GREENCASTLE RESOURCES LTD.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

Years Ended December 31, 2021 and 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Greencastle Resources Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Greencastle Resources Ltd. (the Company), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of net income, consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and 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 financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 1 in the consolidated financial statements, which indicated that the Company used cash in operations of $171,083 during the year ended December 31, 2021. 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.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, 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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 27, 2022

Greencastle Resources Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2021	As at December 31, 2020
Assets		
Current assets		
Cash and cash equivalents (Note 6)	**$ 529,007**	$ 222,056
Marketable securities (Note 7)	**10,891,804**	7,533,396
Sundry receivable (Note 8)	**-**	8,475
Prepaid expenses	**48,982**	18,890
Total current assets	**11,469,793**	7,782,817
Non-current assets		
Right-of-use assets (Note 9)	**16,951**	50,851
Oil and gas interests (Note 10)	**1**	1
Total non-current assets	**16,952**	50,852
Total assets	**$ 11,486,745**	$ 7,833,669
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	**$ 50,723**	$ 48,598
Lease liabilities (Note 13)	**25,356**	43,262
Short term debt	**-**	174,358
Total current liabilities	**76,079**	266,218
Non-current liabilities		
Lease liabilities (Note 13)	**-**	25,357
Total non-current liabilities	**-**	25,357
Total liabilities	**76,079**	291,575
Equity		
Share capital (Note 14)	**6,167,625**	6,285,007
Reserves	**2,782,195**	2,416,646
Retained earnings (deficit)	**2,460,846**	(1,159,559)
Total equity	**11,410,666**	7,542,094
Total liabilities and equity	**$ 11,486,745**	$ 7,833,669

The notes to the consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (Note 1)

Approved by the Board of Directors:

"David Martin" Director

"Anthony Roodenburg" Director

Greencastle Resources Ltd.

Consolidated Statements of Income
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	2020
Revenues		
Royalty income - oil and gas	**$ 151,592**	$ 126,887
Other items		
Loss on foreign exchange	**(9,871)**	(48,139)
Interest and dividend income (Note 7)	**51,738**	50,776
Gain on reclassification of investment in associate (Note 11)	**-**	2,678,265
Loss from investment in and loans to associate	**-**	(375,600)
Realized gain on marketable securities (Note 7)	**283,281**	103,878
Rental revenue (Note 17(b)(iv))	**15,961**	30,000
Unrealized gain on marketable securities (Note 7)	**3,346,525**	613,475
	3,839,226	3,179,542
Expenses		
Accounting (Notes 17(a)(i) and (b)(i))	**50,046**	51,763
Consulting fees	**13,500**	18,836
Depreciation (Note 9)	**33,900**	33,900
Exploration expenditures (recovery) (Note 19)	**(610,203)**	(316,486)
Interest expense (Note 13)	**10,649**	18,966
Office and general (Note 17(a)(ii)(iii))	**324,998**	305,915
Share-based payments (Note 16(i))	**311,246**	-
Payments to directors (Note 17(a)(iv))	**30,000**	30,000
Professional fees (Note 17(b)(iii))	**56,482**	35,552
Shareholder relations (Note 17(b)(ii))	**29,890**	32,769
Travel	**-**	3,411
	250,508	214,626
Net income for the year	**$ 3,588,718**	$ 2,964,916
Basic and diluted income per share (Note 18)		
- basic	**$ 0.09**	$ 0.08
- diluted	**$ 0.09**	$ 0.08
Weighted average number of common shares outstanding		
- basic	**39,317,435**	39,215,274
- diluted	**41,421,752**	39,334,109

The notes to the consolidated financial statements are an integral part of these statements.

Greencastle Resources Ltd.

Consolidated Statements of Comprehensive Income
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Net income for the year	**$ 3,588,718**	$ 2,964,916
Other comprehensive income		
Items that will be reclassified subsequently to the profit or loss statements		
Exchange differences on translating foreign operations	**12,260**	43,461
Total comprehensive income for the year	**$ 3,600,978**	$ 3,008,377

The notes to the consolidated financial statements are an integral part of these statements.

Greencastle Resources Ltd.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	2020
Cash provided by (used in)		
Operating activities		
Net income for the period before interest and dividend income	**$ 3,536,980**	$ 2,914,140
Adjustments for non-cash items:		
Depreciation	**33,900**	33,900
Share-based payments	**311,246**	-
Unrealized gain on marketable securities	**(3,346,525)**	(613,475)
Interest expense	**10,649**	18,966
Realized gain on marketable securities	**(283,281)**	(103,878)
Unrealized foreign exchange	**154,351**	-
Gain on reclassification of investment in associate	**-**	(2,678,265)
Loss from investment in and loans to associate	**-**	375,600
Shares received in connection with mineral property	**(540,000)**	(360,000)
Shares issued in connection with mineral property	**25,000**	21,000
Changes in non-cash working capital:		
Lease payments	**(53,912)**	(53,385)
Sundry receivable	**8,475**	(726)
Prepaid expenses	**(30,092)**	2,040
Accounts payable and accrued liabilities	**2,126**	(10,901)
Total cash used in operating activities	**(171,083)**	(454,984)
Financing activities		
Private placement	**100,000**	-
Share repurchase	**(168,652)**	(43,459)
Total cash used in financing activities	**(68,652)**	(43,459)
Investing activities		
Proceeds from sale of marketable securities	**2,462,550**	829,692
Purchase of marketable securities	**(1,805,504)**	(721,136)
Purchase of shares in investment in associate	**-**	(87,673)
Short term debt	**(174,358)**	174,358
Interest received	**-**	704
Dividends received	**51,738**	50,072
Total cash provided by investing activities	**534,426**	246,017
Foreign exchange	**12,260**	-
Net increase (decrease) in cash and cash equivalents	**306,951**	(252,426)
Cash and cash equivalents, beginning of year	**222,056**	474,482
Cash and cash equivalents, end of year	**$ 529,007**	$ 222,056

The notes to the consolidated financial statements are an integral part of these statements.

