and advertising | | **1,144,449** | 605,758 |
| Office | 6 | **73,110** | 88,639 |
| Professional | 6 | **278,487** | 157,505 |
| Regulatory and filing | | **118,640** | 100,944 |
| Stock based compensation | 5,6 | **1,205,427** | 1,699,151 |
| Travel | | **-** | 44,616 |
| | | **(3,397,353)** | (2,996,803) |
| **OTHER ITEMS:** | | | |
| Interest income | | **11,948** | - |
| Impairment of exploration and evaluation assets | 4 | **-** | (825,446) |
| **NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR** | | **(3,385,405)** | (3,822,249) |
| **Weighted Average Number of Shares Outstanding** | | **91,633,261** | 28,063,587 |
| **Basic and Diluted Loss Per Share** | | **(0.04)** | (0.14) |

*The accompanying notes are integral to these consolidated financial statements.*

**NEW PLACER DOME GOLD CORP.**
**CONSOLIDATED STATEMENTS OF CASH FLOW**
(Expressed in Canadian Dollars)

| | For the Year Ended June 30, 2021 | For the Year Ended June 30, 2020 |
|---|---|---|
| | $ | $ |
| **CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES** | | |
| **Net Loss for the year** | **(3,385,405)** | (3,822,249) |
| Non-cash items: | | |
| Stock based compensation | **1,205,427** | 1,699,151 |
| Impairment of mineral property | **-** | 825,446 |
| Changes in non-cash working capital items: | | |
| Sales tax receivable | **47,242** | (25,827) |
| Prepaid expense | **6,557** | 56,138 |
| Accounts payable and accrued liabilities | **(460)** | 51,266 |
| | **(2,126,639)** | (1,216,075) |
| **CASH FLOWS USED IN INVESTING ACTIVITIES** | | |
| Mineral property acquisition | **(323,797)** | (1,908,321) |
| Exploration and evaluation expenditures | **(5,894,417)** | (1,391,217) |
| | **(6,218,214)** | (3,299,538) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from private placement, net | **-** | 12,348,468 |
| Proceeds from option and warrant exercises | **162,850** | 25,237 |
| Share issuance costs | **(6,750)** | (883,035) |
| | **156,100** | 11,490,670 |
| **Net (decrease) increase in cash** | **(8,188,753)** | 6,975,057 |
| **Cash, beginning of the year** | **8,235,037** | 1,259,980 |
| **Cash, end of the year** | **46,284** | 8,235,037 |

| | | |
|---|---|---|
| **Supplemental information:** | | |
| Shares issued for mineral property acquisitions | **587,250** | 3,167,869 |
| Warrants issued for mineral property acquisitions | **-** | 158,300 |
| Options issued, capitalized to exploration and evaluation expenditures | **-** | 67,414 |
| Mineral property acquisition and exploration and evaluation expenditures included in accounts payable | **240,681** | 42,862 |
| Interest earned | **11,948** | - |
| Income taxes paid | **-** | - |

*The accompanying notes are integral to these consolidated financial statements.*

## 1. NATURE OF OPERATIONS

New Placer Dome Gold Corp. (the "Company") is a British Columbia company incorporated on April 27, 2018 and is primarily engaging in mineral exploration activities in Nevada, USA. On April 29, 2019, the Company started trading on the TSX Venture Exchange under the symbol BARI. Effective June 2, 2020, the Company completed a 2:1 consolidation of its securities and change its name to New Placer Dome Gold Corp. and changed its symbol to NGLD.

The head office and the principal address of the Company are located at 605 – 815 Hornby Street, Vancouver, BC V6Z 2E6, Canada.

These consolidated financial statements have been prepared on the assumption that the Company continues 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. During the year ended June 30, 2021, the Company incurred a net loss of $3,385,405 (2020: $3,822,249), and as at June 30, 2021, the Company had an accumulated deficit of $8,892,368 (2020: $5,506,963), had not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful exercise of its mineral property option agreement, results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These uncertainties may cast a significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement and public offerings of common shares. These consolidated financial statements do not include any adjustments that might result from this uncertainty.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak: however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company's current operations to date.

## 2. BASIS OF PRESENTATION

### Statement of compliance

These consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Board of Directors on October 27, 2021

## 2. BASIS OF PRESENTATION (continued)

**Significant judgments, estimates and assumptions**
The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, estimates, and assumptions concerning the future. The Company's management reviews these estimates, judgments, 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.

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 consolidated financial statements are discussed below:

*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.

*Impairment of Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

*Valuation of Stock-based Payments*

The Company uses the Black-Scholes option pricing model for valuation of stock-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.

*Recovery of Deferred Tax Assets*

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Other areas that require significant judgments include: the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses, and classification of financial instruments.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, 1208958 B.C. LTD. and Barrian Mining (US) Corp. as at and for the year ended June 30, 2021.

A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing consolidated financial statements.

### Exploration and evaluations assets

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of equipment is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

### Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options, and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new share options and are shown in equity as a deduction, net of tax, from the proceeds. Where the Company issued common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

### Reserves

Reserves consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire or are forfeited, no reversal of contributed surplus is recognized.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Income taxes

Current income tax:

Current income tax assets and liabilities 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, in the countries where the Company operates and generates taxable income.

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 interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising 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.

### Rehabilitation provisions

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is determined. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mineral property. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks and the change is recorded to profit and loss. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

As at June 30, 2021 and 2020, management is not aware of any reportable rehabilitation provisions.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Stock-based payments**

The Company grants stock options to buy common shares of the Company through its stock option plan. The Company accounts for share-based payments using the fair value method. 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 instruments 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 recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. Expected volatility in the Black Scholes Pricing Model is based on the historical volatility the Company. 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. Furthermore, the fair value of warrants issued as finders' fees are also calculated using the Black-Scholes Option Pricing Model.

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period.

**Financial Instruments**

The Company classifies its financial instruments as follows:

| Financial Instrument | |
|---|---|
| Cash | Fair Value Through Profit or Loss ("FVTPL") |
| Accounts payable and accrued liabilities | Amortized Cost |

<u>Financial assets</u>

The Company classifies its financial assets into the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

*Amortized cost* - Amortized cost are those assets which are held within a business whose objective is to hold financial assets to collect contractual cash flows; and the terms of the financial assets must provide on specified dates cash flows solely through the collection of principal and interest.

*Fair value through profit or loss ("FVTPL")* - A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or FVOCI. The Company may however make the irrevocable option to classify particular investments as FVTPL.

*Fair value through other comprehensive income ("FVOCI")* - FVOCI assets are those assets which are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets give rise on specified dates to cash flows solely through the collection of principal and interest.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial Instruments (Continued)

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of comprehensive loss for the year.

Financial liabilities

Management determines the classification of its financial liabilities at initial recognition.

*Amortized cost* - The Company classifies all financial liabilities as subsequently measured at amortized cost using the effective interest method, except for financial liabilities carried at FVTPL and certain other exceptions.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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 operations, 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 of financial assets and financial liabilities

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 profit or loss.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Fair Value Hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Earnings (Loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings available to common shareholders divided by the weighted average number of common shares outstanding during the period. The diluted earnings per share are calculated based on the weighted average number of common shares outstanding during the period, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the period (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the period.

### Future Accounting Policy Changes

IFRS 17 *Insurance Contract*

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts, and related interpretations. This standard will be effective for the Company’s annual period beginning July 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

(Expressed in Canadian Dollars)

## 4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise the following accumulated expenditures:

| | **Bolo Project** | **New Mexico Project** | **Troy Canyon Project** | **Kinsley Gold Project** | **TOTAL** |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Balance at June 30, 2019** | **852,222** | **463,258** | **-** | **-** | **1,315,480** |
| Acquisition costs | 311,663 | 286,840 | 213,873 | 4,402,349 | 5,214,725 |
| Drilling | 238,161 | - | - | - | 238,161 |
| Camp costs | 63,336 | - | - | 15,356 | 78,692 |
| Geological | 238,469 | 4,115 | 7,645 | 134,334 | 384,563 |
| Infrastructure | 64,834 | - | - | - | 64,834 |
| Management and administration | 2,258 | - | - | 410,160 | 412,418 |
| Property bond | - | - | - | 171,681 | 171,681 |
| Tenure and maintenance | 13,952 | 71,233 | - | - | 85,185 |
| Impairment | - | (825,446) | - | - | (825,446) |
| **Balance at June 30, 2020** | **1,784,895** | **-** | **221,518** | **5,133,880** | **7,140,293** |
| Acquisition costs | 318,500 | - | 302,281 | 270,500 | 891,281 |
| Drilling | 622,006 | - | - | 2,825,255 | 3,447,261 |
| Camp costs | 76,635 | - | 5,038 | 698,520 | 780,193 |
| Geological | 460,587 | - | 82,474 | 1,498,945 | 2,042,006 |
| Geophysical | - | - | - | 152,182 | 152,182 |
| Infrastructure | 19,861 | - | - | 31,656 | 51,517 |
| Management and administration | 44,094 | - | 40,018 | 33,800 | 117,912 |
| Survey | 99,077 | - | - | 141,757 | 240,834 |
| Tenure and maintenance | 58,774 | - | 14,918 | 142,848 | 216,540 |
| Recovery | - | - | - | (936,443) | (936,443) |
| **Balance at June 30, 2021** | **3,484,429** | **-** | **666,247** | **9,992,900** | **14,143,576** |

**<u>Kinsley Mountain Gold Project</u>**

On November 29, 2019, the Company entered into a definitive purchase option agreement ("Option Agreement" or "Option") dated November 29, 2019, as amended on April 30, 2020, with Liberty Gold Corp., whereby the Company was granted exclusive rights to acquire Liberty Gold Corp.'s interest in Kinsley Gold LLC, a limited liability company holding ownership and leasehold rights in and to 513 unpatented claims and 5 leased patented claims, covering 4,187 hectares, known as the "Kinsley Mountain Project", located in southeast Elko County, Nevada.

