ATAC RESOURCES LTD.

Condensed Consolidated Interim Financial Statements
For the Three Months ended March 31, 2023 and 2022
Unaudited – Prepared by Management
(Expressed in Canadian dollars)

ATAC Resources Ltd.
#1500 – 409 Granville Street
Vancouver, British Columbia
V6C 1T2

May 25, 2023

To the Shareholders of
ATAC Resources Ltd.

The attached condensed consolidated interim financial statements have been prepared by the management of ATAC Resources Ltd. and have not been reviewed by the auditor of the Company.

Yours truly,

Graham Downs
Chief Executive Officer

ATAC RESOURCES LTD.

Condensed Consolidated Interim Statements of Financial Position
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)
As at

	March 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	$ 4,024,006	$ 4,314,779
Receivables and prepayments (Note 4)	153,296	293,967
Marketable securities (Note 5)	361,774	134,126
	4,539,076	4,742,872
Non-current assets		
Mineral property interests (Note 6)	782,022	767,022
Reclamation deposit (Note 7)	169,135	170,206
Equipment (Note 8)	42,149	59,858
	993,306	997,086
Total Assets	$ 5,532,382	$ 5,739,958
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 344,794	$ 186,666
Accounts payable to related parties (Note 10)	44,587	22,202
Deposits received (Note 8)	-	50,000
Flow-through premium liability (Note 13)	-	4,894
	389,381	263,762
Non-current liabilities:		
Asset retirement obligation (Note 6(e))	339,963	339,963
Total liabilities	729,344	603,725
Shareholders' equity:		
Share capital (Note 9)	140,174,351	140,174,351
Contributed surplus (Note 9)	1,723,683	1,695,225
Deficit	(137,094,996)	(136,733,343)
Total shareholders' equity	4,803,038	5,136,233
Total liabilities and shareholders' equity	$ 5,532,382	$ 5,739,958

Nature of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent event (Note 14)

Approved on behalf of the Board of Directors as of May 25, 2023:

"James Gray" Director

"Glenn R. Yeadon" Director

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

ATAC RESOURCES LTD.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)
For the three months ended March 31,

	2023	2022
Expenses:		
Consulting fees (Note 10)	$ 150,000	$ 117,000
Depreciation (Note 8)	1,709	1,147
Exploration expenses (Note 6)	158,868	219,728
General administrative expenses	13,116	5,835
Insurance	16,778	7,095
Investor relations and shareholder information	28,844	57,989
Management, administration, and corporate development fees (Note 10)	11,473	11,076
Office rent (Note 10)	11,700	11,700
Professional fees (Note 10)	201,417	32,794
Property examination costs (Note 10)	83	12,886
Salaries and benefits (Note 10)	165,799	115,388
Share-based payments (Note 9,10)	28,458	44,728
Transfer agent and filing fees	9,481	21,445
Travel and meals	15,253	3,080
Loss from operating expenses	(812,979)	(661,891)
Gain on sale of equipment (Note 8)	189,200	-
Foreign exchange gain	(42)	1,111
Interest income	29,626	6,809
Unrealized gain (loss) on marketable securities (Note 5)	227,648	(2,250)
Flow-through premium liability recovery (Note 13)	4,894	5,799
Gain on option of mineral property interest (Note 6)	-	6,000
Loss and comprehensive loss for the period	(361,653)	(644,422)
Weighted average number of shares outstanding -basic and diluted	221,500,943	184,546,912
Basic and diluted loss per share	$ (0.00)	$ (0.00)