Greencastle Resources Ltd.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital	Warrants reserve (Reserves)	Equity settled share-based payments reserve (Reserves)	Foreign operations currency translation reserve (Reserves)	Contributed surplus on dilution gain	(Deficit) retained earnings	Total equity
Balance, December 31, 2019	**$ 6,364,106**	**$ -**	**$ 1,954,782**	**$ (268,106)**	**$ 686,509**	**$ (4,181,115)**	**$ 4,556,176**
Shares issued for mining property	21,000	-	-	-	-	-	21,000
Share repurchase (Note 14(i)(ii))	(100,099)	-	-	-	-	56,640	(43,459)
Net income for the year	-	-	-	-	-	2,964,916	2,964,916
Exchange differences on translating foreign operations	-	-	-	43,461	-	-	43,461
Balance, December 31, 2020	**$ 6,285,007**	**$ -**	**$ 1,954,782**	**$ (224,645)**	**$ 686,509**	**$ (1,159,559)**	**$ 7,542,094**
Balance, December 31, 2020	**$ 6,285,007**	**$ -**	**$ 1,954,782**	**$ (224,645)**	**$ 686,509**	**$ (1,159,559)**	**$ 7,542,094**
Share-based compensation (Note 16(i))	-	-	311,246	-	-	-	311,246
Private placement (Note 14(iii))	100,000	-	-	-	-	-	100,000
Warrants granted (Note 14(iii))	(42,043)	42,043	-	-	-	-	-
Shares issued for mining property (Note 19(b))	25,000	-	-	-	-	-	25,000
Share repurchase (Note 14(ii))	(200,339)	-	-	-	-	31,687	(168,652)
Net income for the year	-	-	-	-	-	3,588,718	3,588,718
Exchange differences on translating foreign operations	-	-	-	12,260	-	-	12,260
Balance, December 31, 2021	**$ 6,167,625**	**$ 42,043**	**$ 2,266,028**	**$ (212,385)**	**$ 686,509**	**$ 2,460,846**	**$ 11,410,666**

The notes to the consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

The consolidated statements incorporate the financial statements of Greencastle Resources Ltd. and its subsidiaries (the "Company" or "Greencastle"). The Company is a diversified company with interests in gold and base metals exploration and oil and gas exploration and royalties, as well as in strategic investments in other companies that are traded on the North American exchanges. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol VGN. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. Certain principal conditions and events are prevalent which indicate that there could be significant doubt about the Company's ability to continue as a going concern for a reasonable period of time. These include: (i) recurring operating losses and (ii) inability to obtain additional financing. Furthermore, additional funding may be required to carry on the exploration and evaluation of the Company's mineral properties and oil and gas interests. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of its properties if they are proven successful and/or the realization of proceeds from the sale of one or more of its properties or marketable securities. As at December 31, 2021, the Company had a retained earnings of $2,460,846 (December 31, 2020 - deficit of $1,159,559). Net income for the year ended December 31, 2021 was $3,588,718 (year ended December 31, 2020 - $2,964,916). Certain of these raised material uncertainties which cast significant doubt as to whether the COmpany will be able to continue as a growing concern. These consolidated financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Summary of significant accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2021. The policies set out below are based on IFRS issued and outstanding as of April 27, 2022, the date the Board of Directors approved the statements.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVTPL") that are carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in Note 2(d).

2. Summary of significant accounting policies (continued)

(c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of income (loss) from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Greencastle Resources Ltd.	Ontario, Canada	Parent company
Greencastle U.S.A. Ltd.(1)	Nevada, United States	Exploration company

(1) 100% owned by Greencastle Resources Ltd.

(d) Critical accounting estimates and judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

i) Critical accounting estimates

Royalties receivable – management is required to estimate the recoverable amount of royalties receivable by assessing whether or not there is reasonable assurance of the collection.

Securities to be sold under repurchase agreements – management is required to make a number of estimates when determining the fair value of the derivative financial liability, including volatility, the forfeiture rate and expected life of the instruments.

Share-based payments – management is required to make a number of estimates when determining the compensation expense resulting from share-based transactions, including the forfeiture rate and expected life of the instruments.

ii) Critical judgments in applying accounting policies

Going concern – the assessment of the Company’s ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

Fair value of marketable securities - the Company has investments in marketable securities and is required to make judgments to determine their fair value subsequent to initial recognition. Management also required to determine on whether those marketable securities have sufficient trading volume and reasonable bid-ask spread to determine if they are active enough to be measured at Level 1 of the fair value hierarchy or if other levels are more appropriate.

2. Summary of significant accounting policies (continued)

(d) Critical accounting estimates and judgments (continued)

ii) Critical judgments in applying accounting policies (continued)

Impairment of property, plant and equipment and right-of-use assets - assessing whether indicators of impairment exist at reporting period ends and, if required, determining recoverable amounts including assumptions and inputs thereto.

Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Valuation of lease liability loan - the Company's lease liability is valued using the present value of the future cash flows. This method is based on underlying factors such as the current interest rate and Company's ability to make all lease payments on a timely basis. Changes in the inputs to the calculation could impact the carrying value of the lease liability and the amount of interest expense recognized in profit or loss.

(e) Financial instruments

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or fair value through other comprehensive income ("FVTOCI"). The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company’s cash and cash equivalents and marketable securities are classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company’s business model for these financial assets is to collect their contractual cash flows; and 2) the asset’s contractual cash flows represent "solely payments of principal and interest".

The Company’s sundry receivable are classified as financial assets measured at amortized cost.

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company’s credit risk.

2. Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company’s accounts payable and accrued liabilities, lease liabilties and short term debt do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

The Company's securities to be sold under repurchase agreements are classified as financial liabilities measured at FVTPL.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2. Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

For sundry receivable, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Sundry receivable are written off when there is no reasonable expectation of recovery.

(f) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, including guaranteed investment certificates with original maturity dates of 3 months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value or which are cashable without penalty. The Company did not haev any cash equivalents as of December 31, 2021 ($nil - December 31, 2020).

