NORTHERNSHIELD
RESOURCES INC.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

(unaudited and expressed in Canadian Dollars)

For the three-month periods ended March 31, 2023, and 2022

[Note: an auditor has not reviewed these unaudited interim financial statements]

Condensed Interim
Consolidated Financial Statements

For the three-month periods ended March 31, 2023, and 2022

(unaudited and expressed in Canadian Dollars)

NORTHERN SHIELD RESOURCES INC.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

as at March 31, 2023 and December 31, 2022

(unaudited and expressed in Canadian Dollars)

	March 31, 2023 (unaudited)	December 31, 2022 (unaudited)
CURRENT ASSETS		
Cash	$ 100,629	$ 216,977
Amounts receivable	38,761	17,924
Prepaid expenses	93,785	104,344
	233,175	339,245
NON-CURRENT ASSETS		
Investment in shares	833	833
Exploration and evaluation assets (Note 3)	5,472,657	5,377,516
Property and equipment (Notes 4 & 5)	47,378	49,923
	$ 5,754,043	$ 5,767,517
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 500,189	$ 450,860
Deferred flow-through premium liability (Note 6)	81,785	110,652
	581,974	561,512
SHAREHOLDERS' EQUITY		
Share capital (Note 3)	32,885,263	32,820,663
Reserves	4,564,238	4,562,838
Deficit	(32,277,432)	(32,177,496)
	5,172,069	5,206,005
	$ 5,754,043	$ 5,767,517

Nature of operations and going concern (Note1)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

APPROVED BY THE BOARD

/s/ Ian C. Bliss

Director

/s/ Russell M. Richards

Russell M. Richards, Director

NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Comprehensive Loss
for the three-month periods ended March 31, 2023, and 2022
(unaudited and expressed in Canadian Dollars)

	March 31, 2023 (3 months) (unaudited)	March 31, 2022 (3 months) (unaudited)
Expenses		
General and administrative (Note 9)	**$ 128,803**	$ 142,584
Loss before other income and expenses	**(128,803)**	(142,584)
Recognition of flow-through premium liability (Note 6)	**28,867**	-
LOSS AND COMPREHENSIVE LOSS	**(99,936)**	(142,584)
Weighted average common shares outstanding	**68,517,475**	58,336,705
Basic and diluted loss per share (Note 8)	**$ (0.00)**	$ (0.00)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Equity
for the three-month periods ended March 31, 2023, and 2022
(unaudited and expressed in Canadian Dollars)

	Share Capital (Note 7)		Reserves			
	Number of Shares	Amount	Share-based Payments	Warrants	Deficit	**Total**
		$	$	$	$	**$**
Balance at January 1, 2022	**58,336,705**	**32,441,153**	**4,463,423**	**38,836**	**(31,567,443)**	**5,375,969**
Loss for the period	-	-	-	-	(142,584)	**(142,584)**
Balance at March 31, 2022	**58,336,705**	**32,441,153**	**4,463,423**	**38,836**	**(31,710,027)**	**5,233,385**
Shares issued for proprty options	900,000	36,000	-	-	-	**36,000**
Shares issued for cash	4,100,000	205,000	-	-	-	**205,000**
Shares issued by flow-through placement	5,010,770	325,700	-	-	-	**325,700**
Allocation of value to warrants	-	(66,054)	-	66,054	-	**-**
Flow-through premium liability	-	(100,215)	-	-	-	**(100,215)**
Share issue costs	-	(28,854)	-	2,458	-	**(26,396)**
Expiry of warrants	-	7,933	-	(7,933)	-	**-**
Loss for the period	-	-	-	-	(467,469)	**(467,469)**
Balance at December 31, 2022	**68,347,475**	**32,820,663**	**4,463,423**	**99,415**	**(32,177,496)**	**5,206,005**
Shares issued for proprty options	100,000	6,000	-	-	-	**6,000**
Shares issued for cash	1,250,000	62,500	-	-	-	**62,500**
Share issue costs	-	(3,900)	-	1,400	-	**(2,500)**
Loss for the period	-	-	-	-	(99,936)	**(99,936)**
Balance at March 31, 2023	**69,697,475**	**32,885,263**	**4,463,423**	**100,815**	**(32,277,432)**	**5,172,069**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows
for the three-month periods ended March 31, 2023, and 2022
(unaudited and expressed in Canadian Dollars)