Upon closing of the Option Agreement, the following conditions must be present:

(a) The Company must have obtained adequate financing to make the certain payments to Liberty Gold Corp. (see Note 10);

(b) The right of first refusal ("ROFR") held by Nevada Sunrise in respect of the transfer by Liberty Gold of its interest in Kinsley Gold LLC shall have expired without having been exercised by Nevada Sunrise or Nevada Sunrise waiving its rights under the ROFR (waiver obtained); and

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

**Kinsley Mountain Gold Project (continued)**

(c) The Company will consolidate its shares on the basis of two (2) pre-consolidation shares for one post-consolidation share (completed on June 2, 2020).

On closing of the above conditions on June 2, 2020, the Company issued 800,000 Units as property finder's fee to a third-party. Each Unit comprises one common share and one share purchase unit exercisable at $0.30 per share expiring three years from the date of grant. The common shares included in the units had a fair value of $208,000, and the warrants had a fair value of $158,300, which was calculated using the Black-Scholes Option Price Model with the following inputs: Exercise Price: $0.30, Expected Life of Option: 3 years, Volatility: 141%, Dividend Rate: 0% and Risk-free rate: 0.3%.

To exercise the Option, the Company must issue common shares and make certain cash payments as follows (amended terms):

1. Pay $1,250,000 USD ($1,716,811 CAD, paid) (previously $2,500,000 USD) in cash, pay $124,570 USD ($171,681 CAD, paid) with respect to certain bonds relating to operations on the Kinsley Mountain project and issue 9.90 per cent of common shares (post-consolidation and post-financing, Note 5) of the Company. The Company issued 8,844,124 common shares, with a fair value of $2,299,472, to Liberty Gold on June 2, 2020 (issued);

2. Pay $2,500,000 USD in cash on or before the first anniversary of the final approval of the transaction by the TSX Venture Exchange (overdue); and

3. Issue $2,500,000 USD common shares of the Company on or before the second anniversary of the final approval of the transaction by the TSX Venture Exchange.

Under the Kinsley Option Agreement, the Company is required to make the first anniversary payment in the amount of US$2,500,000 to Liberty Gold on or before June 2, 2021. As of the date of this document, the Company has not satisfied the first anniversary payment prior to the aforementioned payment deadline and is in discussions with Liberty Gold in relation to an amendment of the Kinsley Option Agreement in order to amend the payment terms of the first anniversary payment. There can be no guarantee, however, that the Company will be able to reach an agreement with Liberty Gold on terms favourable to the Company or at all. The Company is currently in default under the Kinsley Option Agreement, and as a result of this, Liberty Gold has the right to terminate the Kinsley Option Agreement if it provides written notice of default to the Company and the Company fails to make the necessary payment within 45 days from the date of receipt of such notice. Furthermore, if the Company reaches an agreement with Liberty Gold to amend the payment terms for the First Anniversary Payment, this amendment may trigger the ROFR held by Nevada Sunrise Gold Corporation.

(Expressed in Canadian Dollars)

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

### Troy Canyon Project

On September 23, 2019, the Company signed an option agreement to acquire 100% interest in the Troy Canyon gold silver project located in Nye County, Nevada from Brocade Metals Corp. Under the terms of the agreement, the Company paid a non-refundable deposit on signing of $3,500 USD to cover claim maintenance fees. During the year ended June 30, 2021, the Company exercised the option and acquired the 100% interest by completing the following:

- Pay cash consideration as follows:
  - $25,000 USD paid upon acceptance by the exchange of this agreement (paid equivalent of $32,750 CDN)
  - $25,000 USD on the 1st anniversary of the option agreement (paid equivalent of $33,531 CDN)
- Issue common shares of the Company as follows:
  - 312,500 upon acceptance by the exchange of this agreement (issued; the fair value of the issued shares was $125,000 CDN)
  - 625,000 on the 1st anniversary of the option agreement (issued; the fair value of the issued shares was $268,750 CDN)
- Incur expenditures on the property as follows:
  - $30,000 USD prior to the 1st anniversary (completed)

### Bolo Project

On June 27, 2018, as amended on October 24, 2018, the Company entered into an option agreement to acquire an initial 50.01% of one hundred and eighty-seven mineral claims located in Nye County, Nevada known as the “Bolo Project”. To acquire the initial interest, the Company must meet a series of conditions as follows:

1- The Company must complete an initial public offering of common shares on or before March 31, 2019 (completed).
2- The Company must list on the TSX Venture Exchange on or before March 31, 2019 (completed).
3- The Company must meet certain exploration expenditure requirements as follows:

| Date for Completion | Exploration Expenditure (USD) | Cumulative Exploration Expenditure (USD) |
|---|---|---|
| Within the 2019 calendar year (completed) | $500,000 | $500,000 |
| Within the 2020 calendar year (completed) | $750,000 | $1,250,000 |
| Within the 2021 calendar year (not completed as of the date hereof) | $1,250,000 | $2,500,000 |
| Within the 2022 calendar year (not completed as of the date hereof) | $1,500,000 | $4,000,000 |

(Expressed in Canadian Dollars)

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

**Bolo Project (continued)**

4- The Company must also issue shares to the optionor (Allegiant Gold Ltd.) as follows:

| Date for Completion | Value of Shares (USD) | Cumulative Share Value (USD) |
|---|---|---|
| On final prospective approval date (issued 836,375 shares April 24, 2019 with a fair value of $334,500) | $250,000 | $250,000 |
| First anniversary of final prospectus approval date (issued 1,029,610 shares on January 29, 2020 with a fair value of $267,699) | $250,000 | $500,000 |
| Second anniversary of final prospectus approval date (issued 1,170,483 shares on December 17, 2020 with a fair value of $318,500) | $250,000 | $750,000 |
| Third anniversary of final prospectus approval date (not completed as of the date hereof) | $250,000 | $1,000,000 |

**5-** As at the effective date of this option agreement, the Company is obligated to pay all mining claim maintenance, rental fees, property and other taxes as well as payments due to government agencies relating to keeping the mining claims in good standing.

Within 30 days from the completion of the initial 50.01% earn in, the Company may elect to earn an additional 24.99% interest in the claims by incurring an additional $4,000,000 USD in exploration expenditures within two years from the date of election.

(Expressed in Canadian Dollars)

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

### New Mexico Project

On June 19, 2018, the Company entered into an option agreement to acquire various mineral claims located in Catron County, New Mexico known as the "Mogollon Project". To acquire the interest, the Company must meet a series of conditions as follows:

1- The Company must complete an initial public offering of common shares within twelve months of this agreement (completed).
2- The Company must issue shares to the optionor as follows:

| Date for Completion | Value of Shares (USD) | Cumulative Share Value (USD) |
|---|---|---|
| On completion of the initial public offering (issued 836,375 shares April 24, 2019 with a fair value of $334,500) | $250,000 | $250,000 |
| First anniversary of the initial public offering (issued 1,029,609 shares on January 29, 2020 with fair value of $267,698) | $250,000 | $500,000 |
| Second anniversary of the initial public offering | $250,000 | $750,000 |
| Third anniversary of the initial public offering | $250,000 | $1,000,000 |

3- As at the effective date of this option agreement, the Company is obligated to pay all mining claim maintenance, rental fees, property and other taxes as well as payments due to government agencies relating to keeping the mining claims in good standing.

During the year ended June 30, 2020, the Company decided to not pursue this project and the optionor (Allegiant Gold Ltd.) was advised that the Company will discontinue further earn-in activities. An impairment expense of $825,446 representing all acquisitions and exploration and evaluation expenditures incurred to date, were written off in accordance with level 3 of the fair value hierarchy during the year ended June 30, 2020.

## 5. SHARE CAPITAL

**Authorized:**
- Unlimited number of fully paid Class A common shares ("common shares") without par value and with voting rights; and
- Unlimited number of fully paid Class B preferred shares without par value – None Issued.

On June 2, 2020, the Company completed a 2:1 roll back of its share capital. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

**Issued:**
***For the year ended June 30, 2021***

During the current year ended June 30, 2021, the Company issued 476,251 common shares as a result of the same number of share purchase options and warrants being exercised for gross proceeds of $162,850.

See Note 4 for additional share issuance related to the option agreements.