(g) Investment in and loans to associate

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. The Company also provides loans to these entities. Investment in and loans to associate are carried in the consolidated statement of financial position using the equity method. The equity method is the basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the investor's pro-rata share of post-acquisition earnings and other comprehensive income of the investee. Funding advances to the investee increase the carrying value of the investment and profit distributions from the investment, if any, reduce the carrying value of the investment. Refer to Note 11 for details of investments where the Company exerts significant influence.

(h) Revenue recognition

Royalty income is recognized when earned, on an accrual basis. Royalty income is considered earned when the oil and gas operators have completed the extraction of oil and gas from the wells and transfer the rights, obligations, control and benefits to the oil and gas to the purchasers of these commodities.

Interest and dividend income includes interest earned on bank deposits and money market investments and dividends earned from marketable securities. The Company recognized interest when earned using the effective interest rate method. Dividend income is recognized when declared.

(i) Oil and gas interests

The costs of acquiring interests in oil and gas properties are recognized at fair value at the date of acquisition.

Oil and gas exploration and evaluation:
All costs related to exploration and evaluation activities are expensed as incurred. Once technical feasibility and commercial viability is established for a property, future expenditures related to the development of the property are capitalized. The carrying value of any capitalized costs are assessed at each reporting date for potential impairment. No such exploration and evaluation expenditures have been identified and capitalized.

2. Summary of significant accounting policies (continued)

(j) Mining interests

The Company expenses exploration and evaluation expenditures as incurred in mineral properties not commercially viable and technically feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and exploration and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible or tangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

(k) Decommissioning liability

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

(l) Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

2. Summary of significant accounting policies (continued)

(m) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Foreign currency translation

The Canadian dollar is the functional and presentation currency of the parent Company. Functional currency is also determined for each of the company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency. The functional currency of the subsidiary Greencastle U.S.A. Ltd. is the United States dollar ("US dollar").

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities not denominated in the functional currency are translated at the year end rates of exchange. Foreign exchange gains and losses are recognized in the consolidated statements of income (loss). Intercompany amounts with foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future are part of the Company's net investment in the foreign operation. Foreign exchange gains and losses related to these intercompany amounts and its net investment are included in the consolidated other comprehensive income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in the consolidated other comprehensive income in shareholders' equity.

2. Summary of significant accounting policies (continued)

(o) Share-based payments

The Company operates a stock option plan under which it receives services from employees, and others providing similar services, as consideration for stock option over the equity instruments of the Company.

Stock options granted may be settled with shares of the Company. The expense is determined based on the fair value of the award granted and recognized over the period which services are received, which is the vesting period. For awards with graded vesting, the fair value of each trance is recognized over its respective vesting period. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the consolidated statement of income (loss).

(p) Income per share

The Company presents basic and diluted income per share data for its common shares, calculated by dividing the income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted income per share is computed similarly to basic income per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the years. Options are anti-dilutive and, therefore, have not been taken into account in the per share calculation.

(q) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no provisions at December 31, 2021 and 2020.

(r) Repurchase of shares

Repurchase of shares is recorded using the constructive retirement method which is used under the assumption that the repurchased stock will not be reissued in the future. Under this approach, the amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit. The stated capital of the repurchased shares is determined based on the average cost of the particular share class at the time of repurchase.

3. Capital management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, reserves and deficit which at December 31, 2021, totaled $11,410,666 (December 31, 2020 - $7,542,094). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on the Company's exploration and evaluation activities and oil and gas activities. Information is provided to the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2021, management believes it is compliant with known requirements.

4. Financial risk factors

(a) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency rate and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfills its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities and sundry receivable. Cash and cash equivalents consist of money market investments, which have been invested with Canadian financial institutions. Marketable securities includes investments in equity of companies listed on the North American markets and which investments are held in a Canadian financial institution. Financial instruments included in sundry receivable consists of an amount accrued for rental revenue. Sundry receivable are in good standing as of December 31, 2021. Management believes that the credit risk concentration with respect to financial instruments is minimal.

4. Financial risk factors (continued)

(a) Financial risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. As at December 31, 2021, the Company had a cash and cash equivalents balance of $529,007 (December 31, 2020 - $222,056) to settle current liabilities of $76,079 (December 31, 2020 - $266,218). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms, except for the securities to be sold under repurchase agreements. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

(iii) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt, except for the lease liability. The Company's current policy is to invest surplus cash in money market investments that pay out interest income. The Company periodically monitors the money market investment it makes and is satisfied with the creditworthiness of these investments.

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States on a cash call basis using US dollar converted from its Canadian dollar bank accounts held in Canada. The Company maintains US dollar bank accounts in Canada. The Company is subject to gains and losses due to fluctuations in the US dollar against the Canadian dollar. See Note 4(b)(ii) for sensitivity analysis.

Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

The Company has approximately $10.9 million invested in marketable securities. These investments are classified as FVTPL and are subject to equity price risk. The fluctuation in the price of these marketable securities could have a significant impact on the Company's profit or loss for the year ended December 31, 2021. The Company's year end equity would also increase or decrease by the additional profit or loss amount. See Note 4(b)(iv) for sensitivity analysis.

4. Financial risk factors (continued)

(b) Sensitivity analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

(i) The Company receives no interest on its cash balances and, as such, does not have significant interest rate risk.

(ii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents that are denominated in US dollars. As at December 31, 2021, had the US dollar decreased/increased by 10% against the Canadian dollar with all other variables held constant, the Company's reported net loss for the year ended December 31, 2021, would have been approximately $20,000 higher/lower. Similarly, as at December 31, 2021, the Company's reported shareholders' equity would have been approximately $225,000 (US Investments are $1,140,000) lower/higher as a result of a 10% decrease/increase in the US dollar.

(iii) Royalty revenue from oil and gas is impacted by changes in oil and natural gas price because the increase or decrease in oil and gas price will increase or decrease the Company's revenue accordingly. Had oil and gas prices increased/decreased by 10% with all other variables held constant, the Company's reported net loss for the year ended December 31, 2021, would have been approximately $15,200 higher/lower. Similarly, as at December 31, 2021, reported shareholders' equity would have been approximately $15,200 higher/lower as a result of a 10% increase/decrease in oil and natural gas prices.