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

ATAC RESOURCES LTD.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Share Capital				
	Number of common shares	Share capital	Contributed surplus	Deficit	Total shareholders' equity
				(restated) (Note 2(c))	
December 31, 2021	184,368,547	$ 135,718,507	$ 2,430,125	$ (131,772,932)	$ 6,375,700
Private placement shares issued	25,000,000	4,000,000	-	-	4,000,000
Flow-through premium liability	-	(247,500)	-	-	(247,500)
Share issuance costs	-	(358,684)	77,016	-	(281,668)
Shares issued for mineral properties	445,094	59,513	-	-	59,513
Share-based payments		-	44,728	-	44,728
Loss and comprehensive loss for the period	-	-	-	(644,422)	(644,422)
March 31, 2022	209,813,641	139,169,336	2,552,019	(132,417,355)	9,306,351
Flow-through premium liability	11,111,111	1,000,000	-	-	1,000,000
Share issuance costs	-	(67,325)	(850)	-	(68,175)
Shares issued for mineral properties	576,191	47,095	-	-	47,095
Share-based payments	-	-	204,630	-	204,630
Re-allocated on expiration of options	-	-	(1,037,679)	1,037,679	-
Re-allocated on expiration of finders' warrants	-	22,745	(22,745)	-	-
Loss and comprehensive loss for the period	-	-	-	(5,353,668)	(5,353,668)
December 31, 2022	221,500,943	140,174,351	1,695,225	(136,733,343)	5,136,233
Share-based payments	-	-	28,458	-	28,458
Loss and comprehensive loss for the period	-	-	-	(361,653)	(361,653)
March 31, 2023	221,500,943	$140,174,351	$ 1,723,683	$ (137,094,996)	$ 4,803,038

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

ATAC RESOURCES LTD.

Condensed consolidated interim statements of Cash Flows
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)
For the three months ended March 31,

	2023	2022
Cash flows from operating activities:		
Loss and comprehensive loss for the period	$ (361,653)	$ (644,422)
Items not involving cash:		
Share-based payments	28,458	44,728
Unrealized (gain) loss on marketable securities	(227,648)	2,250
Depreciation	8,909	9,147
Interest income earned	(28,345)	(6,809)
Gain on option of mineral property interest	-	(6,000)
Gain on sale of equipment	(189,200)	-
Flow-through premium liability recovery	(4,894)	(5,799)
Changes in non-cash working capital items:		
Receivables and prepayments	119,016	12,432
Accounts payable and accrued liabilities	158,128	451
Due to related parties	-	39,823
Net cash used in operating activities	(474,844)	(554,199)
Cash flows from investing activities		
Purchase of equipment	-	(4,813)
Proceeds on sale of equipment	148,000	-
Deposits received	-	50,000
Yukon mining exploration grant received	50,000	25,000
Mineral property acquisition costs	(15,000)	(80,560)
Net cash provided by (used in) investing activities	183,000	(10,373)
Cash flows from financing activities		
Issue of common share units for cash	-	3,000,000
Share issuance costs	-	(35,180)
Net cash provided by financing activities	-	2,964,820
Effect of foreign exchange on cash	1,071	(247)
Net change in cash	(290,773)	2,400,001
Cash, beginning of the period	4,314,779	5,561,557
Cash, end of the period	$ 4,024,006	$ 7,961,558

Supplemental cash flow information (Note 12)

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

1. Nature of operations and going concern

ATAC Resources Ltd. (the "Company" or "ATAC") was incorporated under the laws of the Province of British Columbia, Canada. The Company's head office is located at 1500 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. Its records office is located at 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3. Its main business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada and United States. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") and the OTCQB Venture Market ("OTCQB").

The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

These condensed consolidated interim financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have revenues and historically has recurring operating losses. As at March 31, 2023, the Company had working capital of $4,149,695 (December 31, 2022 - $4,479,110) and shareholders' equity of $4,803,038 (December 31, 2023 - $5,136,233). Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

Recent global issues, including the ongoing COVID-19 pandemic and the 2022 Russian invasion of Ukraine have adversely affected workplaces, economies, supply chains and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations at this time.

2. Significant accounting policies

(a) Basic of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended December 31, 2022, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

These condensed consolidated interim financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(b) Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

	Country of Incorporation	Effective Interest	Functional currency
0885802 B.C. Ltd.	Canada	100%	Canadian Dollar
0885794 B.C. Ltd.	Canada	100%	Canadian Dollar
Cascadia Minerals Ltd.	Canada	100%	Canadian Dollar
Cascadia Minerals (USA) Ltd.	USA	100%	Canadian Dollar

On January 14, 2021, Cascadia Minerals (USA) Ltd. was incorporated in the State of Nevada, USA, to facilitate the exploration of the Company's East Goldfield project (Note 6). The records office of Cascadia Minerals Ltd. is 210 – 241 Ridge Street, Reno, Nevada, USA.