***For the year ended June 30, 2020***

On June 2, 2020, the Company completed a non-brokered private placement of 56,129,399 Units for gross proceeds of $12,348,468. Each Unit was priced at $0.22 and comprised one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.30 per share for a period of thirty-six (36) months from the date of closing the private placement. The Company paid aggregate cash finder's fees of $543,258 and issued 3,144,326 non-transferable finder's warrants fair valued at $546,000 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.28, ii) stock price $0.26, iii) volatility: 140%, iv) risk free rate: 0.30%. The finder's warrants entitle the holder to purchase one common share of the Company at a price of $0.28 per share for a period of twenty-four (24) months from the date of closing the private placement. Furthermore, the Company also spent $339,777 in share issuance cost relating to legal and advisory fees.

During the year ended June 30, 2020, the Company issued 228,093 shares from various option and broker warrant exercises at $0.10 - $0.40 per share for proceeds of $25,237.

During the year ended June 30, 2020, the Company issued 11,215,843 shares and 800,000 units (Note 4) relating to various property option payment obligations.

**Escrow:**
Upon completion of the Company's Initial Public Offering, 2,850,000 shares were held in escrow. 285,000 of these shares were released from escrow in the year ended June 30, 2019. 855,000 additional shares were released during fiscal year 2020. As at June 30, 2021, 1,282,500 shares were held in escrow, with releases of 427,500 shares to be completed every six months from October 24, 2020.

(Expressed in Canadian Dollars)

## 5. SHARE CAPITAL (continued)

**Stock options:**
The Company has a rolling stock option plan whereby a maximum of 10% of the issued common shares will be reserved for issuance under the plan. The following table summarizes the Company's stock option activities for the following periods:

| | Number of Options | Weighted Average Exercise Price |
|---|---|---|
| | | $ |
| **Options outstanding, June 30, 2019** | **1,327,500** | **0.10** |
| Granted | 5,549,375 | 0.40 |
| Expired | (125,000) | 0.10 |
| Exercised | (220,000) | 0.10 |
| **Options outstanding, June 30, 2020** | **6,531,875** | **0.35** |
| Granted | 2,653,000 | 0.67 |
| Exercised | (71,000) | 0.37 |
| **Options outstanding, June 30, 2021** | **9,113,875** | **0.38** |

As at June 30, 2021 the Company had options outstanding as follows:

| Expiry Date | Exercise Price | Outstanding | Weighted Average Remaining Contractual Life (Years) | Outstanding and Exercisable | Weighted Average Remaining Contractual Life (Years |
|---|---|---|---|---|---|
| September 5, 2023 | $0.10 | 975,000 | 2.18 | 975,000 | 2.18 |
| August 6, 2021 | $0.22 | 200,000 | 0.10 | 200,000 | 0.10 |
| September 3, 2024 | $0.40 | 485,875 | 3.18 | 485,875 | 3.18 |
| September 3, 2024 | $0.22 | 100,000 | 3.18 | 100,000 | 3.18 |
| June 12, 2025 | $0.40 | 2,800,000 | 3.95 | 2,800,000 | 3.95 |
| June 12, 2025 | $0.22 | 1,700,000 | 3.95 | 1,700,000 | 3.95 |
| June 24, 2025 | $0.40 | 200,000 | 3.99 | 200,000 | 3.99 |
| July 2, 2025 | $0.52 | 200,000 | 4.01 | 200,000 | 4.01 |
| July 2, 2025 | $0.22 | 500,000 | 4.01 | 500,000 | 4.01 |
| July 13, 2025 | $0.65 | 600,000 | 4.04 | 600,000 | 4.04 |
| July 21, 2025 | $0.80 | 1,065,000 | 4.06 | 1,065,000 | 4.06 |
| July 21, 2025 | $0.22 | 125,000 | 4.06 | 125,000 | 4.06 |
| August 31, 2022 | $0.70 | 75,000 | 1.17 | 56,250 | 1.17 |
| December 7, 2022 | $0.30 | 88,000 | 1.44 | 44,000 | 1.44 |
| | | 9,113,875 | 3.61 | 9,051,125 | 3.62 |

On May 10, 2021, the Company repriced 2,625,000 stock options with original exercise price between $0.40 and $0.80 per share to $0.22 per share. The expiry date of the options remained unchanged. The incremental fair value of these stock options repriced was determined to be $25,206 on the grant date using the Black-Scholes valuation model and the following inputs: i) exercise price $0.22, ii) stock price $0.175, iii) volatility: 92%, iv) risk free rate: 0.11% to 0.75%.

## 5. SHARE CAPITAL (continued)

On December 7, 2020, the Company granted 88,000 options to a consulting group. The options vest quarterly over a twelve-month period. Each option can be exercised at $0.30 per share for a period of 2 years from the date of the grant. The fair value of these stock options granted was determined to be $5,174 on the vesting dates using the Black-Scholes valuation model and the following inputs: i) exercise price $0.30, ii) stock price $0.13 - $0.27, iii) volatility: 90% - 102%, iv) risk free rate: 0.23% - 0.44%.

On August 31, 2020, the Company granted 75,000 options to an investor relations group. The options vest quarterly over a twelve-month period. Each option can be exercised at $0.70 per share for a period of 2 years from the date of the grant. The fair value of these stock options granted was determined to be $2,084 on the vesting dates using the Black-Scholes valuation model and the following inputs: i) exercise price $0.70, ii) stock price $0.13 - $0.28, iii) volatility: 93% - 97%, iv) risk free rate: 0.25% - 0.44%.

On July 21, 2020, the Company granted 1,190,000 options to directors, officers, and consultants of the Company. Each option can be exercised at $0.80 per share for a period of 5 years from the date of the grant. The fair value of these stock options granted was determined to be $643,288 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.80, ii) stock price $0.78, iii) volatility: 92%, iv) risk free rate: 0.35%. 1,015,000 of these options were issue to directors and officers of the Company. $548,687 of the option expense would be considered a related party expense.

On July 13, 2020, the Company granted 600,000 options to directors, advisors and consultants of the Company. Each option can be exercised at $0.65 per share for a period of 5 years from the date of the grant. The fair value of these stock options granted was determined to be $256,446 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.65, ii) stock price $0.62, iii) volatility: 92%, iv) risk free rate: 0.36%. 200,000 of these options were issued to directors of the Company. $85,482 of the option expense would be considered a related party expense.

On July 2, 2020, the Company granted 700,000 options to advisors and consultants of the Company. Each option can be exercised at $0.52 per share for a period of 5 years from the date of the grant. The fair value of these stock options granted was determined to be $245,632 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.52, ii) stock price $0.51, iii) volatility: 90%, iv) risk free rate: 0.38%.

On June 25, 2020, the Company granted 200,000 options to a technical advisor of the Company. Each option can be exercised at $0.40 per share for a period of 5 years from the date of issuance. The fair value of these stock options granted was determined to be $67,414 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.38, iii) volatility: 142%, iv) risk free rate: 0.43%. The fair value of these options was capitalized to Kinsley Mountain Gold Project.

**5. SHARE CAPITAL (continued)**

On June 12, 2020, the Company granted 4,500,000 options to certain directors, officers, and consultants to purchase 4,500,000 common shares of the Company at $0.40 per share for a period of 5 years. 150,000 of these options which have been granted to a consultant vest in stages over a period of twelve months in equal portions starting on the grant date. The fair value of these stock options granted was determined to be $1,232,944 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.37 - $0.44, iii) volatility: 107%, iv) risk free rate: 0.36% - 0.37%. $587,004 of the option expense would be considered a related party expense. The fair value of 150,000 options vesting in fiscal year 2021 was determined to be $27,597 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.15 - $0.64, iii) volatility: 90% - 93%, iv) risk free rate: 0.36% - 0.79%.

On September 24, 2019, 1,072,500 of the September 5, 2018 options were extended to expire on September 5, 2023. The incremental fair value of $291,002 was recognized due to the extension. The fair value was determined using the Black-Scholes valuation model and the following inputs: i) exercise price $0.10, ii) stock price $0.36, iii) volatility: 108%, iv) risk free rate: 1.53%. 1,012,500 of these options were issued to directors and officers of the Company. $257,086 of the option expense would be considered a related party expense.

On September 3, 2019, 649,375 options were granted to officers and directors of the Company. The options are exercisable at $0.40 per share for five years from the date of grant. The fair value of these stock options granted was determined to be $155,000 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.30, iii) volatility: 127%, iv) risk free rate: 1.16%. $125,614 of the option expense would be considered a related party expense.

On August 6, 2019, 200,000 options were granted to an investor relations firm. The options are exercisable at $0.40 per share for two years from the date of grant. These Options vest in stages over a period of 12 months in equal portions every three months starting on the date of grant. The fair value of these stock options granted was determined to be $20,205 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.26-$0.44, iii) volatility: 112%, iv) risk free rate: 0.25%-1.61%.