		March 31, 2023 (3 months) (unaudited)		March 31, 2022 (3 months) (unaudited)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net loss attributable to owners	**$**	**(99,936)**	$	(142,584)
Items not affecting cash				
Amortization - administrative		**1,137**		1,347
Recognition of flow-through premium liability		**(28,867)**		-
Changes in non-cash operating working capital items:				
Amounts receivable		**(20,837)**		(16,000)
Prepaid expenses		**10,559**		(11,939)
Accounts payable and accrued liabilities		**19,809**		18,175
		(118,135)		(151,001)
INVESTING				
Expenditures on exploration and evaluation assets		**(58,213)**		(85,293)
Acquisition of equipment		**-**		-
		(58,213)		(85,293)
FINANCING				
Issuance of shares, net of share issue costs		**60,000**		-
Repayment of lease liabilities		**-**		-
		60,000		-
NET CASH INFLOW (OUTFLOW)		**(116,348)**		(236,294)
CASH, BEGINNING OF PERIOD		**216,977**		301,621
CASH, END OF PERIOD	**$**	**100,629**	$	65,327
Supplemental disclusures to cash flow:				
Amortization included in exploration and evaluation expenditures		**1,770**		1,964
Share issue costs in accounts payable		**7,511**		-
Mineral property costs in accounts payable		**45,833**		92,467

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Northern Shield Resources Inc. (the "Company" or "Northern Shield"), an exploration and evaluation stage company, incorporated under the *Canada Business Corporations Act*, is a natural resource company engaged in the business of identifying, acquiring, and exploring mineral properties located primarily in Eastern Canada.

The Company's head office is situated at 150 Elgin St, 10th Floor, Ottawa, Ontario. The Company's shares trade on the TSX Venture Exchange under the symbol NRN.

The Company has not yet determined whether any of their properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the development of the properties, and ultimately upon future profitable production or proceeds from disposition of the mineral properties.

As Northern Shield does not have an interest in revenue-producing properties, the Company has no operating income or earnings and, as such, its net loss may not be a meaningful indicator of its performance or potential. Exploration activities and the Company's expenses are financed by the periodic issuance of common shares and other equity securities.

There are many external factors that can adversely affect general workforces, economies, and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

Going concern

These consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. At March 31, 2023, the Company had accumulated losses of $32,377,432. For the three-month period then ended had incurred a loss of $99,936 and negative operating cash flows of $120,635.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Board of Directors authorized these Financial Statements for issue on May 30, 2023.

Basis of Preparation

These Financial Statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiary Seabourne Resources Inc. All intercompany balances and transactions are eliminated upon consolidation.

Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2022.

Significant Accounting Policies

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 2 of the financial statements for the year ended December 31, 2022. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022.

(unaudited and expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

The following table summarizes the exploration expenditures incurred on each of the Company's mineral properties:

	QC Idefix	QC Huckleberry	NS Shot Rock	NL Root&Cellar	NL Merasheen	NL Zuleika	Other	Total
Percent Ownership	*100%*	*100%*	*88.5%*	*0%*	*100%*	*0%*	*100%*	
At January 1, 2022	$ -	$ -	$ 3,357,112	$ 1,522,738	$ 226,457	$ -	$ 8,994	$ 5,115,301
Expenditures								
Acquisition	2,431	-	-	52,992	-	26,000	-	81,423
Exploration	-	-	28,135	161,501	150	-	-	189,786
Total Expenditures	2,431	-	28,135	214,493	150	26,000	-	271,209
Property write-down	-	-	-	-	-	-	(8,994)	(8,994)
At December 31, 2022	$ 2,431	$ -	$ 3,385,247	$ 1,737,231	$ 226,607	$ 26,000	$ -	$ 5,377,516
Expenditures								
Acquisition	1,824	-	-	6,000	-	-	-	7,824
Exploration	-	-	3,901	83,416	-	-	-	87,317
Total Expenditures	1,824	-	3,901	89,416	-	-	-	95,141
At March 31, 2023	$ 4,255	$ -	$ 3,389,148	$ 1,826,647	$ 226,607	$ 26,000	$ -	$ 5,472,657

The Company currently holds a 100% interest in the Idefix and Huckleberry properties. Other properties consisted of various claims in Quebec and Nova Scotia.

Shot Rock

During the year ended December 31, 2017, the Company entered into a property exploration option agreement with a prospector that gives the Company the right to acquire up to an 80% interest in the Shot Rock property in Nova Scotia.

During the year ended December 31, 2019, the Company earned a 50% interest in the property by making cash payments totaling $50,000, issuing the prospector 650,000 shares and by incurring $500,000 in expenditures on the property.

During the year ended December 31, 2020, the Company increased its interest to 80% by incurring an additional $1,500,000 in expenditures, making an additional $50,000 cash payment, and issuing an additional 500,000 shares to the prospector.

