

SIENNA RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2022

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended March 31, 2022 and 2021 have not been reviewed by the Company's external auditor.

SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

ASSETS	March 31, <u>2022</u>	December 31, <u>2021</u>
Current assets		
Cash and cash equivalents – Note 3	\$ 422,154	\$ 759,191
Receivables – Note 4	37,350	15,613
Prepaid expenses – Note 5	7,545	2,687
Total current assets	<u>467,049</u>	<u>777,491</u>
Non-current assets		
Security deposits – Note 6	7,924	-
Exploration and evaluation assets – Note 6	1,324,678	1,286,437
Total assets	<u><u>\$ 1,799,651</u></u>	<u><u>\$ 2,063,928</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities – Notes 7 and 12	\$ 68,008	\$ 64,575
Flow-through share premium liability – Note 8	6,841	6,977
Total current liabilities	<u>74,849</u>	<u>71,552</u>
Non-current liabilities		
Loans payable – Note 9	37,121	36,208
	<u>111,970</u>	<u>107,760</u>
SHAREHOLDERS' EQUITY		
Share capital – Note 10	23,728,993	23,713,111
Reserves – Note 10	4,309,673	4,311,555
Accumulated deficit	(26,350,985)	(26,068,498)
Total shareholders' equity	<u>1,687,681</u>	<u>1,956,168</u>
Total liabilities and shareholders' equity	<u><u>\$ 1,799,651</u></u>	<u><u>\$ 2,063,928</u></u>

Nature and Continuance of Operations (Note 1)
Subsequent events (Notes 6 and 15)

APPROVED BY THE DIRECTORS:

<u>“John Masters”</u> John Masters	Director	<u>“Jason Gigliotti”</u> Jason Gigliotti	Director
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SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three months ended March 31,	
	<u>2022</u>	<u>2021</u>
Operating expenses		
Corporate branding	\$ 1,500	\$ 32,509
Directors' fees – Note 12	-	5,000
Investor relations	-	10,000
Management fees – Note 12	43,500	43,500
Office and miscellaneous	21,623	19,479
Professional fees – Note 12	10,616	11,816
Resource expenses	-	6,843
Shareholder information	10,785	9,385
Share-based payments – Notes 10 and 12	-	382,151
Transfer agent and filing fees	4,362	9,964
Travel	5,183	3,779
	<u>(97,569)</u>	<u>(534,426)</u>
Interest expense – Note 9	(913)	(827)
Interest income	234	1,005
Other income on settlement of flow-through share premium – Note 8	136	208
Write-down of exploration and evaluation assets – Note 6	<u>(184,375)</u>	<u>-</u>
	<u>(184,918)</u>	<u>386</u>
Net loss and comprehensive loss for the period	<u>\$ (282,487)</u>	<u>\$ (534,040)</u>
Loss per share – basic and diluted – Note 11	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding – basic and diluted – Note 11	<u>124,087,316</u>	<u>114,309,292</u>

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

SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Three months ended March 31,	
	<u>2022</u>	<u>2021</u>
Operating Activities		
Loss for the period	\$ (282,487)	\$ (534,040)
Adjustments for non-cash items:		
Accrued interest on loans payable	913	827
Other income on settlement of flow-through share premium	(136)	(208)
Share-based payments	-	382,151
Write-down of exploration and evaluation assets	184,375	-
Changes in non-cash working capital items:		
Receivables	5,840	13,920
Prepaid expenses	(4,858)	2,475
Accounts payable and accrued liabilities	4,400	8,710
Cash used in operating activities	<u>(91,953)</u>	<u>(126,165)</u>
Investing Activities		
Security deposits	(7,924)	-
Exploration and evaluation assets	<u>(251,160)</u>	<u>(36,519)</u>
Cash used in investing activities	<u>(259,084)</u>	<u>(36,519)</u>
Financing Activities		
Proceeds from issuance of share capital	14,000	691,757
Share subscriptions received in advance	<u>-</u>	<u>60,000</u>
Cash provided by financing activities	<u>14,000</u>	<u>751,757</u>
Change in cash and cash equivalents during the period	(337,037)	589,073
Cash and cash equivalents, beginning of the period	<u>759,191</u>	<u>1,237,113</u>
Cash and cash equivalents, end of the period	<u>\$ 422,154</u>	<u>\$ 1,826,186</u>