**Warrants:**

During the year ended June 30, 2020, the Company granted 60,073,725 share purchase warrants in connection to June 2, 2020 private placement. 56,129,399 share purchase warrants were included as part of the private placement offering Unit, 3,144,326 share purchase warrants were issued to finders and advisors of the private placement ("Finder Warrants"), and 800,000 share purchase warrants were issued in connection with Kinsley Mountain Gold Project. The fair value of the Finder Warrants granted was determined to be $546,000, using the Black-Scholes valuation model and the following inputs: i) exercise price $0.28, ii) stock price $0.26, iii) volatility: 140%, iv) risk free rate: 0.30%. Furthermore, the fair value of the warrants issued in connection with Kinsley Mountain Gold Project was determined to be of $158,300, which was calculated using the Black-Scholes Option Price Model with the following inputs: i) exercise price: $0.30, ii) expected life of option: 3 years, iii) volatility: 141%, iv) divided rate: 0%, v) risk-free rate: 0.3% (Note 4).

(Expressed in Canadian Dollars)

## 5. SHARE CAPITAL (continued)

### Warrants (continued):

The following is a summary of all share purchase warrant activities for the years ended June 30, 2021 and 2020:

| | **Number of warrants** | **Weighted Average Exercise Price** |
|---|---|---|
| | | $ |
| **Warrants outstanding and exercisable, June 30, 2019** | **463,980** | **0.40** |
| Granted | 60,073,725 | 0.30 |
| Exercised | (8,092) | 0.40 |
| **Warrants outstanding and exercisable, June 30, 2020** | **60,529,613** | **0.30** |
| Exercised | (405,251) | 0.34 |
| Expired | (285,641) | 0.40 |
| **Warrants outstanding and exercisable, June 30, 2021** | **59,838,721** | **0.30** |

As at June 30, 2021 the Company had warrants outstanding as follows:

| Expiry Date | Exercise Price | Outstanding | Weighted Average Remaining Contractual Life (Years) |
|---|---|---|---|
| June 2, 2023 | $0.30 | 55,989,399 | 1.92 |
| June 2, 2022 | $0.28 | 3,049,322 | 0.92 |
| June 2, 2023 | $0.30 | 800,000 | 1.92 |
| | | 59,838,721 | 1.87 |

## 6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

| | **June 30, 2021** | June 30, 2020 |
|---|---|---|
| | **$** | $ |
| Consulting | **131,750** | 220,500 |
| Office | **16,800** | 20,250 |
| Professional | **105,500** | 32,500 |
| Stock-based compensation | **634,169** | 969,704 |
| Exploration and evaluation assets | **2,415,252** | 142,244 |

(Expressed in Canadian Dollars)

## 6. RELATED PARTY TRANSACTIONS (continued)

As at June 30, 2021, $192,687 (2020 - $7,741) was owing to a private company owned in part by a director of the Company for geological services. $Nil (2020 - $2,625) was owing to a senior officer for consulting fees. In addition, $Nil (2020 - $48) was owing to the Chief Financial Officer for accrued fees and expenses paid on behalf the Company. Balances owing to related parties included in accounts payable are unsecured, did not bear interest, and had no fixed terms of payments.

## 7. FINANCIAL AND CAPITAL RISK MANAGEMENT

### Determination of fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

| | Level | Ref. | **June 30, 2021** | June 30, 2020 |
|---|---|---|---|---|
| | | | **$** | $ |
| Other financial assets | 1 | a | **46,284** | 8,235,037 |
| Other financial liabilities | 1 | b | **301,011** | 103,652 |

a. Comprises cash
b. Comprises accounts payable and accrued liabilities

The consolidated statements of financial position carrying amounts for cash, and accounts payable and accrued liabilities approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

### Management of Industry and Financial Risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

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.

## 7. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand.

Liquidity risk has been assessed as being low. The Company's accounts payable are either due immediately or have contractual maturities of less than 30 days.

***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 three types of risk: currency risk, interest rate risk, and price risk.

***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

***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 is not exposed to significant interest rate risk relating to its related party balances (Note 6).

***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year ended June 30, 2021. The Company is not subject to any externally imposed capital requirements.

## 8. SEGMENTED INFORMATION

***Operating Segments***

The Company has one operating segment, which is the exploration and evaluation of mineral properties.

***Geographic Segments***

The Company's principal operations are carried out in Canada and the United States.

(Expressed in Canadian Dollars)

## 8. SEGMENTED INFORMATION (continued)

***Consolidated Statement of Financial Position***

| **June 30, 2021** | **Canada** | **United States** | **Total** |
|---|---|---|---|
| **Current Assets** | **$80,216** | **$ -** | **$ 80,216** |
| **Long-Term Assets** | **-** | **14,143,576** | **14,143,576** |
| **Total Assets** | **$80,216** | **$ 14,143,576** | **$ 14,223,792** |

| June 30, 2020 | Canada | United States | Total |
|---|---|---|---|
| Current Assets | $8,322,768 | $ - | $8,322,768 |
| Long-Term Assets | - | 7,140,293 | 7,140,293 |
| Total Assets | $8,322,768 | $ 7,140,293 | $15,463,061 |

## 9. DEFERRED INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

| | **June 30, 2021** | June 30, 2020 |
|---|---|---|
| | **$** | $ |
| Net loss for the year | **(3,385,405)** | (3,822,249) |
| Statutory tax rate | **27%** | 27% |
| Expected income taxes (recovery) at the statutory tax rate | **(914,059)** | (1,032,007) |
| Effect of non-deductible and deductible expenses | **325,465** | 222,780 |
| Change in tax assets not recognized | **528,722** | 809,227 |
| Other | **59,872** | - |
| Income tax expense (recovery) | **-** | - |

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

| | **June 30, 2021** | June 30, 2020 |
|---|---|---|
| Deferred Tax Assets (Liabilities) | **$** | $ |
| Loss carry-forwards | **1,509,931** | 853,188 |
| Mineral resources | **161,928** | 228,607 |
| Share issuance costs | **174,742** | 236,084 |
| Unrecognized deferred tax assets | **(1,846,601)** | (1,317,879) |
| Net deferred tax assets | **-** | - |

(Expressed in Canadian Dollars)

## 9. DEFERRED INCOME TAX (continued)

The Company has non-capital losses of approximately $5,591,000 (2020: $3,160,000) available to offset future income for income tax purposes which commence expiring in 2038. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements.

| Years | $ |
|---|---|
| 2038 | 22,000 |
| 2039 | 1,634,000 |
| 2040 | 1,521,000 |
| 2041 | 2,414,000 |
| Total | 5,591,000 |

# New Placer Dome Gold Corp.

# (formerly Barrian Mining Corp.)

# Condensed Interim Consolidated Financial Statements

# For the Nine Months Ended March 31, 2022 and 2021

# (Expressed in Canadian Dollars)

# Table of Contents

## NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements 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.

**NEW PLACER DOME GOLD CORP.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars - Unaudited)

| As at | Note | **March 31, 2022** | June 30, 2021 |
|---|---|---|---|
| **ASSETS** | | **$** | $ |
| **Current assets** | | | |
| Cash | | **336,993** | 46,284 |
| Sales tax receivable | | **86,406** | 25,489 |
| Prepaid expenses | | **329,906** | 8,443 |
| | | **753,305** | 80,216 |
| **Exploration and evaluation assets** | 5 | **19,604,332** | 14,143,576 |
| **TOTAL ASSETS** | | **20,357,637** | 14,223,792 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | 7 | **76,439** | 301,011 |
| Convertible debt | 9 | **947,088** | - |
| Interest payable | 9 | **32,539** | - |
| | | **1,056,066** | 301,011 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 6 | **25,131,962** | 18,956,857 |
| Equity portion of convertible debt | 9 | **172,740** | - |
| Reserves | 6 | **4,018,630** | 3,858,292 |
| Accumulated deficit | | **(10,021,761)** | (8,892,368) |
| | | **19,301,571** | 13,922,781 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **20,357,637** | 14,223,792 |

*The accompanying notes are integral to these condensed interim consolidated financial statements.*

**Approved on Behalf of the Board of Directors on May 6, 2022:**

| | |
|---|---|
| /s/ Max Sali | /s/ Toby Pierce |
| Director | Director |

**NEW PLACER DOME GOLD CORP.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**
(Expressed in Canadian Dollars - Unaudited)

| | Notes | Share Capital: Number of Class A Common Shares | Share Capital: Amount | Reserves | Equity portion of convertible debt | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | $ |
| **Balance, June 30, 2020** | | **90,142,085** | **18,213,507** | **2,652,865** | **-** | **(5,506,963)** | **15,359,409** |
| Shares issued for mineral property | 5 | 1,795,483 | 587,250 | - | - | - | 587,250 |
| Exercise of options and warrants | 6 | 476,251 | 162,850 | - | - | - | 162,850 |
| Share issuance costs | | - | (6,750) | - | - | - | (6,750) |
| Stock based compensation | 6 | - | - | 1,515,365 | - | - | 1,515,365 |
| Net loss for the period | | - | - | - | - | (3,213,880) | (3,213,880) |
| **Balance, March 31, 2021** | | **92,413,819** | **18,956,857** | **4,168,230** | - | **(8,720,843)** | **14,404,244** |
| | | | | | | | |
| **Balance, June 30, 2021** | | **92,413,819** | **18,956,857** | **3,858,292** | - | **(8,892,368)** | **13,922,781** |
| Private placement | | 61,980,900 | 4,958,472 | - | - | - | 4,958,472 |
| Finders fees and share issuance costs | | - | (472,334) | - | - | - | (472,334) |
| Broker warrants | | - | (154,400) | 154,400 | - | - | - |
| Shares issued for mineral property | | 21,232,691 | 1,843,367 | - | - | - | 1,843,367 |
| Equity portion of convertible debt | 9 | - | - | - | 172,740 | - | 172,740 |
| Stock based compensation | 6 | - | - | 5,938 | - | - | 5,938 |
| Net loss for the year | | - | - | - | - | (1,129,393) | (1,129,393) |
| **Balance, March 31, 2022** | | **175,627,410** | **25,131,962** | **4,018,630** | **172,740** | **(10,021,761)** | **19,301,571** |