During the year ended December 31, 2020, the Company also incurred a further $451,704 of expenditures, increasing its interest further to 85.5% as the prospector did not contribute to exploration.

During the year ended December 31, 2021, the Company incurred a further $884,061 of expenditures, increasing its interest further to 88.5% as the prospector did not contribute to exploration.

3. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended December 31, 2022, the Company incurred a further $28,135 of expenditures, its interest remaining at 88.5%, as the prospector did not contribute to exploration.

During the three-month period ended March 31, 2023, the Company incurred a further $3,901 of expenditures, its interest rising to 88.6%, as the prospector did not contribute to exploration.

The prospector will retain a 1% net smelter returns royalty (“NSR”) of which half (0.5%) can be bought back by the Company for $1,000,000.

Root & Cellar

During the year ended December 31, 2019, the Company entered into a property exploration option agreement with a prospector that gives the Company the right to acquire up to an 100% interest in the Root & Cellar property in Newfoundland.

Under the terms of the agreement, the Company can earn a 100% interest in the property by incurring $2,150,000 in expenditures on the property within four years. The agreement also contains cash payments totaling $165,000 (of which, $60,000 has been paid) and share issuances totaling 3,000,000 shares to the prospector over three installments during the initial two-year period (of which, 1,000,000 have been issued).

The prospector will retain a 2.5% NSR of which 1.0% can be bought back by the Company for $1,500,000.

Merasheen

During the year ended December 31, 2020, the Company acquired two licences through staking and, through an option agreement, acquired the right to earn a 100% interest in an adjacent licence, known collectively as the Merasheen property in Newfoundland.

Under the terms of the agreement, the Company can earn a 100% interest in the license by incurring $2,000,000 in expenditures within four years. The agreement also contains cash payments totalling $115,000 (of which $5,000 has been paid) and share issuances totalling 1,600,000 Company shares (of which 150,000 have been issued) to the vendor over the four-year period.

The vendor will retain a 1.5% NSR of which 1% can be bought back by the Company for $2,000,000.

(unaudited and expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Zuleika

During the year ended December 31, 2022, the Company entered into a property exploration option agreement with a prospector that gives the Company the right to acquire up to an 100% interest in the Zuleika property in Newfoundland.

Under the terms of the agreement, the Company can earn a 100% interest in the property by incurring $2,150,000 in expenditures on the property within four years. The agreement also contains cash payments totaling $205,000 (of which, $10,000 has been paid) and share issuances totaling 3,500,000 shares (of which, 400,000 have been issued) to the vendor over the four-year period.

The prospector will retain a 3.0% NSR of which 1.0% can be bought back by the Company for $1,500,000.

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Field Equipment	Furniture/ Fixtures	Office Equipment	Right-of-Use Asset	Computer Software	Total
Cost						
January 1, 2022	$ 216,212	$ 29,980	$ 139,639	$ 83,490	$ 45,658	**$ 514,979**
Additions	7,972	-	-	-	-	**7,972**
December 31, 2022	224,184	29,980	139,639	83,490	45,658	**522,951**
Disposals	-	-	-	-	-	**-**
March 31, 2023	$ 224,184	$ 29,980	$ 139,639	$ 83,490	$ 45,658	**$ 522,951**
Accumulated Amortization						
January 1, 2022	$ (180,920)	$ (27,345)	$ (112,517)	$ (60,720)	$ (43,810)	**$ (425,312)**
Amortization	(7,855)	(489)	(5,033)	(22,770)	(765)	**(36,912)**
December 31, 2022	(188,775)	(27,834)	(117,550)	(83,490)	(44,575)	**(462,224)**
Amortization	(1,408)	-	(1,058)	-	(79)	**(2,545)**
March 31, 2023	$ (190,183)	$ (27,834)	$ (118,608)	$ (83,490)	$ (44,654)	**$ (464,769)**
Carrying Values						
December 31, 2022	$ 35,409	$ 2,146	$ 22,089	$ -	$ 1,083	**$ 60,727**
March 31, 2023	$ 34,001	$ 2,146	$ 21,031	$ -	$ 1,004	**$ 58,182**

Exploration-related asset amortization of $1,408 was allocated to mineral properties during the three-month period ended March 31, 2023 (2022 - $1,770).

(unaudited and expressed in Canadian Dollars)

6. DEFERRED FLOW-THROUGH PREMIUM LIABILITY

This amount represents the deferred flow-through premium liability recognized on flow-through share issuances that will be recorded as other income as the flow-through funds raised are expended on exploration.