Commodity prices for gold, silver, oil, gas and other metals and materials could also adversely affect the Company. In particular, the Company's future profitability and viability depends upon the world market price of these commodities. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of these commodities can be discovered in the future, a profitable market will exist for them. As at December 31, 2021, the Company was not a producer of any commodities. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options.

(iv) The Company's marketable securities are denominated in Canadian and US dollars and are subject to fair value fluctuations. As at December 31, 2021, if the fair value of the Company's marketable securities had increased/decreased by 10% with all other variables held constant, loss for the year ended December 31, 2021, would have been approximately $1,089,200 lower/higher. Similarly, as at December 31, 2021, the Company's reported shareholders' equity would have been approximately $1,089,200 higher/lower as a result of a 10% increase/decrease in marketable securities.

5. Categories of financial instruments

As at December 31,	2021	2020
Financial assets:		
FVTPL		
Cash and cash equivalents	**$ 529,007**	$ 222,056
Marketable securities	**10,891,804**	7,533,396
Amortized cost		
Sundry receivable	**-**	8,475
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	**50,723**	48,598
Short term debt	**-**	174,358

(Expressed in Canadian Dollars)

5. Categories of financial instruments (continued)

As of December 31, 2021 and 2020, the fair value of all the Company's financial instruments carried at amortized cost approximates the carrying value, due to their short-term nature.

Fair value measurements

Fair value is the price that would be received to dispose of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, Level 3 inputs are unobservable inputs for the asset of liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(a) Assets and liabilities measure at fair value on a recurring basis:

As at December 31, 2021	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Aggregate fair value**
Cash and cash equivalents	$ 529,007	$ -	$ -	$ 529,007
Marketable securities	10,891,804	-	-	10,891,804
	$11,420,811	**$ -**	**$ -**	**$11,420,811**
As at December 31, 2020				
Cash and cash equivalents	$ 222,056	$ -	$ -	$ 222,056
Marketable securities	7,533,396	-	-	7,533,396
	$ 7,755,452	**$ -**	**$ -**	**$ 7,755,452**

The Company’s investment in marketable securities is measured using the fair value hierarchy as follows:

Level 1: Common shares of companies and other equity instruments listed on the Toronto Stock Exchange ("TSX") and TSXV that are actively traded and with readily and reliable fair value information at the reporting date.

Level 2: Common shares of companies and other equity instruments listed on the TSX and TSXV that are not actively traded. These marketable securities are only traded thinly (ranging from couple thousands to ten thousands on a weekly basis) but with stable price range at close to the reporting date. The Company uses the last bid price of the securities at the reporting date to determine if the closing price of those securities are reasonable approximation of their fair value after considering other factors such as the price range of the securities prior and subsequent to the reporting date, the volume of trades which occurred prior to and subsequent to the reporting date.

Level 3: These are common shares of privately held companies where shares of those companies are not listed on any exchange. These investments have no active market information to determine their fair value. The Company uses other factors such as recently completed placements by these private companies, discounted future cash flows, discounted future net incomes, or discounted future dividends based on the most up to date financial statements (if available) of these inverses.

(Expressed in Canadian Dollars)

5. Categories of financial instruments (continued)

Fair value measurements (continued)

(a) Assets and liabilities measure at fair value on a recurring basis (continued):

When actively traded securities become inactive (thinly traded securities), their fair values will be measured using Level 2 or Level 3 inputs rather then Level 1 observable inputs, and vice versa for an inactive securities becoming actively traded securities.

For assets and liabilities that are recognised in the consolidated financial statements, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There was no transfer between level during the period.

(b) Categories of financial instruments:

As at December 31,	**2021**	**2020**
	Carrying amount	**Carrying amount**
Financial assets		
Cash and cash equivalents	**$ 529,007**	$ 222,056
Marketable securities	**10,891,804**	7,533,396
Sundry receivable	**-**	8,475
	$11,420,811	$ 7,763,927

As at December 31,	**2021**	**2020**
	Carrying amount	**Carrying amount**
Financial liabilities		
Accounts payable and accrued liabilities and short term debt	**$ 50,723**	$ 48,598
Short term debt	**-**	174,358
Lease liabiltiies	**$ 50,723**	$ 222,956

The Company has not offset financial assets with financial liabilities.

6. Cash and cash equivalents

	As at December 31, 2021	**As at December 31, 2020**
Cash	**$ 529,007**	$ 222,056

(Expressed in Canadian Dollars)

7. Marketable securities

The Company's marketable securities include common shares and other equity instruments of Canadian and US companies that are listed on the TSX, TSXV or on other stock exchanges of the United States of America.

During the year ended December 31, 2021, the Company recognized an unrealized gain of $3,346,525 (year ended December 31, 2020 - unrealized gain of $613,475) on trading in marketable securities and a realized gain of $283,281 (year ended December 31, 2020 - realized gain of $103,878). During the year ended December 31, 2021, the Company also earned interest and dividend income of $51,738 (year ended December 31, 2020 - $50,776) from investment activity.

Marketable securities have been designated as fair value through profit or loss and are recorded at fair value using the last bid price, with changes recognized in the consolidated statements of (loss) income.

Marketable securities are composed of:

	As at December 31, 2021	**As at December 31, 2020**
Marketable securities	**$ 10,891,804**	$ 7,533,396

8. Sundry receivable

	As at December 31, 2021	**As at December 31, 2020**
Account receivable from Deveron Corp. ("Deveron")	**$ -**	$ 8,475

9. Right-of-use assets

Balance, December 31, 2019	**$ 84,751**
Depreciation	(33,900)
Balance, December 31, 2020	**50,851**
Depreciation	(33,900)
Balance, December 31, 2021	**$ 16,951**

Right-of-use assets consist of office spaces. Right-of-use assets are depreciated over 54 months.

(Expressed in Canadian Dollars)

10. Oil and gas interests

The carried value of $1 is tested for impairment on a quarterly basis. It was determined that no impairment is necessary because these wells are still generating revenue to the Company.