Supplemental Disclosure with Respect to Cash Flows (Note 14)

SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital		Share			
	Number of	Amount	subscriptions	Reserves	Accumulated	Total
	shares		received in		deficit	
			advance			
Balance, December 31, 2020	109,688,604	\$ 22,554,056	\$ -	\$ 3,838,903	\$ (25,095,344)	\$ 1,297,615
Share purchase warrants exercised	9,085,712	691,757	-	-	-	691,757
Share subscriptions received in advance	-	-	60,000	-	-	60,000
Stock options issued	-	-	-	382,151	-	382,151
Loss for the period	-	-	-	-	(534,040)	(534,040)
Balance, March 31, 2021	118,774,316	23,245,813	60,000	4,221,054	(25,629,384)	1, 897,483
Share purchase warrants exercised	3,149,000	224,560	(60,000)	-	-	164,560
Transfer of reserves on broker warrants exercised	-	22,738	-	(22,738)	-	-
Stock options issued	-	-	-	113,239	-	113,239
Shares issued for exploration and evaluation assets	2,000,000	220,000	-	-	-	220,000
Loss for the period	-	-	-	-	(439,114)	(439,114)
Balance, December 31, 2021	123,923,316	23,713,111	-	4,311,555	(26,068,498)	1, 956,168
Share purchase warrants exercised	190,000	14,000	-	-	-	14,000
Transfer of reserves on broker warrants exercised	-	1,882	-	(1,882)	-	-
Loss for the period	-	-	-	-	(282,487)	(282,487)
Balance, March 31, 2022	124,113,316	\$ 23,728,993	\$ -	\$ 4,309,673	\$ (26,350,985)	\$ 1,687,681

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

SIENNA RESOURCES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

March 31, 2022 – Page 1

1. NATURE AND CONTINUANCE OF OPERATIONS

Sienna Resources Inc. (the “Company”) was incorporated on March 11, 1983, under the British Columbia Company Act. The Company is an exploration stage public company and is listed on the TSX Venture Exchange (“Exchange”). The Company’s principal business activities include acquiring and exploring exploration and evaluation assets. At March 31, 2022, the Company had exploration and evaluation assets located in Canada, Norway and the U.S.A.

The Company’s head office and principal business address is Suite 2905, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1K8. The Company’s registered and records office is located at 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At March 31, 2022, the Company had not yet achieved profitable operations, incurred a loss of \$282,487 during the three months ended March 31, 2022 and had an accumulated deficit of \$26,350,985 since its inception. The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company may require additional financing in order to conduct the planned work programs on its exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these condensed consolidated interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these condensed consolidated interim financial statements.

2. BASIS OF PREPARATION**a) Statement of Compliance**

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS34”) as issued by the International Accounting Standards Board (“IASB”). Therefore, these condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s most recently issued audited financial statements for the year ended December 31, 2021, which includes information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies, use of judgements and estimates were presented in Note 2 and Note 3 of these audited financial statements, and have been consistently applied in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 30, 2022.

2. BASIS OF PREPARATION (continued)

b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

c) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the condensed consolidated interim financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiaries of the Company as of March 31, 2022 are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest March 31, 2022	Ownership Interest December 31, 2021
Sienna Resources Sweden AB	Holding company	Sweden	100%	100%
Sienna Resources (US) Inc.	Holding company	USA	100%	100%

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies and include the following components:

	March 31, <u>2022</u>	December 31, <u>2021</u>
Cash at bank in Canadian dollars	\$ 266,207	\$ 611,096
Cash at bank in Sweden krona	121,447	113,595
Short-term deposits	34,500	34,500
	<u>\$ 422,154</u>	<u>\$ 759,191</u>

4. RECEIVABLES

The Company's receivables comprise of trade receivable, and goods and services tax ("GST") and value-added tax ("VAT") receivable due from government taxation authorities.