The following is a continuity of the flow-through premium liability:

Balance at January 1, 2022	**$ 20,028**
Additions to flow-through premium liability	100,215
Settlement of liability through qualified expenditures	(9,591)
Balance at December 31, 2022	**110,652**
Settlement of liability through qualified expenditures	(28,867)
Balance at March 31, 2023	**$ 81,785**

As at March 31, 2023, the Company is obligated to spend approximately $290,000 (December 31, 2022 – $377,000) on qualifying expenditures related to its flow-through shares issuances.

7. SHARE CAPITAL

Authorized and Issued

An unlimited number of voting common shares are authorized for issue and, subject to priority rights of other share classes, are entitled to receive dividends when and if declared by the Board of Directors. There were 69,697,475 voting common shares issued and outstanding at March 31, 2023 (68,347,475 at December 31, 2021).

An unlimited number of preferred shares are authorized for issue in series. There were no preferred shares issued at March 31, 2023 (none at December 31, 2022).

Property Options

During the three-month period ended March 31, 2023, 100,000 shares were issued as consideration for maintaining certain property options. The shares were valued at $6,000.

Private Placements

During the three-month period ended March 31, 2023, the company issued 1,250,000 units at $0.05 per unit for gross proceeds of $62,500. Each unit consisted of one common share and one common share purchase warrant.

(unaudited and expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Share Issue Costs

During the three-month period ended March 31, 2023, a total of $7,933 of share issue expenses were incurred. This amount included the issuance of 70,000 finders warrants with a value of $1,400 estimated using the Black-Scholes option pricing model, with an estimated volatility of 85%, dividend rate of 0% and risk-free rate of 3.7% and expected life of 2 years.

Warrants

The following continuity summarizes the Company's outstanding warrants over the period covered by these Financial Statements:

	Quantity	Weighted Average Exercise Price
Balance, January 1, 2022	**5,502,855**	**$ 0.69**
Issued	6,956,139	0.11
Expired	(4,807,272)	**0.72**
Balance, December 31, 2022	**7,651,722**	**0.15**
Issued	1,320,000	0.10
Balance, March 31, 2023	**8,971,722**	**$ 0.14**

Additional information regarding warrants outstanding as at March 31, 2023:

Issue Date	Exercise Price	Quantity	Expiry Date
September 24, 2021	$ 0.50	40,000	September 24, 2023
September 28, 2021	$ 0.50	655,583	September 28, 2023
November 24, 2022	$ 0.125	2,856,139	November 24, 2024
November 24, 2022	$ 0.10	4,100,000	November 24, 2024
March 21, 2023	$ 0.10	1,320,000	March 21, 2025
		8,971,722	

Stock options

The Company has established a Stock Option Plan (the "Plan") to develop the interest and incentive of eligible employees, directors and consultants in the Company's growth and development. The aggregate number of share options which may be issued and outstanding at any time under this plan shall not exceed 10% of the total number of issued and outstanding shares of the Company unless the Company receives the permission of the TSX Venture Exchange and its shareholders. As at March 31, 2023, 6,969,475 common share options were authorized to be issued and outstanding under the Plan

(unaudited and expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(December 31, 2022 – 6,834,748). Stock options are granted with an exercise price equal to the underlying common stock's fair value at the time of grant. Once vested, options may be exercised during a period not exceeding five years from the date of grant, subject to earlier termination if the option holder ceases to be a director, officer, employee, or consultant of the Company.

The following summarizes the Company's outstanding option obligations over the period covered by these Financial Statements:

	Quantity	Weighted Average Exercise Price
Balance, January 1, 2022	**1,930,000**	**$ 0.50**
Expired	(1,120,000)	0.50
Balance, December 31, 2022	**810,000**	**0.50**
Expired	(100,000)	0.50
Balance, March 31, 2023	**710,000**	**$ 0.50**

At March 31, 2023, the remaining pool of options available for grant was 6,259,748 (December 31, 2022 – 6,024,748).

Additional information regarding options outstanding at March 31, 2023:

Issue Date	Exercise Price	Quantity	Expiry Date	Exercisable
June 25, 2019	$ 0.50	680,000	June 25, 2024	680,000
January 15, 2020	$ 0.50	30,000	January 15, 2025	30,000
		710,000		**710,000**

Share-based compensation

The Black-Scholes option pricing model, used by the Company to calculate option values, was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from the Company's option awards. These models require subjective assumptions, including future stock price volatility and expected time until exercise, which affect calculated values.

During both the three-month periods ended March 31, 2023 and 2022, the Company incurred no expense relating to options granted.