As at December 31,	**2021**	**2020**
Primate project, Saskatchewan		
Acquisition costs	**$ 440,350**	$ 440,350
Drilling	**595,342**	595,342
Consulting	**75,846**	75,846
Other	**199,590**	199,590
Asset reclamation	**3,000**	3,000
	1,314,128	1,314,128
Accumulated depletion	**(1,045,633)**	(1,045,633)
Salvador dry well capped and abandoned	**(268,494)**	(268,494)
Net carrying value of oil and gas interest	**$ 1**	$ 1

During the year ended December 31, 2021, the Company also received $151,592 (year ended December 31, 2020 - $126,887) from the Spirit River prospect in Alberta.

11. Investment in and loans to associate

As at December 31, 2021, the Company held 10,371,000 (December 31, 2020 - 11,000,000) common shares of Deveron representing 11.65% (2020 - 16.11%) of Deveron Corp.'s outstanding common shares.

Deveron previously met the definition of an associate and was equity accounted for in the consolidated financial statements. During the year ended December 31, 2020, Deveron no longer met the definition of an associate when its interest in Deveron was further diluted to a level below 20% on December 31, 2020. Therefore, the Company's investment in Deveron was reclassified as a marketable security. Upon discontinuing the use of the equity method, an investment, if a financial asset, is to be measured at fair value and the difference between the fair value and the carrying value of the investment recognized in profit or loss. The fair value of the investment in Deveron at the time of reclassification was $nil and its carrying cost was $nil. As a result, a gain of $2,678,265 was recognized in the consolidated statement of income for the year ended December 31, 2020.

As at December 31,	**2020**
Acquisition costs	$ 3,565,165
Gain on reclassification of investment in associate	2,678,265
Transfer of fair market value to marketable securities	(4,317,500)
Loss from investment in associate	(1,925,930)
	$ -

(Expressed in Canadian Dollars)

11. Investment in and loans to associate (continued)

The changes to the carrying amounts presented in the consolidated statement of financial position can be summarized as follows:

As at December 31,	2020
Balance, beginning of year	$ 1,927,162
Gain on reclassification of investment in associate	2,678,265
Transfer of fair market value to marketable securities	(4,317,500)
Acquisition costs	87,673
Loss from investment in associate	(375,600)
Balance, end of year	$ -

The following is a summary of the financial information of Deveron on a 100% basis as at the specified date and for the period then ended, as disclosed in the table below, which is the most recent publicly available information for Deveron.

As at December 31,	2020
Cash and cash equivalents	$ 6,217,046
Total current assets	7,039,803
Total non-current assets	2,333,769
Total current liabilities	(806,104)
Total non-current liabilities	(308,344)
Net loss	$ 1,761,554
Proportionate share of net loss	(375,600)

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities and professional fees.

	As at December 31, 2021	As at December 31, 2020
Accounts payable	**$ 19,377**	$ 15,997
Accrued liabilities	**34,456**	29,627
Sales tax payable (recoverable)	**(3,110)**	2,974
Total accounts payable and accrued liabilities	**$ 50,723**	$ 48,598

The following is an aged analysis of the accounts payable and accrued liabilities:

	As at December 31, 2021	As at December 31, 2020
Less than 3 months	**$ 50,723**	$ 33,339
More than 3 months	**-**	15,259
Total accounts payable and accrued liabilities	**$ 50,723**	$ 48,598

(Expressed in Canadian Dollars)

13. Lease liabilities

The Company lease ends on June 30, 2022. The lease payment is $4,405 per month until June 30, 2020 and is $4,493 from July 1, 2020 to June 30, 2022.

At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. Effective interest rate is 22%. The continuity of the lease liability is presented in the table below:

Balance, December 31, 2019	**$**	**103,038**
Interest expense		18,966
Lease payments		(53,385)
Balance, December 31, 2020		**68,619**
Interest expense		10,649
Lease payments		(53,912)
Balance, December 31, 2021	**$**	**25,356**

Allocated as:		
Current	$	25,356
Long-term		-
Balance, December 31, 2021	**$**	**25,356**

14. Share capital

Authorized
Unlimited - special shares with no par value
Unlimited - common shares with no par value

Issued
Special shares - none

Common shares:

	Shares		Amount
Balance, December 31, 2019	**40,117,671**	**$**	**6,364,106**
Shares issued for mining property (Note 19)	200,000		21,000
Share repurchase (i)(ii)	-		(100,099)
Cancellation of shares repurchased (i)	(1,495,000)		-
Balance, December 31, 2020	**38,822,671**		**6,285,007**
Private placement (iii)	1,000,000		100,000
Warrants issued (iii)	-		(42,043)
Shares issued for mining property (Note 19)	200,000		25,000
Share repurchase (ii)	-		(200,339)
Cancellation of shares repurchased (ii)	(1,263,500)		-
Balance, December 31, 2021	**38,759,171**	**$**	**6,167,625**

14. Share capital (continued)

(i) On May 10, 2019, the Company announced that, subject to regulatory approval, it will conduct a normal course issuer bid (the "Issuer Bid"). The Issuer Bid will be for up to 3,332,872 common shares of the Company over a period of one year (the "Issuer Bid Period"), being approximately 8.3% of Company's issued and outstanding common shares and being 10% of the Public Float (as that term is defined in the policies of the TSXV) of the Company's issued and outstanding common shares, with up to 802,353 common shares of the Company purchasable over any 30-day period within the Issuer Bid Period, being 2% of Company's issued and outstanding common shares. The Issuer Bid Period will commence on May 13, 2019, and will continue until the earlier of May 13, 2020, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the Issuer Bid.

During the year ended December 31, 2019, 1,150,000 common shares were purchased for cash consideration of $65,509 in accordance with the Issuer Bid. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

(ii) On June 17, 2020, the Company announced that, subject to regulatory approval, it will conduct a normal course issuer bid (the "Bid"). The Bid will be for up to 3,183,372 common shares of the Company over a period of one year (the "Bid Period"), being approximately 8.2% of Company's issued and outstanding common shares and being 10% of the Public Float (as that term is defined in the policies of the TSXV) of the Company's issued and outstanding common shares, with up to 636,674 common shares of the Company purchasable over any 30-day period within the Bid Period, being 2% of Company's issued and outstanding common shares. The Bid Period will commence on June 22, 2020, and will continue until the earlier of June 21, 2021, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the Bid.