	March 31, <u>2022</u>	December 31, <u>2021</u>
Trade receivable	\$ 27,577	\$ -
GST recoverable	9,144	4,874
VAT recoverable	629	10,739
Total receivables	<u>\$ 37,350</u>	<u>\$ 15,613</u>

All amounts are short-term and the net carrying value of receivables is considered a reasonable approximation of fair value. The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against receivables. The Company's receivables are all considered current and are not past due or impaired. The Company does not possess any collateral related to these assets.

5. PREPAIDS

The Company's prepaids are comprised of fees prepaid to vendors of the Company and include the following components:

	March 31, <u>2022</u>	December 31, <u>2021</u>
Corporate branding	\$ 1,373	\$ 1,373
Other prepaids	6,172	1,314
Total prepaids	<u>\$ 7,545</u>	<u>\$ 2,687</u>

6. EXPLORATION AND EVALUATION ASSETS

	YK White Gold	ON Marathon North Palladium Property	US Blue Clay Lithium Project	Nevada Clayton Valley Deep Basin Lithium Brine Project	Finland Kuusamo PGE-Ni-Cu- Co Project	Norway Bleka Gold Project	Total
Balance, December 31 2020	\$ 5,080	\$ 85,848	\$ -	\$ 92,559	\$ 60,702	\$ 178,273	\$ 422,462
Acquisition costs	-	-	250,000	-	5,139	-	255,139
Deferred exploration expenditures							
Assay	-	-	-	-	30,755	9,793	40,548
Claim maintenance fees	210	-	21,593	13,762	-	13,395	48,960
Drilling	-	-	2,575	-	-	321,518	324,093
Geological consulting	-	4,625	-	-	35,287	6,543	46,455
Geological report	-	4,139	-	-	-	-	4,139
Survey	-	46,456	-	-	26,473	-	72,929
Travel and miscellaneous	-	12,428	-	-	20,011	11,696	44,135
Advance for exploration	-	-	-	-	27,577	-	27,577
Balance, December 31, 2021	5,290	153,496	274,168	106,321	205,944	541,218	1,286,437
Acquisition costs	-	-	17,141	-	-	-	17,141
Deferred exploration expenditures							
Assay	-	-	10,794	-	-	-	10,794
Claim maintenance fees	-	-	12,086	-	-	-	12,086
Drilling	-	-	171,913	-	-	-	171,913
Geological consulting	-	-	14,141	700	1,281	-	16,122
Geological report	-	1,030	-	-	-	-	1,030
Reclamation	-	-	13,177	-	-	-	13,177
Travel and miscellaneous	-	194	7,736	-	-	-	7,930
Advance for exploration	-	-	-	-	(27,577)	-	(27,577)
Write-down of exploration and evaluation assets	-	(4,727)	-	-	(179,648)	-	(184,375)
Balance, March 31, 2022	\$ 5,290	\$ 149,993	\$521,156	\$ 107,021	\$ -	\$ 541,218	\$ 1,324,678

Title to Mineral Property Interests

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers, and rights of ownership may be affected by undetected defects.

White Gold, Yukon

During the year ended December 31, 2009, the Company acquired a 100% interest in certain gold claims in the region of the White and Yukon Rivers for staking costs incurred of \$106,896.

During the years ended December 31, 2011, 2013 and 2015, the Company decided not to renew certain claims and allowed them to lapse when they became due. Prior acquisition costs of \$106,273 and exploration costs of \$114,319 associated with these lapsed claims were written off.

6. EXPLORATION AND EVALUATION ASSETS (continued)

White Gold, Yukon (continued)

The Company continues to hold a 100% interest in the remaining White Gold claims. As at March 31, 2022, the Company had spent a total of \$4,667 in exploration expenditures on the remaining claims of this property.

Marathon North Palladium Property, Ontario – Staking

In January 2020, the Company acquired a 100% interest in certain mineral claims in Northern Ontario for staking costs of \$15,700.

During the three months ended March 31, 2022, the Company decided to drop certain mineral claims. Accordingly, the Company wrote off acquisition costs in the amount of \$4,727 associated with these claims.