*The accompanying notes are integral to these condensed interim consolidated financial statements.*

**NEW PLACER DOME GOLD CORP.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars - Unaudited)

| | Note | **For the Three Months Ended March 31, 2022** | For the Three Months Ended March 31, 2021 | **For the Nine Months Ended March 31, 2022** | For the Nine Months Ended March 31, 2021 |
|---|---|---|---|---|---|
| | | **$** | $ | | |
| **EXPENSES** | | | | | |
| Accretion interest | | **40,587** | - | **49,828** | - |
| Consulting | 7 | **201,766** | 154,880 | **377,418** | 337,171 |
| Foreign exchange | | **(139,927)** | 29,055 | **2,316** | 87,810 |
| Interest expense | | **26,383** | | **32,539** | |
| Marketing and advertising | | **37,694** | 287,776 | **109,206** | 1,004,326 |
| Office | 7 | **43,717** | 20,316 | **60,671** | 59,958 |
| Professional | 7 | **309,953** | 50,514 | **432,861** | 150,272 |
| Regulatory and filing | | **13,470** | 16,211 | **58,616** | 70,926 |
| Stock based compensation | 6,7 | **-** | 14,656 | **5,938** | 1,515,365 |
| | | **(533,643)** | (537,408) | **(1,129,393)** | (3,225,828) |
| **OTHER ITEM:** | | | | | |
| Interest income | | | - | | 11,948 |
| **NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD** | | **(533,644)** | (537,408) | **(1,129,393)** | (3,213,880) |
| **Weighted Average Number of Shares Outstanding** | | **175,627,410** | 92,404,930 | **175,627,410** | 91,374,025 |
| **Basic and Diluted Loss Per Share** | | **(0.00)** | (0.01) | **(0.01)** | (0.04) |

*The accompanying notes are integral to these condensed interim consolidated financial statements.*

**NEW PLACER DOME GOLD CORP.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW**
(Expressed in Canadian Dollars - Unaudited)

| | **For the Nine Months Ended March 31, 2021** | For the Nine Months Ended March 31, 2021 |
|---|---|---|
| | **$** | $ |
| **CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES** | | |
| **Net Loss for the period** | **(1,129,393)** | (3,213,880) |
| Non-cash items: | | |
| Stock based compensation | **5,938** | 1,515,365 |
| Accretion expense | **49,828** | - |
| Changes in non-cash working capital items: | | |
| Sales tax receivable | **(60,917)** | 42,963 |
| Prepaid expense | **(321,463)** | (209,625) |
| Accounts payable and accrued liabilities | **(192,033)** | 30,042 |
| | **(1,648,038)** | (1,835,135) |
| **CASH FLOWS USED IN INVESTING ACTIVITIES** | | |
| Mineral property acquisition | **(1,890,000)** | (33,531) |
| Exploration and evaluation expenditures | **(1,727,389)** | (5,464,469) |
| | **(3,617,389)** | (5,498,000) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds private placement | **4,958,472** | 162,850 |
| Finders fees and share issuance costs | **(472,334)** | - |
| Proceeds from convertible debt | **1,070,000** | (6,750) |
| | **5,556,138** | 156,100 |
| **Net (decrease) increase in cash** | **290,711** | (7,177,035) |
| **Cash, beginning of the period** | **46,284** | 8,235,037 |
| **Cash, end of the year** | **336,993** | 1,058,002 |

*The accompanying notes are integral to these condensed interim consolidated financial statements.*

## 1. NATURE OF OPERATIONS

New Placer Dome Gold Corp. (the "Company") is a British Columbia company incorporated on April 27, 2018 and is primarily engaging in mineral exploration activities in Nevada, USA. On April 29, 2019, the Company started trading on the TSX Venture Exchange under the symbol BARI. Effective June 2, 2020, the Company completed a 2:1 consolidation of its securities and change its name to New Placer Dome Gold Corp. and changed its symbol to NGLD. The head office and the principal address of the Company are located at 228 – 1122 Mainland Street, Vancouver, BC V6B 5L1, Canada.

These consolidated financial statements have been prepared on the assumption that the Company continues 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. During the period ended March 31, 2022, the Company incurred a net loss of $1,129,393 (March 31, 2021: $3,213,880 net loss), and as at March 31, 2022, the Company had an accumulated deficit of $10,021,761 (June 30, 2021: $8,892,368), had not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful exercise of its mineral property option agreement, results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These uncertainties may cast a significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement and public offerings of common shares. These consolidated financial statements do not include any adjustments that might result from this uncertainty.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak: however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company's current operations to date.

## 2. BASIS OF PRESENTATION

### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 6, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2021 except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2022 could result in restatement of these unaudited condensed consolidated interim financial statements.

## 2. BASIS OF PRESENTATION (continued)

**Significant judgments, estimates and assumptions**

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, estimates, and assumptions concerning the future. The Company's management reviews these estimates, judgments, 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.

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 consolidated financial statements are discussed below:

*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.

*Impairment of Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

*Valuation of Stock-based Payments*

The Company uses the Black-Scholes option pricing model for valuation of stock-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.

*Recovery of Deferred Tax Assets*

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Other areas that require significant judgments include: the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses, and classification of financial instruments.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, 1208958 B.C. LTD. and Barrian Mining (US) Corp. as at and for the period ended March 31, 2022.

A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing consolidated financial statements.

### Exploration and evaluations assets

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of equipment is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

### Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options, and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new share options and are shown in equity as a deduction, net of tax, from the proceeds. Where the Company issued common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

### Reserves

Reserves consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire or are forfeited, no reversal of contributed surplus is recognized.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Income taxes

Current income tax:

Current income tax assets and liabilities 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, in the countries where the Company operates and generates taxable income.

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 interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising 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.

### Rehabilitation provisions

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is determined. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mineral property. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks and the change is recorded to profit and loss. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

As at March 31, 2022 and June 30, 2021, management is not aware of any reportable rehabilitation provisions.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Stock-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan. The Company accounts for share-based payments using the fair value method. 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 instruments 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 recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. Expected volatility in the Black Scholes Pricing Model is based on the historical volatility the Company. 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. Furthermore, the fair value of warrants issued as finders' fees are also calculated using the Black-Scholes Option Pricing Model.

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period.

### Financial Instruments

The Company classifies its financial instruments as follows:

| Financial Instrument | |
|---|---|
| Cash | Fair Value Through Profit or Loss ("FVTPL") |
| Accounts payable and accrued liabilities | Amortized Cost |

<u>Financial assets</u>

The Company classifies its financial assets into the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

*Amortized cost* - Amortized cost are those assets which are held within a business whose objective is to hold financial assets to collect contractual cash flows; and the terms of the financial assets must provide on specified dates cash flows solely through the collection of principal and interest.

*Fair value through profit or loss ("FVTPL")* - A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or FVOCI. The Company may however make the irrevocable option to classify particular investments as FVTPL.

*Fair value through other comprehensive income ("FVOCI")* - FVOCI assets are those assets which are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets give rise on specified dates to cash flows solely through the collection of principal and interest.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial Instruments (Continued)**
All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of comprehensive loss for the year.

Financial liabilities
Management determines the classification of its financial liabilities at initial recognition.

*Amortized cost* - The Company classifies all financial liabilities as subsequently measured at amortized cost using the effective interest method, except for financial liabilities carried at FVTPL and certain other exceptions.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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 operations, 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 of financial assets and financial liabilities
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 profit or loss.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Earnings (Loss) per share**

Basic earnings (loss) per share is calculated by dividing the net earnings available to common shareholders divided by the weighted average number of common shares outstanding during the period. The diluted earnings per share are calculated based on the weighted average number of common shares outstanding during the period, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the period (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the period.

**Future Accounting Policy Changes**

IFRS 17 *Insurance Contract*

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts, and related interpretations. This standard will be effective for the Company's annual period beginning July 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

## 4. ARRANGEMENT AGREEMENT WITH COPAUR MINERALS INC.

On November 30, 2021, the Company and CopAur Minerals Inc. ("CopAur") entered into a Binding Letter Agreement whereby CopAur will, subject to certain conditions, acquire all the issued and outstanding common shares of the Company in an arm's length transaction. Under the terms of the Binding Letter Agreement, the Company's shareholders will receive 0.1182 common shares of CopAur for 1 common share ("Exchange Ratio") of the Company. All existing share purchase warrants and stock options to acquire the Company's shares will also be exchanged for share purchase warrants and stock options to acquire common shares of CoPaur adjusted to reflect the Exchange Ratio, provided that the term of any options held by an existing option holder that will not be continuing as a director, officer, employee or consultant of CopAur post-completion of the acquisition will be subject to a maximum of 12 months.