During the year ended December 31, 2021, 987,500 common shares were purchased for cash consideration of $134,422 in accordance with the Bid (year ended December 31, 2020, 631,000 common shares were purchased for cash consideration of $43,459), The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

(iii) On January 21, 2021, the Company closed a non-brokered private placement through the issuance of an aggregate of 1,000,000 units of the Company at a price of $0.10 per unit, for gross proceeds of $100,000. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at an exercise price of $0.15 at any time on or before January 21, 2024. The fair value of the 1,000,000 warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.21%, an expected volatility of 106.56%, an expected life of 3 years and an expected dividend of zero. The fair value assigned to these warrants was $42,043.

(iv) On September 16, 2021, the Company announced that, subject to regulatory approval, it will conduct a normal course issuer bid (the "Issuer Bid 2"). The Issuer Bid 2 will be for up to 3,875,917 common shares of the Company over a period of one year (the "Issuer Bid Period 2"), being approximately 10% of Company's issued and outstanding common shares and being 10% of the Public Float (as that term is defined in the policies of the TSXV) of the Company's issued and outstanding common shares, with up to 775,183 common shares of the Company purchasable over any 30-day period within the Issuer Bid Period 2, being 2% of Company's issued and outstanding common shares. The Issuer Bid Period will commence on September 20, 2021, and will continue until the earlier of September 19, 2022, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the Issuer Bid 2.

During the year ended December 31, 2021, 250,000 common shares were purchased for cash consideration of $34,230 in accordance with the Bid, The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

(Expressed in Canadian Dollars)

15. Warrants

The following table reflects the continuity of warrants for the periods ended December 31, 2021 and 2020:

	Number of warrants	Grant date fair value
Balance December 31, 2020	**-**	**$ -**
Issued (Note 14(iii))	1,000,000	42,043
Balance, December 31, 2021	**1,000,000**	**$ 42,043**

The following table reflects the warrants issued and outstanding as of December 31, 2021:

Expiry date	Exercise price ($)	Warrants outstanding	Valuation
January 21, 2024	0.15	1,000,000	$ 42,043

16. Share-based payments

The following table reflects the continuity of stock options for the periods ended December 31, 2021 and 2020:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2019	**5,900,000**	**0.10**
Expired	(2,400,000)	0.10
Balance, December 31, 2020	**3,500,000**	**0.10**
Granted (i)	4,000,000	0.10
Balance, December 31, 2021	**7,500,000**	**0.10**

The following table reflects the Company's stock options outstanding and exercisable as at December 31, 2021:

Weighted average remaining contractual life (years)	Options outstanding		Options exercisable		
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)	Expiry date
1.03	3,500,000	0.10	3,500,000	0.10	January 10, 2023
4.65	4,000,000	0.10	4,000,000	0.10	August 25, 2026
2.96	7,500,000	0.10	7,500,000	0.10	

(i) On August 25, 2021, the Company granted 4,000,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.10 per share, expiring on August 25, 2026, pursuant to the terms of the Company's stock option plan. The options were assigned a fair value of $311,246 using the Black-Schools option pricing model with the following assumptions: share price $0.10, dividend yield 0%, expected volatility 108% (based on the historical price history of the Company's common shares), risk-free interest rate 0.84%, and an expected life of 5 years. The options vested immediately, resulting in a share-based payment charge of $311,246 for the year ended December 31, 2021.

(Expressed in Canadian Dollars)

17. Major shareholder and related party disclosures

Major shareholder

To the knowledge of the directors and senior officers of the Company, as at December 31, 2021, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Anthony Roodenburg, Chief Executive Officer ("CEO") and a director	**5,530,449**	**14.27 %**

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Related party disclosures

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the fair value, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of key management of the Company was as follows:

The Company defines key management as its CEO, Chief Financial Officer ("CFO") and Board of Directors.

	Year Ended December 31, 2021	Year Ended December 31, 2020
Carmelo Marrelli (CFO) (i)	**$ 53,964**	$ 59,719
Anthony Roodenburg, CEO (ii)	**216,000**	216,000
James Pirie (iii)	**15,000**	30,000
Director fees (iv)	**30,000**	30,000
Share-based payments (Note 16(i))	**291,822**	-

(i) During the year ended December 31, 2021, the Company incurred professional fees and disbursements of $53,964 (year ended December 31, 2020 - $59,719) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is Managing Director. Mr. Marrelli is the CFO of Greencastle. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2021, Marrelli Support was owed $2,750 (December 31, 2020 - $4,403) and this amount was included in accounts payable and accrued liabilities.

(ii) During the year ended December 31, 2021, the Company paid management fees of $216,000 (year ended December 31, 2020 - $216,000) to Anthony Roodenburg as CEO of Greencastle, included in office and general. The amounts charged by Anthony Roodenburg are conducted on normal market terms and are recorded at their exchange value. As at December 31, 2021, Anthony Roodenburg was owed $10,037 (December 31, 2020 - $3,747) and this amount was included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

17. Major shareholder and related party disclosures (continued)

Related party disclosures (continued)

(iii) For the year ended December 31, 2021, the Company paid management fees of $15,000 (year ended December 31, 2020 - $30,000) to James Pirie for performing the duties of President of Greencastle, included in office and general (James Pirie resigned as President of Greencastle in Q2 2021). The amounts charged by James Pirie are conducted on normal market terms and are recorded at their exchange value.

(iv) During the year ended December 31, 2021, directors of Greencastle received $30,000 (year ended December 31, 2020 - $30,000) in director fees. Included in the December 31, 2021 accounts payable and accrued liabilities is $nil due to directors of Greencastle (December 31, 2020 - $nil).

(b) Other related party disclosures:

		Year Ended December 31, 2021	2020
DSA Corporate Services Inc. ("DSA")	(i)	**$ 15,242**	$ 15,561
Marrelli Trust Company Ltd. ("Marrelli Trust")	(ii)	**$ 6,516**	$ -
Irwin Lowy LLP ("Irwin")	(iii)	**$ 28,375**	$ 12,167

(i) During the year ended December 31, 2021, the Company incurred professional fees and disbursements of $15,242 (year ended December 31, 2020 - $15,561) to DSA, an organization which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2021, DSA was owed $904 (December 31, 2020 - $1,327) and this amount was included in accounts payable and accrued liabilities.