As at March 31, 2022, the Company had spent a total of \$139,020 in exploration expenditures on the remaining claims of this property.

Blue Clay Lithium Project, Nevada, U.S.A. – Option Agreement

On September 30, 2021, the Company entered into an option agreement (the “Blue Clay Agreement”) with an arm’s length party (the “Seller”), whereby the Seller granted an option to the Company to acquire a 100% interest in certain mineral claims (the “Blue Clay Lithium Project”) located in the Esmeralda County in the Clayton Valley of Nevada, USA. In consideration, the Company is required to the following:

- Pay \$30,000 and issue 2,000,000 common shares (paid & issued at a value of \$220,000) to the Seller within five days of Exchange approval;
- Pay \$30,000 and issue 1,000,000 common shares (paid & issued subsequently) to the Seller prior to the date that is six months from the date of Exchange approval; and
- Issue 1,000,000 common shares to the Seller prior to the date that is twelve months from the date of Exchange approval.

The Seller will retain a 1.5% NSR Royalty on this property. The Company will have the right to purchase 0.75% NSR Royalty for \$500,000 at any time up to the commencement of production.

During the three months ended March 31, 2022, the Company acquired a 100% interest in certain mineral claims for staking costs of \$17,141 to expand the size of its Blue Clay Lithium Project.

As at March 31, 2022, the Company had spent a total of \$254,015 in exploration expenditures on this property.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Clayton Valley Deep Basin Lithium Brine Project, Nevada, U.S.A. – Staking

In May 2016, the Company acquired a 100% interest in certain mineral claims of the Clayton Valley Deep Basin Lithium Brine Project in Nevada, U.S.A., for staking costs of \$23,609.

As at March 31, 2022, the Company had incurred a total of \$83,412 in exploration expenditures on this property.

Kuusamo Property, Finland

In December 2017, the Company entered into an exploration and option agreement (the "Slättberg Option Agreement") with an arm's length party, a company organized under the laws of Sweden (the "Slättberg Vendor"). The Slättberg Option Agreement was subsequently amended a few times to extend the option period and to include additional projects. On May 18, 2020, the Company entered into the Fifth Amendment with the Slättberg Vendor to include future additional projects. Pursuant to the Fifth Amendment, the Slättberg Vendor agreed to grant an option to the Company to acquire the mineral licence comprising the Kuusamo exploration project (the "Additional Project" or the "Kuusamo Property") located in Finland.

Summary of commercial terms – Kuusamo Property: The Company could earn a 100% interest in the Kuusamo Property in Finland, subject to a 3% NSR royalty to the Slättberg Vendor by:

- Issuing to the Slättberg Vendor 500,000 common shares within five business days upon Exchange approval (issued at a value of \$35,000).
- Reimbursing the Slättberg Vendor for the acquisition costs and expenses related to the Kuusamo Property (reimbursed).
- Incurring exploration expenditures of at least \$250,000 on or before May 27, 2022.
- To exercise the Option to acquire a 100% interest in the Kuusamo Property, the Company will issue to the Slättberg Vendor an additional 1,500,000 common shares at the end of the two year option period, which is on or before May 27, 2022.

Subsequent to March 31, 2022, the Company decided not to continue with the Kuusamo Property. Accordingly, the Company fully wrote off prior carrying costs of \$179,648 as of March 31, 2022.

Bleka and Vekselmyr Projects, Norway

On August 24, 2020, the Company entered into the Sixth Amendment with the Slättberg Vendor to include the Bleka and Vekselmyr Projects (the "BLE Projects") in Norway. Pursuant to the Sixth Amendment, the Slättberg Vendor has agreed to grant an option to the Company to acquire 100% of the interest in the BLE Projects.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Bleka and Vekselmyr Projects, Norway (continued)

Summary of commercial terms – BLE Projects: The Company can earn a 100% interest in the BLE Projects in Norway, subject to a 3% NSR royalty to the Slättberg Vendor by:

- Issuing to the Slättberg Vendor 500,000 common shares within five business days upon Exchange approval (issued at a value of \$45,000).
- Reimbursing the Slättberg Vendor for the acquisition costs and expenses related to the BLE Projects (reimbursed).
- Incurring exploration expenditures of at least \$250,000 by September 1, 2021 (incurred).
- Incurring exploration expenditures of an additional \$250,000 by September 1, 2022.
- To exercise the Option to acquire a 100% interest in the BLE Projects, the Company will issue to the Slättberg Vendor an additional 1,500,000 common shares at the end of the two year option period, which is on or before September 1, 2022.