On March 7, 2022, the Company and CopAur signed a definitive agreement based on the terms of the Binding Letter Agreement with final completion subject to the following conditions, among others:

- (i) the approval of the Supreme Court of British Columbia;
- (ii) the approval of the Arrangement by not less than two-thirds (66⅔%) of the votes cast by the New Placer Dome shareholders, and
- (iii) a simple majority of the votes cast by the minority New Placer Dome shareholders (excluding shareholders whose votes are required to be excluded pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions) and (iv) approval by all applicable regulatory authorities, including the TSX Venture Exchange.

(Expressed in Canadian Dollars - Unaudited)

## 5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise the following accumulated expenditures:

| | Bolo Project | Troy Canyon Project | Kinsley Gold Project | TOTAL |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at June 30, 2020** | **1,784,895** | **221,518** | **5,133,880** | **7,140,293** |
| Acquisition costs | 318,500 | 302,281 | 270,500 | 891,281 |
| Drilling | 622,006 | - | 2,825,255 | 3,447,261 |
| Camp costs | 76,635 | 5,038 | 698,520 | 780,193 |
| Geological | 460,587 | 82,474 | 1,498,945 | 2,042,006 |
| Geophysical | - | - | 152,182 | 152,182 |
| Infrastructure | 19,861 | - | 31,656 | 51,517 |
| Management and administration | 44,094 | 40,018 | 33,800 | 117,912 |
| Survey | 99,077 | - | 141,757 | 240,834 |
| Tenure and maintenance | 58,774 | 14,918 | 142,848 | 216,540 |
| Recovery | - | - | (936,443) | (936,443) |
| **Balance at June 30, 2021** | **3,484,429** | **666,247** | **9,992,900** | **14,143,576** |
| Acquisition costs | 648,879 | | 2,947,778 | 3,596,657 |
| Drilling | 376,080 | - | - | 376,080 |
| Camp costs | 197,462 | - | 40,190 | 237,652 |
| Geological | 298,740 | - | 68,161 | 366,901 |
| Geophysical | 113,036 | - | 545,044 | 658,080 |
| Property bond | - | - | 23,585 | 23,585 |
| Infrastructure | - | - | - | - |
| Management and administration | 73,061 | - | 40,834 | 113,895 |
| Survey | 93,462 | - | 1,480 | 94,942 |
| Tenure and maintenance | 41,809 | 13,917 | 108,439 | 164,165 |
| Recovery | - | - | (171,201) | (171,201) |
| **Balance at March 31, 2022** | **5,326,958** | **680,164** | **13,597,210** | **19,604,332** |

**Kinsley Mountain Gold Project**

On November 29, 2019, the Company entered into a definitive purchase option agreement ("Kinsley Option Agreement" or "Option") dated November 29, 2019, as amended, with Liberty Gold Corp., whereby the Company was granted exclusive rights to acquire Liberty Gold Corp.'s interest in Kinsley Gold LLC, a limited liability company holding ownership and leasehold rights in and to 513 unpatented claims and 5 leased patented claims, covering 4,187 hectares, known as the "Kinsley Mountain Project", located in southeast Elko County, Nevada.

Upon closing of the original Kinsley Option Agreement, the Company met the following conditions:

(a) The Company must have obtained adequate financing to make the certain payments to Liberty Gold Corp. (see Note 10);

(b) The right of first refusal ("ROFR") held by Nevada Sunrise Gold Corporation ("Nevada Sunrise") in respect of the transfer by Liberty Gold of its interest in Kinsley Gold LLC shall have expired without having been exercised by Nevada Sunrise or Nevada Sunrise waiving its rights under the ROFR (waiver obtained); and

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

**Kinsley Mountain Gold Project (continued)**

(c) The Company will consolidate its shares on the basis of two (2) pre-consolidation shares for one post-consolidation share (completed on June 2, 2020).

On closing of the above conditions on June 2, 2020, the Company issued 800,000 units as property finder's fee shares to a third-party group. Each unit comprises one common share and one share purchase unit exercisable at $0.30 per share expiring three years from the date of grant. The common shares included in the units had a fair value of $208,000, and the warrants had a fair value of $158,300, which was calculated using the Black-Scholes Option Price Model with the following inputs: Exercise Price: $0.30, Expected Life of Option: 3 years, Volatility: 141%, Divided Rate: 0% and Risk-free rate: 0.3%.

To exercise the Option, the Company must issue common shares and make certain cash payments as follows (based on the amended terms):

1. Pay $1,250,000 USD (paid equivalent of $1,716,811 CDN) (previously $2,500,000 USD) in cash, pay $124,570 USD (paid equivalent of $171,681 CDN) with respect to certain bonds/insurance relating to operations on the Kinsley Mountain project and issue 9.90 per cent of common shares (post-consolidation and post-financing) of the Company. The Company issued 8,844,124 common shares, with a fair value of $2,299,472, to Liberty Gold on June 2, 2020 (issued).

2. Pay $1,250,000 USD in cash (paid equivalent of $1,570,000 CDN) and issue $1,250,000 USD common shares of the Company on or before the first anniversary of the final approval of the transaction by the TSX Venture Exchange (June 2, 2021) (the Company issued 17,222,222 common shares). See below regarding delay and amended payment terms; and

3. Issue $1,250,000 USD in cash and issue $1,250,000 USD common shares of the Company on or before the second anniversary of the final approval of the transaction by the TSX Venture Exchange (June 2, 2022) (see below regarding amended payment terms).

Under the Kinsley Option Agreement, the Company was initially required to make the first anniversary payment in the amount of US$2,500,000 to Liberty Gold on or before June 2, 2021 and the second anniversary payment in the amount of $2,500,000 (USD) in common shares on June 2, 2022. The Company and Liberty Gold agreed to delay the first anniversary payment and negotiate amending the first and second anniversary payment terms. Effective November 5, 2021, the Company and Liberty amended the Kinsley Option Agreement providing for combined payments of $1,250,000 (USD) in cash and $1,250,000 (USD) in common shares on June 2, 2021, and June 2, 2022, respectively, instead of $2,500,000 (USD) in cash on June 2, 2021 and $2,500,000 (USD) in common shares on June 2, 2022, respectively. Liberty Gold had previously agreed to delay the first anniversary payment. The first anniversary cash and share payments were completed in November 2021 following the November 5, 2021 amendment. In accordance with the requirements of the Kinsley Option Agreement, the Company obtained a waiver of the ROFR from Nevada Sunrise in connection with the above amendment.

The remaining option payments under the agreement with Liberty Gold Corp. are: pay $1,250,000 USD in cash and issue $1,250,000 USD common shares of the Company.

(Expressed in Canadian Dollars - Unaudited)

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

### Troy Canyon Project

On September 23, 2019, the Company signed an option agreement to acquire 100% interest in the Troy Canyon gold silver project located in Nye County, Nevada from Brocade Metals Corp. Under the terms of the agreement, the Company paid a non-refundable deposit on signing of $3,500 USD to cover claim maintenance fees. During the year ended June 30, 2021, the Company exercised the option and acquired the 100% interest by completing the following:

- Pay cash consideration as follows:
    - $25,000 USD paid upon acceptance by the exchange of this agreement (paid equivalent of $32,750 CDN)
    - $25,000 USD on the 1st anniversary of the option agreement (paid equivalent of $33,531 CDN)
- Issue common shares of the Company as follows:
    - 312,500 upon acceptance by the exchange of this agreement (issued; the fair value of the issued shares was $125,000 CDN)
    - 625,000 on the 1st anniversary of the option agreement (issued; the fair value of the issued shares was $268,750 CDN)
- Incur expenditures on the property as follows:
    - $30,000 USD prior to the 1st anniversary (completed)

### Bolo Project

On June 27, 2018, as amended on October 24, 2018, and December 31, 2021, the Company entered into an option agreement to acquire an initial 50.01% of one hundred and eighty-seven mineral claims located in Nye County, Nevada known as the "Bolo Project". To acquire the initial interest, the Company must meet a series of conditions as follows:

1- The Company must complete an initial public offering of common shares on or before March 31, 2019 (completed).
2- The Company must list on the TSX Venture Exchange on or before March 31, 2019 (completed).
3- The Company must meet certain exploration expenditure requirements as follows:

| Date for Completion | Exploration Expenditure (USD) | Cumulative Exploration Expenditure (USD) |
|---|---|---|
| Within the 2019 calendar year (completed) | $500,000 | $500,000 |
| Within the 2020 calendar year (completed) | $750,000 | $1,250,000 |
| Within the 2021 calendar year (completed $400,000 during the year ended December 31, 2021 – see amendment) | $850,000 | $2,100,000 |
| Within the 2022 calendar year (not completed as of the date hereof) | $1,500,000 | $3,600,000 |

(Expressed in Canadian Dollars - Unaudited)

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

**Bolo Project (continued)**

Pursuant to the December 31, 2021 amendment, and in lieu of shortfall in expenditures that needed to be incurred by December 31, 2021, the Company paid $250,000 USD, and issued USD$150,000 in shares of the Company to Allegiant.