(ii) During the year ended December 31, 2021, the Company incurred professional fees and disbursements of $6,516 (year ended December 31, 2020 - $nil) to Marrelli Trust, an organization which Mr. Marrelli controls. These services were incurred in the normal course of operations of listing, filing and transfer agency services. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2021, Marrelli Trust was owed $396 (December 31, 2020 - $nil) and this amount was included in accounts payable and accrued liabilities.

(iii) During the year ended December 31, 2021, the Company incurred legal fees of $28,375 (year ended December 31, 2020 - $12,167) paid to Irwin, a company controlled by Chris Irwin, a director of Greencastle. As at December 31, 2021, Irwin was owed $802 (December 31, 2020 - $nil) and this amount was included in accounts payable and accrued liabilities.

(iv) During the year ended December 31, 2021, the Company earned rental income of $15,961 (year ended December 31, 2020 - $30,000) from Deveron which is included as rental revenue in the consolidated statements of income. Included in the December 31, 2021 sundry receivable is $nil due from Deveron (December 31, 2020 - $8,475) for rent.

(Expressed in Canadian Dollars)

18. Net income per common share

	Year Ended December 31, 2021	Year Ended December 31, 2020
Weighted average shares outstanding - basic	**39,317,435**	39,215,274
Dilutive effect of stock options	**2,104,317**	-
Weighted average shares outstanding - diluted	**41,421,752**	39,215,274

The calculation of basic and diluted income per share for the year ended December 31, 2021 was based on the income attributable to common shareholders of $3,588,718 (year ended December 31, 2020 - $2,964,916) and the weighted average number of common shares outstanding of 39,317,435 (year ended December 31, 2020 - 39,215,274). Diluted income per share for the periods presented did not include the effect of 7,500,000 stock options (December 31, 2020 - 3,500,000) as they are anti-dilutive. The common shares repurchased by the Company but not cancelled being 1,237,500 (December 31, 2020 - 631,000) will be returned to treasury for cancellation and accordingly, they are not considered to be outstanding shares for the purposes of income per share calculations.

19. Exploration expenditures

	Year Ended December 31, 2021	Year Ended December 31, 2020
Jewel Ridge Prospect, Nevada		
Claim maintenance	**$ 14,827**	$ 24,164
Cash and shares received for options (a)	**(635,000)**	(360,000)
Consulting fees	**602**	(57,684)
Other	**(21,405)**	-
	$ (640,976)	$ (393,520)
Indian Creek Project, Nevada		
Claim maintenance	**$ 319**	$ 4,561
Primate project, Saskatchewan		
Lease maintenance	**$ 906**	$ 906
Mayflower Project, Ontario		
Property option cost (b)	**$ 25,000**	$ 20,000
Ferrier Project - Alberta		
Claim staking, maintenance fees	**$ 3,348**	$ 7,167
Seagrave Project, Ontario		
Acquisition costs (c)	**$ -**	$ 36,000
Geologists, consulting fees	**1,200**	-
Other	**-**	8,400
	$ 1,200	$ 44,400
Total	**$ (610,203)**	$ (316,486)

(a) Jewel Ridge Property

During the year ended December 31, 2021, according to the option agreement with Golden Lake Exploration Inc. ("Golden Lake"), the Company received 2,000,000 shares of Golden Lake (valued at $540,000). During the year ended December 31, 2020, the Company received 2,000,000 shares of Golden Lake (valued at $360,000).

19. Exploration expenditures (continued)

(b) Mayflower Property
On November 23, 2020, Greencastle entered into an option agreement with Mr. Todd Thurier and Mr .David Kroocmo (the "Vendors") to option the Mayflower Property ("Mayflower") consisting of 64 wholly owned claims. Per the agreement, Greencastle shall grant the Vendors a sum of $20,000 and shall issue to the Vendors 200,000 shares of Greencastle and obligations under its original option agreement in exchange for cash payments in aggregate of $100,000 ($20,000 paid), shares in aggregate of 600,000 (nil issued) and aggregate exploration commitments of $250,000.

On commencement of commercial production, Greencastle is required to pay the Vendors a 2% NSR on any further production from the property if it comes into production. In addition, Greencastle retains the option to purchase sole rights to one half (1%) of the 1% NSR from the Vendors for a payment of $1,000,000.

On July 7, 2021, the Company announced that it entered into assignment and assumption agreements with Atikokan Resources Ltd. ("Atikokan"), whereby the Company has assigned its option to acquire the Mayflower Property and the Seagrave Property located in the Kenora District, Ontario (the "Transaction"). As consideration for the Transaction, the Company will receive 5,000,000 units in the capital of Atikokan and $50,000 in cash for each property, for aggregate gross proceeds of 10,000,000 units of Atikokan and $100,000. Each unit is comprised of one common share in the capital of Atikokan and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.15 per common share until January 20, 2024. No consideration under this agreement has been received to date.

During the year ended December 31, 2021, the Company issued 200,000 common shares (valued at $25,000) in accordance to the option agreement for the Mayflower Project.

(c) Seagrave Property
On October 29, 2020, Greencastle entered into an option agreement with Gravel Ridge Resources Ltd. and 50% by 1544230 Ontario Inc. ("Gravel-1544 Ont.") to option the Seagrave Property consisting of 131 claims. Per the agreement, Greencastle shall grant Gravel-1544 Ont. a sum of $15,000 and shall issue to them 200,000 shares of Greencastle, and obligations under its original option agreement in exchange for cash payments in aggregate of $95,000 ($15,000 paid), shares in aggregate of 600,000 (200,000 issued, valued at $21,000) and aggregate exploration commitments of $350,000.

On commencement of commercial production, Greencastle is required to pay the Gravel-1544 Ont. a 1.5% NSR. In addition, Greencastle retains the option to purchase sole rights to 0.5% of the 1.5% NSR from Gravel-1544 Ont. for a payment of $500,000.