(unaudited and expressed in Canadian Dollars)

8. LOSS PER SHARE

Basic loss per common share is calculated using the weighted average number of common shares outstanding during the year. As the Company has recorded a loss in each of the periods presented, the following table presents the securities excluded from the loss per share computation for the three-month periods ended March 31:

	2023	2022
Stock options	**710,000**	1,930,000
Stock purchase warrants	**8,901,722**	4,769,523
	33,497,613	6,699,523

9. NATURE OF EXPENSES

General and administrative expenses comprised the following during the three-month periods ended March 31:

	2023	2022
Remuneration and consulting fees (Note 10)	**$ 69,683**	$ 83,931
Office expenses	**6,100**	33,949
Travel expenses	**-**	-
Marketing expenses	**17,501**	1,540
Professional fees (Note 10)	**20,180**	6,783
Public company expenses	**6,945**	8,087
Insurance expenses	**7,476**	6,947
Amortization (Note 4)	**918**	1,347
	$ 128,803	**$ 142,584**

10. RELATED PARTY TRANSACTIONS

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The following table presents the compensation earned by key members of management during the three-month periods ended March 31, noted below:

	2023	2022
Salaries	**$ 61,722**	$ 61,722
Benefits	**1,652**	1,652
	$ 63,374	$ 63,374

(unaudited and expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (continued)

The following table presents the professional fees incurred during the three-month periods ended March 31 and any amounts owed to at the end of each period, a law firm at which the Company's corporate secretary is a partner.

	2023	2022
Professional fees incurred	**8,455**	6,783
Amounts owed	**1,418**	93,705

11. GOVERNMENT ASSISTANCE

No government assistance was received during either of the three three-month periods ended March 31, 2023, and 2022.

12. SEGMENT INFORMATION

The Company has one operating segment involved in the exploration of resource properties. All the Company's exploration activities were in Canada.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market risk

Market risk is the risk that changes in market prices, such as equity prices, interest rates and foreign exchange rates will affect the Company's income (loss) or the value of its financial instruments.

Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Foreign exchange risk

The Company is not exposed to significant foreign exchange risk due to the low volume of foreign currency transactions.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's unbilled receivables.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

a) Concentration of credit risk

Counterparties expose the Company to credit-related losses in the event of non-performance. By dealing with only creditworthy counterparties, the Company's credit exposure is minimized. There were no amounts due to the Company from non-governmental counterparties at March 31, 2023.

b) Credit risk exposure

The carrying amounts of the cash, and amounts receivable represent the maximum exposure to credit risk. The maximum exposure to credit risk at March 31, 2023, was $139,390 (December 31, 2021 - $234,901). The cash is held by the Company's banks, two of the large Canadian chartered banks. Since the inception of the Company, no losses have been suffered in relation to cash held in the bank.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company had a cash balance of $100,629. To date, the Company has incurred significant operating losses. The Company's ability to continue as a going concern is dependent on its ability to generate sufficient capital through either revenues or through further financings. The Company is exposed to liquidity risk.

Fair values

a) The fair value of amounts receivable, accounts payable and accrued liabilities and lease liability is approximately equal to their carrying value due to their short terms to maturity.

b) Fair value hierarchy

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

   Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

   Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

   Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The fair value of the investment in shares is determined based on recent market transactions for similar instruments issued by that company. Cash and the investment in shares are level 1 instruments.

14. CAPITAL MANAGEMENT

The Company aims to maintain a strong capital base to maintain investor, creditor and market confidence, to fund future exploration and maintain the ability to continue as a going concern. Capital is defined as the Company's shareholders' equity. The Company does not have any long-term debt and the Company does not intend to assume any until any given development project warrants it. The Board of Directors does not establish quantitative capital criteria for management; but rather promotes the use of periodic equity financing events as the primary method of funding administrative operations and exploration and development. Other methods open to management to fund exploration include extending joint venture or earn-in opportunities to other parties relating to specific properties.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

15. SUBSEQUENT EVENT(S)

Subsequent to the three-month period ended March 31, 2023, the Company issued 1,500,000 units at $0.05 per unit for gross proceeds of $75,000. Each unit consisted of one common share and one common share purchase warrant.

Subsequent to the three-month period ended March 31, 2023, the Company issued 384,616 flow-through share units at $0.065 per unit for gross proceeds of $25,000. Each unit consisted of one flow-through common share and one-half common share purchase warrant. The difference between the issue price of the shares and market value on date of issuance of $5,769 was recorded as deferred flow-through share premium liability.

Subsequent to the three-month period ended March 31, 2023, 1,500,000 shares were issued as consideration for maintaining certain property options. The shares were valued at $75,000.