If the Company satisfies the conditions of the option agreement and elects to acquire the BLE Projects, the Slättberg Vendor will receive annual advance royalty (“AAR”) payments of US\$25,000 commencing on the first anniversary of the option exercise date, with each AAR payment increasing by US\$5,000 per year until reaching a cap of US\$75,000 per year.

Under certain conditions, the Company may purchase 0.5% of the NSR royalty for a cash payment of \$1.5 million subject to Exchange approval, leaving the Slättberg Vendor with a 2.5% NSR royalty.

As of March 31, 2022, the Company had incurred a total of \$494,810 in exploration expenditures on the BLE Projects.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities recognized in the statement of financial position can be analyzed as follows:

	March 31, <u>2022</u>	December 31, <u>2021</u>
Trade payables	\$ 34,794	\$ 31,361
Accrued liabilities	33,214	33,214
Total accounts payable and accrued liabilities	<u>\$ 68,008</u>	<u>\$ 64,575</u>

All amounts are short-term.

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance at December 31, 2020	\$ 14,493
Liability derecognized due to exploration expenditures renounced to shareholders	(7,516)
Balance at December 31, 2021	6,977
Liability derecognized due to exploration expenditures renounced to shareholders	(136)
Balance at March 31, 2022	\$ 6,841

During the year ended December 31, 2021, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$7,516 and recognized it as other income.

During the three months ended March 31, 2022, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$136 and recognized it as other income.

9. LOANS PAYABLE

On May 6, 2020, the Company received the Canada Emergency Business Account (“CEBA”) loan which is an interest-free loan to cover operating costs. The CEBA loan was launched by the government of Canada to support businesses by providing financing for their expenses that cannot be avoided or deferred, and assisting businesses for successful relaunch when the economy recovers from COVID-19. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of \$10,000. Pursuant to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, the benefit of a government loan at below-market rate is treated as a government grant and measured in accordance with IFRS 9 Financial Instruments: the benefit of below-market rate shall be measured as the difference between initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of the CEBA Loan at \$30,671, using a discount rate of 10%, which was the estimated rate for a similar loan without interest-free component. The difference of \$9,329 has been accredited to the loan liability of the CEBA Loan and offset to other income on the statement of loss and comprehensive loss.

Balance at December 31, 2020	\$ 32,776
Finance expense	3,432
Balance at December 31, 2021	36,208
Finance expense	913
Balance at March 31, 2022	\$ 37,121

10. SHARE CAPITAL AND RESERVES

Authorized: An unlimited number of common shares, without par value
100,000,000 Class A preferred shares, par value \$10
100,000,000 Class B preferred shares, par value \$50

(a) Private placements

During the three months ended March 31, 2022 and 2021, the Company did not close any private placement.

(b) Share purchase warrants

The following is a summary of changes in share purchase warrants from December 31, 2020 to March 31, 2022:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Balance, December 31, 2020	59,972,800	\$0.13
Exercised	<u>(12,234,712)</u>	\$0.07
Balance, December 31, 2021	47,738,088	\$0.14
Exercised	<u>(190,000)</u>	\$0.07
Balance, March 31, 2022	<u>47,548,088</u>	\$0.14

At March 31, 2022, the Company had 47,548,088 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
13,110,800	\$0.30	January 16, 2023
3,208,000	\$0.05	July 2, 2024
<u>31,229,288</u>	\$0.08	August 14, 2025
<u>47,548,088</u>		

(c) Share-based payments

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX-V). Options may be granted for a maximum term of five years from the date of grant.