4- The Company must also issue shares to the optionor (Allegiant Gold Ltd.) as follows:

| Date for Completion | Value of Shares (USD) | Cumulative Share Value (USD) |
|---|---|---|
| On final prospective approval date (issued 836,375 shares April 24, 2019 with a fair value of $334,500) | $250,000 | $250,000 |
| First anniversary of final prospectus approval date (issued 1,029,610 shares on January 29, 2020 with a fair value of $267,699) | $250,000 | $500,000 |
| Second anniversary of final prospectus approval date (issued 1,170,483 shares on December 17, 2020 with a fair value of $318,500) | $250,000 | $750,000 |
| Third anniversary of final prospectus approval date (issued 1,608,350 shares on December 17, 2021 with a fair value of $136,710) | $250,000 | $1,000,000 |

**5-** As at the effective date of this option agreement, the Company is obligated to pay all mining claim maintenance, rental fees, property and other taxes as well as payments due to government agencies relating to keeping the mining claims in good standing.

Within 30 days from the completion of the initial 50.01% earn in, the Company may elect to earn an additional 24.99% interest in the claims by incurring an additional $4,000,000 USD in exploration expenditures within two years from the date of election.

## 6. SHARE CAPITAL

**Authorized:**
- Unlimited number of fully paid Class A common shares ("common shares") without par value and with voting rights; and
- Unlimited number of fully paid Class B preferred shares without par value – None Issued.

On June 2, 2020, the Company completed a 2:1 roll back of its share capital. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

**Issued:**

***For the period ended March 31, 2022***

Through a series of tranche closings on November 10, 12 and 25, 2021, the Company closed a non-brokered private placement through the issuance of 61,980,900 Units of the Company for gross proceeds of $4,858,472. Each Unit comprised one common share and one share purchase warrant entitling the holder to purchase an additional share for $0.12 expiring November 10, 2024. In connection with the closing of the non-brokered private placement, the Company paid aggregate cash finder's fees of $294,898 and issued 3,713,225 non-transferable finder warrants to certain brokers, 56,000 of which entitle the holder to purchase one common share of the Company at a price of $0.08 per share for a period of thirty-six months from the date of closing the non-brokered private placement and the balance have the same terms as the warrants

See Note 4 for additional share issuance disclosure.

***For the year ended June 30, 2021***

During the current year ended June 30, 2021, the Company issued 476,251 common shares as a result of the same number of share purchase options and warrants being exercised for gross proceeds of $162,850.

See Note 4 for additional share issuance related to the option agreements.

**Escrow:**
Upon completion of the Company's Initial Public Offering, 2,850,000 shares were held in escrow. 285,000 of these shares were released from escrow in the year ended June 30, 2019. 855,000 additional shares were released during fiscal year 2020. As at March 31, 2022, 427,500 shares were held in escrow with a final release of the remaining balance of escrowed shares on April 24, 2022.

(Expressed in Canadian Dollars - Unaudited)

## 6. SHARE CAPITAL (continued)

**Stock options:**

The Company has a rolling stock option plan whereby a maximum of 10% of the issued common shares will be reserved for issuance under the plan. The following table summarizes the Company's stock option activities for the following periods:

| | Number of Options | Weighted Average Exercise Price |
|---|---|---|
| | | $ |
| **Options outstanding, June 30, 2020** | **6,531,875** | **0.35** |
| Granted | 2,653,000 | 0.67 |
| Exercised | (71,000) | 0.37 |
| **Options outstanding, June 30, 2021** | **9,113,875** | **0.38** |
| **Expired** | **(513,000)** | **0.22** |
| **Options outstanding, March 31, 2022** | **8,600,875** | **0.39** |

As at March 31, 2022, the Company had options outstanding as follows:

| Expiry Date | Exercise Price | Outstanding | Weighted Average Remaining Contractual Life (Years) | Outstanding and Exercisable | Weighted Average Remaining Contractual Life (Years |
|---|---|---|---|---|---|
| September 5, 2023 | $0.10 | 975,000 | 1.43 | 975,000 | 1.43 |
| September 3, 2024 | $0.40 | 549,375 | 2.43 | 549,375 | 2.43 |
| September 3, 2024 | $0.22 | 100,000 | 2.43 | 100,000 | 2.43 |
| June 12, 2025 | $0.40 | 2,736,500 | 3.20 | 2,736,500 | 3.20 |
| June 12, 2025 | $0.22 | 1,550,000 | 3.20 | 1,550,000 | 3.20 |
| June 24, 2025 | $0.40 | 200,000 | 3.24 | 200,000 | 3.24 |
| July 2, 2025 | $0.52 | 200,000 | 3.26 | 200,000 | 3.26 |
| July 2, 2025 | $0.22 | 500,000 | 3.26 | 500,000 | 3.26 |
| July 13, 2025 | $0.65 | 600,000 | 3.29 | 600,000 | 3.29 |
| July 21, 2025 | $0.80 | 1,065,000 | 3.31 | 1,065,000 | 3.31 |
| July 21, 2025 | $0.22 | 125,000 | 3.31 | 125,000 | 3.31 |
| | | 8,600,875 | 2.97 | 8,600,875 | 2.97 |

On May 10, 2021, the Company repriced 2,625,000 stock options with original exercise price between $0.40 and $0.80 per share to $0.22 per share. The expiry date of the options remained unchanged. The incremental fair value of these stock options repriced was determined to be $25,206 on the grant date using the Black-Scholes valuation model and the following inputs: i) exercise price $0.22, ii) stock price $0.175, iii) volatility: 92%, iv) risk free rate: 0.11% to 0.75%.

## 6. SHARE CAPITAL (continued)

On December 7, 2020, the Company granted 88,000 options to a consulting group. The options vest quarterly over a twelve-month period. Each option can be exercised at $0.30 per share for a period of 2 years from the date of the grant. The fair value of these stock options granted was determined to be $5,174 on the vesting dates using the Black-Scholes valuation model and the following inputs: i) exercise price $0.30, ii) stock price $0.13 - $0.27, iii) volatility: 90% - 102%, iv) risk free rate: 0.23% - 0.44%.

On August 31, 2020, the Company granted 75,000 options to an investor relations group. The options vest quarterly over a twelve-month period. Each option can be exercised at $0.70 per share for a period of 2 years from the date of the grant. The fair value of these stock options granted was determined to be $2,084 on the vesting dates using the Black-Scholes valuation model and the following inputs: i) exercise price $0.70, ii) stock price $0.13 - $0.28, iii) volatility: 93% - 97%, iv) risk free rate: 0.25% - 0.44%.

On July 21, 2020, the Company granted 1,190,000 options to directors, officers, and consultants of the Company. Each option can be exercised at $0.80 per share for a period of 5 years from the date of the grant. The fair value of these stock options granted was determined to be $643,288 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.80, ii) stock price $0.78, iii) volatility: 92%, iv) risk free rate: 0.35%. 1,015,000 of these options were issue to directors and officers of the Company. $548,687 of the option expense would be considered a related party expense.

On July 13, 2020, the Company granted 600,000 options to directors, advisors and consultants of the Company. Each option can be exercised at $0.65 per share for a period of 5 years from the date of the grant. The fair value of these stock options granted was determined to be $256,446 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.65, ii) stock price $0.62, iii) volatility: 92%, iv) risk free rate: 0.36%. 200,000 of these options were issued to directors of the Company. $85,482 of the option expense would be considered a related party expense.

On July 2, 2020, the Company granted 700,000 options to advisors and consultants of the Company. Each option can be exercised at $0.52 per share for a period of 5 years from the date of the grant. The fair value of these stock options granted was determined to be $245,632 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.52, ii) stock price $0.51, iii) volatility: 90%, iv) risk free rate: 0.38%.

On June 25, 2020, the Company granted 200,000 options to a technical advisor of the Company. Each option can be exercised at $0.40 per share for a period of 5 years from the date of issuance. The fair value of these stock options granted was determined to be $67,414 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.38, iii) volatility: 142%, iv) risk free rate: 0.43%. The fair value of these options was capitalized to Kinsley Mountain Gold Project.

## 6. SHARE CAPITAL (continued)

On June 12, 2020, the Company granted 4,500,000 options to certain directors, officers, and consultants to purchase 4,500,000 common shares of the Company at $0.40 per share for a period of 5 years. 150,000 of these options which have been granted to a consultant vest in stages over a period of twelve months in equal portions starting on the grant date. The fair value of these stock options granted was determined to be $1,232,944 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.37 - $0.44, iii) volatility: 107%, iv) risk free rate: 0.36% - 0.37%. $587,004 of the option expense would be considered a related party expense. The fair value of 150,000 options vesting in fiscal year 2021 was determined to be $27,597 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.15 - $0.64, iii) volatility: 90% - 93%, iv) risk free rate: 0.36% - 0.79%.