On July 7, 2021, the Company announced that it entered into assignment and assumption agreements with Atikokan Resources Ltd. ("Atikokan"), whereby the Company has assigned its option to acquire the Mayflower Property and the Seagrave Property located in the Kenora District, Ontario (the "Transaction"). As consideration for the Transaction, the Company will receive 5,000,000 units in the capital of Atikokan and $50,000 in cash for each property, for aggregate gross proceeds of 10,000,000 units of Atikokan and $100,000. Each unit is comprised of one common share in the capital of Atikokan and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.15 per common share until January 20, 2024. No consideration under this agreement has been received to date.

(Expressed in Canadian Dollars)

20. Income taxes

The following represent the temporary differences for which no deferred tax asset has been recorded:

	2021		
	Temporary difference Canada 26.50%	**Temporary difference USA 35%**	**Tax amount**
Marketable securities	$ (6,891,784)	$ -	**$ (1,826,323)**
Right-of-use assets	(16,950)	-	**(4,492)**
Oil and gas and mining interests	2,312,693	1,609,894	**950,941**
Lease liabilities	25,357	-	**6,719**
Derivative liability	3,842,165	63,692	**1,031,549**
Deferred tax assets	(728,519)	1,673,586	**158,394**
Impairment allowance	728,519	(1,673,586)	**(158,394)**
Net deferred tax assets	$ -	$ -	**$ -**

	2020		
	Temporary difference Canada 26.5%	**Temporary difference USA 35%**	**Tax amount**
Marketable securities	$ (3,115,239)	$ -	**$ (825,538)**
Right-of-use assets	(50,850)	-	**(13,475)**
Oil and gas and mining interests	2,398,643	1,594,146	**970,411**
Lease liabilities	68,620	-	**18,184**
Derivative liability	499,565	58,181	**144,603**
Deferred tax assets	(199,261)	1,652,327	**294,185**
Impairment allowance	199,261	(1,652,327)	**(294,185)**
Net deferred tax assets	$ -	$ -	**$ -**

The Company's actual income tax expense for each of the years ended is made up as follows:

For the year ended December 31,	**2021**	**2020**
Net income (loss) before income taxes	**$ 3,588,718**	$ 2,964,916
Expected income tax expense at statutory rate of 26.50% (2020 - 26.50%)	**951,010**	785,703
Non-taxable unrealized gain on marketable securities	**(1,029,929)**	(81,285)
Realized gain on marketable securities	**(37,535)**	(13,764)
Non-taxable loss on foreign exchange	**2,616**	12,756
Depreciation, net of principal payments on right-of-use assets	**(11,458)**	(137)
Non-deductible gain on derecognition in Deveron	**-**	(709,740)
Non-taxable reversal of exploration asset	**(18,604)**	(83,869)
Non-taxable loss from investment in associate	**279,689**	99,534
Tax benefit not recognized	**(135,789)**	(9,198)
Total income tax recovery	**$ -**	$ -

(Expressed in Canadian Dollars)

20. Income taxes (continued)

The non-capital losses that have not been recognized in the consolidated financial statements will expire as follows:

Year	Canada	USA
(i)	$ 3,833,225	$ -

(i) These losses expire on various dates between 2027 and 2041.

21. Segmented information

As at December 31, 2021, the Company has four reportable segments: investments in private and public companies, oil and gas interests, mining interests.

The Company's investment segment comprises its investment in marketable securities and investment in private and public companies. The oil and gas segment is comprised of its oil and gas interests. The mining segment is comprised of its mining interests in Canada and in the USA.

The Company evaluates performance and allocates resources based on profit or loss from operations before income taxes as well as results from exploration. The accounting policies of the segments are the same as disclosed in Note 2. There are no inter-segment transactions.

Information on reportable segments is as follows:

As at December 31, 2021	Investments	Oil and gas	Mining	Corporate	Consolidated
Royalty income	$ -	$ 151,592	$ -	$ -	**$ 151,592**
Rental revenue	-	-	-	15,961	**15,961**
Other expenses	-	-	-	(860,711)	**(860,711)**
Interest and dividend income	51,738	-	-	-	**51,738**
Gain on marketable securities	3,629,806	-	-	-	**3,629,806**
Exploration expenses - CAD	-	-	625,950	-	**625,950**
Exploration expenses - USA	-	-	(15,747)	-	**(15,747)**
Foreign exchange gain/loss	-	-	-	(9,871)	**(9,871)**
Segment income (loss)	$ 3,681,544	$ 151,592	$ 610,203	$ (854,621)	**$ 3,588,718**
Segment assets	$10,891,804	$ 1	$ -	$ 594,940	**$11,486,745**

(Expressed in Canadian Dollars)

21. Segmented information (continued)

As at December 31, 2020	Investments	Oil and gas	Mining	Corporate	Consolidated
Royalty income	$ -	$ 126,887	$ -	$ -	**$ 126,887**
Rental revenue	-	-	-	30,000	**30,000**
Other expenses	-	-	-	(531,112)	**(531,112)**
Interest and dividend income	50,776	-	-	-	**50,776**
Gain on marketable securities	717,353	-	-	-	**717,353**
Gain on reclassification of investment in associate	2,678,265	-	-	-	**2,678,265**
Exploration expenses - CAD	-	-	(80,546)	-	**(80,546)**
Exploration expenses - USA	-	-	397,032	-	**397,032**
Foreign exchange gain/loss	-	-	-	(48,139)	**(48,139)**
Loss from investment in and loans to associate	(375,600)	-	-	-	**(375,600)**
Segment income (loss)	$ 3,070,794	$ 126,887	$ 316,486	$ (549,251)	**$ 2,964,916**
Segment assets	$ 7,533,396	$ 1	$ -	$ 300,272	**$ 7,833,669**

Geographic information

All of the Company's revenues are earned in Canada. The Company has agreements on 2 (2 as at December 31, 2020) mining properties in United States of America and 2 (2 as at December 31, 2020) in Canada. The book value of those 4 (4 as at December 31, 2020) properties is $nil (December 31, 2020 - $nil). All of the rest of the Company's assets and operations are located in Canada.