10. SHARE CAPITAL AND RESERVES (continued)

(c) Share-based payments (continued)

The following is a summary of changes in share purchase options from December 31, 2020 to March 31, 2022:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Outstanding and exercisable, December 31, 2020	6,000,000	\$0.10
Granted	8,000,000	\$0.13
Expired	(6,000,000)	\$0.10
Forfeited	(200,000)	\$0.14
Outstanding and exercisable, December 31, 2021	7,800,000	\$0.13
Expired	(5,300,000)	\$0.14
Outstanding and exercisable, March 31, 2022	<u>2,500,000</u>	\$0.12

As of March 31, 2022, 2,500,000 share purchase options were outstanding entitling the holders thereof the right to purchase one common share of the Company for each option held as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
<u>2,500,000</u>	\$0.12	November 1, 2022

During the three months ended March 31, 2022, the Company did not grant any stock options (three months ended March 31, 2021: 5,500,000 stock options were granted with an exercise price of \$0.135 and an expiry date of March 19, 2022). The weighted average fair value of the options issued during the three months ended March 31, 2021 was estimated at \$0.07 per option at the grant date using the Black-Scholes option pricing model with the following assumptions:

	<u>Three months ended March 31, 2022</u>	<u>Three months ended March 31, 2021</u>
Weighted average expected dividend yield	N/A	0.0%
Weighted average expected volatility*	N/A	139.3%
Weighted average risk-free interest rate	N/A	0.27%
Weighted average expected term	N/A	1 year

* Expected volatility has been based on historical volatility of the Company's publicly traded shares.

Total expenses arising from share-based payment transactions recognized during the three months ended March 31, 2022 were \$Nil (three months ended March 31, 2021: \$382,151).

11. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

	Three months ended March 31,	
	<u>2022</u>	<u>2021</u>
Net Loss	\$ (282,487)	\$ (534,040)
Weighted average number of common shares for the purpose of basic and diluted loss per share	124,087,316	114,309,292

Basic loss per share is computed by dividing loss by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently issued (see Note 10) were anti-dilutive for the three months ended March 31, 2022 and 2021.

Basic and diluted loss per share for the three months ended March 31, 2022 was \$(0.00) (three months ended March 31, 2021: \$(0.00)).

12. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the actions of the Company and its subsidiaries as a whole. Their remuneration includes the following:

	Three months ended March 31,	
	<u>2022</u>	<u>2021</u>
Directors' fees	\$ -	\$ 5,000
Management fees	43,500	43,500
Professional fees	10,184	11,433
Share-based payments *	<u>-</u>	<u>191,075</u>
	<u>\$ 53,684</u>	<u>\$ 251,008</u>

* Share-based payments are the fair value of options granted to key management personnel as at the grant date.

Related party balances

At March 31, 2022, accounts payable and accrued liabilities include \$14,299 (December 31, 2021: \$17,399) payable to three directors of the Company, one private company with one common director, and two private companies controlled by two directors of the Swedish subsidiary for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

13. SEGMENTAL REPORTING

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets are distributed by geographic location as follows:

	March 31, 2022	December 31, 2021
Canada	\$ 155,283	\$ 158,786
Finland	-	205,944
Norway	541,218	541,218
U.S.A.	628,177	380,489
	<u>\$ 1,324,678</u>	<u>\$ 1,286,437</u>

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows. The following transactions were excluded from the statements of cash flows:

Three months ended March 31, 2022:

- a) As at March 31, 2022, the Company accrued exploration and evaluation assets of \$1,599 in accounts payable and accrued liabilities.

Three months ended March 31, 2021:

- a) As at March 31, 2021, the Company accrued exploration and evaluation assets of \$24,273 in accounts payable and accrued liabilities.

15. SUBSEQUENT EVENTS

Subsequent to March 31, 2022, the following occurred:

- The Company paid \$30,000 and issued 1,000,000 common shares to the Seller pursuant to the Blue Clay Agreement;
- The Company decided not to continue with the Kuusamo Property and fully wrote off prior carrying costs of \$179,648 as of March 31, 2022.