On September 24, 2019, 1,072,500 of the September 5, 2018 options were extended to expire on September 5, 2023. The incremental fair value of $291,002 was recognized due to the extension. The fair value was determined using the Black-Scholes valuation model and the following inputs: i) exercise price $0.10, ii) stock price $0.36, iii) volatility: 108%, iv) risk free rate: 1.53%. 1,012,500 of these options were issued to directors and officers of the Company. $257,086 of the option expense would be considered a related party expense.

On September 3, 2019, 649,375 options were granted to officers and directors of the Company. The options are exercisable at $0.40 per share for five years from the date of grant. The fair value of these stock options granted was determined to be $155,000 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.30, iii) volatility: 127%, iv) risk free rate: 1.16%. $125,614 of the option expense would be considered a related party expense.

On August 6, 2019, 200,000 options were granted to an investor relations firm. The options are exercisable at $0.40 per share for two years from the date of grant. These Options vest in stages over a period of 12 months in equal portions every three months starting on the date of grant. The fair value of these stock options granted was determined to be $20,205 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.40, ii) stock price $0.26-$0.44, iii) volatility: 112%, iv) risk free rate: 0.25%-1.61%.

**Warrants:**

**<u>During the year ended June 30, 2020</u>**

The Company granted 60,073,725 share purchase warrants in connection to June 2, 2020 private placement. 56,129,399 share purchase warrants were included as part of the private placement offering Unit, 3,144,326 share purchase warrants were issued to finders and advisors of the private placement ("Finder Warrants"), and 800,000 share purchase warrants were issued in connection with Kinsley Mountain Gold Project. The fair value of the Finder Warrants granted was determined to be $546,000, using the Black-Scholes valuation model and the following inputs: i) exercise price $0.28, ii) stock price $0.26, iii) volatility: 140%, iv) risk free rate: 0.30%. Furthermore, the fair value of the warrants issued in connection with Kinsley Mountain Gold Project was determined to be of $158,300, which was calculated using the Black-Scholes Option Price Model with the following inputs: i) exercise price: $0.30, ii) expected life of option: 3 years, iii) volatility: 141%, iv) divided rate: 0%, v) risk-free rate: 0.3% (Note 4).

(Expressed in Canadian Dollars - Unaudited)

## 6. SHARE CAPITAL (continued)

**Warrants (continued):**

**During the period ended March 31, 2022**

In connection with the November 10, 2021 private placement closings, the Company issued 3,310,225 non-transferable finder warrants to certain brokers, 56,000 of which entitle the holder to purchase one common share of the Company at a price of $0.08 per share for a period of thirty-six months from the date of closing the non-brokered private placement and the balance have the same terms as the warrants, with the remainder exercisable at $0.12 under the same terms. In connection with the November 12, 2021 private placement closings, the Company issued 378,000 non-transferable finder warrants to certain brokers which entitle the holder to purchase one common share of the Company at a price of $0.12 per share for a period of thirty-six months from the date of closing the non-brokered private placement. In addition, a further 25,000 broker warrants were issued on November 25, 2021 at a price of $0.12 per share for a period of thirty-six months from the date of closing the non-brokered private placement. The fair value of the Finder Warrants granted was determined to be $154,400, using the Black-Scholes valuation model and the following inputs: i) exercise price $0.08 and $0.12, ii) stock price $0.08, iii) volatility: 97%, iv) risk free rate: 0.34%. and expected life of 3 years.

The following is a summary of all share purchase warrant activities for the following periods:

| | Number of warrants | Weighted Average Exercise Price |
|---|---|---|
| | | $ |
| **Warrants outstanding and exercisable, June 30, 2020** | **60,529,613** | **0.30** |
| Exercised | (405,251) | 0.34 |
| Expired | (285,641) | 0.40 |
| **Warrants outstanding and exercisable, June 30, 2021** | **59,838,721** | **0.30** |
| Granted | **65,694,125** | **0.12** |
| **Warrants outstanding and exercisable, March 31, 2022** | **125,532,846** | **0.21** |

(Expressed in Canadian Dollars - Unaudited)

## 6. SHARE CAPITAL (continued)

**Warrants (continued):**

As at March 31, 2022 the Company had warrants outstanding as follows:

| Expiry Date | Exercise Price | Outstanding | Weighted Average Remaining Contractual Life (Years) |
|---|---|---|---|
| June 2, 2023 | $0.30 | 55,989,399 | 1.17 |
| June 2, 2022 | $0.28 | 3,049,322 | 0.17 |
| June 2, 2023 | $0.30 | 800,000 | 1.17 |
| November 10, 2024 | $0.12 | 55,130,900 | 2.62 |
| November 12, 2024 | $0.12 | 5,600,000 | 2.62 |
| November 25, 2024 | $0.12 | 1,250,000 | 2.66 |
| November 10, 2024 | $0.12 | 3,254,225 | 2.62 |
| November 10, 2024 | $0.08 | 56,000 | 2.62 |
| November 12, 2024 | $0.12 | 378,000 | 2.62 |
| November 25, 2024 | $0.12 | 25,000 | 2.66 |
| | | 125,532,846 | 1.90 |

## 7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

| | **March 31, 2022** | March 31, 2021 |
|---|---|---|
| | **$** | $ |
| Consulting | **118,833** | **123,750** |
| Office | **9,450** | **14,700** |
| Professional | **70,000** | **92,500** |
| Stock-based compensation | **-** | **796,657** |
| Exploration and evaluation assets | **400,576** | **2,009,741** |

As at March 31, 2022, $3,912 (June 30, 2021 - $192,687) was owing to a private company owned in part by a director of the Company for geological services. As at March 31, 2022, $24,416 (June 30, 2021 - $Nil) was owing to the Chief Financial Officer for reimbursable expenses. As at March 31, 2022, $9,000 (June 30, 2021 - $Nil) was owing to an independent director of the Company for consulting services. Balances owing to related parties included in accounts payable are unsecured, did not bear interest, and had no fixed terms of payments.

## 8. FINANCIAL AND CAPITAL RISK MANAGEMENT

### Determination of fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

| | Level | Ref. | **March 31, 2022** | **June 30, 2021** |
|---|---|---|---|---|
| | | | **$** | **$** |
| Other financial assets | 1 | a | **336,993** | **46,284** |
| Other financial liabilities | 1 | b | **1,056,066** | **301,011** |

a. Comprises cash
b. Comprises accounts payable and accrued liabilities

The consolidated statements of financial position carrying amounts for cash, and accounts payable and accrued liabilities approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

### Management of Industry and Financial Risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

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.

***Liquidity risk***
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand.

Liquidity risk has been assessed as being low. The Company's accounts payable are either due immediately or have contractual maturities of less than 30 days.

## 8. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

***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 three types of risk: currency risk, interest rate risk, and price risk.

***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

***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 is not exposed to significant interest rate risk relating to its related party balances (Note 6).

***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company’s ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the period ended March 31, 2022. The Company is not subject to any externally imposed capital requirements.

## 9. CONVERTIBLE DEBT

On December 13, 2021, the Company received a convertible loan from CopAur Minerals Inc. for gross proceeds of $1,070,000 ($840,000 USD). The loan is due on December 13, 2022, bears interest at an interest rate of 10% per annum calculated and compounded monthly. The loan is convertible into units of the Company for $0.085 per Unit. Each Units comprises one common share and one share purchase warrant exercisable at $0.12 per share for a period of 36 months. CoPaur Minerals Inc. has the ability to accelerate repayment of the principal amount of the loan in the event of the occurrence of certain customary default events. Proceeds of the convertible loan are to be used for or related to the Bolo Project.

(Expressed in Canadian Dollars - Unaudited)

## 9. CONVERTIBLE DEBT (continued)

The following table is a summary of the accretion to amortized cost of the convertible debt:

| | $ |
|---|---|
| Face value of convertible debt | 1,070,000 |
| Equity portion of convertible debt | (172,740) |
| Fair value of convertible debt | 897,260 |
| Accretion expense | 49,828 |
| Balance, March 31, 2022 | 947,088 |

## 10. SEGMENTED INFORMATION

***Operating Segments***

The Company has one operating segment, which is the exploration and evaluation of mineral properties.

***Geographic Segments***

The Company's principal operations are carried out in Canada and the United States.

***Consolidated Statement of Financial Position***

| **March 31, 2022** | **Canada** | **United States** | **Total** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **Current Assets** | **753,305** | **-** | **753,305** |
| **Long-Term Assets** | **-** | **19,604,332** | **19,604,332** |
| **Total Assets** | **753,305** | **19,604,332** | **20,357,637** |

| June 30, 2021 | Canada | United States | Total |
|---|---|---|---|
| | $ | $ | $ |
| Current Assets | 80,216 | - | 80,216 |
| Long-Term Assets | - | 14,143,576 | 14,143,576 |
| Total Assets | 80,216 | 14,143,576 | 14,223,792 |

(Expressed in Canadian Dollars - Unaudited)

## 11. TAX LOSSES

| Years | $ |
|---|---|
| 2038 | 22,000 |
| 2039 | 1,634,000 |
| 2040 | 1,521,000 |
| 2041 | 2,414,000 |
| Total | 5,591,000 |

## 12. SUBSEQUENT EVENTS

See Note 4.