On March 23, 2023, Cascadia Minerals Ltd. ("Cascadia") was incorporated under the laws of the Province of British Columbia, Canada, to facilitate a definitive agreement with Hecla Mining Company ("Hecla") whereby Hecla will acquire all of the issued and outstanding shares of ATAC for consideration payable in Hecla common shares and in shares of Cascadia (the "Transaction") (Note 15).

(c) Significant accounting policies

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited financial statements and are those the Company adopted in its financial statements for the year ended December 31, 2022. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

(d) New accounting standards

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2023. The Company has reviewed these updates and determined that these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	March 31, 2023	December 31, 2022
Bank and broker balances	$ 131,619	$ 113,644
Cashable investment certificates	3,892,387	4,201,135
	$ 4,024,006	$ 4,314,779

(Expressed in Canadian Dollars)

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	March 31, 2023	December 31, 2022
Sales tax recoverable	$ 8,355	$ 134,595
Exploration incentives receivable (Note 6)	-	50,000
Prepaid expenses and deposits	144,941	109,372
	$ 153,296	$ 293,967

5. Marketable securities

Marketable securities consist of various common shares received on the option of mineral property interests as follows:

	Amount
Cost	
January 1, 2022	$ 1,439,620
Additions	6,000
December 31, 2022 and March 31, 2023	1,445,620
Fair value	
January 1, 2022	374,499
Additions	6,000
Unrealized loss	(246,373)
December 31, 2022	$ 134,126
Unrealized gain	277,648
March 31, 2023	$ 361,774

During the year ended December 31, 2021, the Company received 50,000 common shares of Makara Mining Corp. ("Makara") at a fair value of $20,000 ($0.40 per share) pursuant to an option agreement in respect of the Idaho Creek project (Note 6). During the year ended December 31, 2022, the Company received an additional 100,000 common shares of Makara at a value of $6,000 ($0.06 per share).

The valuation of the shares with an active market has been determined in whole by reference to the bid price of the shares on the TSX-V or Toronto Stock Exchange ("TSX") at each period end date.

6. Mineral property interests

The Company's mineral property interests consist of various exploration stage properties located in the Yukon Territory, Canada and Nevada, USA. The properties have been grouped into wholly-owned, under option and royalty interests. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects. The continuity of aggregate costs incurred is as follows:

	Wholly-owned	Under option	Total
December 31, 2021	$ 467,145	$ -	$ 467,145
Acquisitions / staking / assessments	26,500	250,073	276,573
Cash / shares received	(26,000)	-	(26,000)
Reclamation obligation	23,304	-	23,304
Gain on option	26,000	-	26,000
December 31, 2022	$ 516,949	$ 250,073	$ 767,022
Acquisitions / staking / assessments	15,000	-	15,000
March 31, 2023	$ 531,949	$ 250,073	$ 782,022

(Expressed in Canadian Dollars)

6. Mineral property interests (continued)

Changes in the project carrying amounts for the three months ended March 31, 2023, and year ended December 31, 2022 are summarized as follows:

	January 1, 2023	Acquisitions / staking / assessments	March 31, 2023
Wholly-owned projects			
Rackla Gold			
Nadaleen (Osiris and Orion)	$ 219,162	$ -	$ 219,162
Rau	1	-	1
	219,163	-	219,163
Connaught	213,096	15,000	228,096
Idaho Creek	-	-	-
Rosy	84,690	-	84,690
	516,949	15,000	531,949
Under option projects			
Catch	45,060	-	45,060
PIL	205,013	-	205,013
Total All Projects	$ 767,022	$ -	$ 782,022

	January 1, 2022	Acquisitions / staking / assessments	Cash / Shares Received	Asset retirement obligation	Gain on option	December 31, 2022
Wholly-owned projects						
Rackla Gold						
Nadaleen (Osiris and Orion)	$ 202,776	$ -	$ -	$ 16,386	$ -	$ 219,162
Rau	1	-	-	-	-	1
	202,777	-	-	16,386	-	219,163
Connaught	179,678	26,500	-	6,918	-	213,096
Idaho Creek	-	-	(26,000)	-	26,000	-
Rosy	84,690	-	-	-	-	84,690
	467,145	26,500	(26,000)	6,918	26,000	516,949
Under option projects						
Catch	-	45,060	-	-	-	45,060
PIL	-	205,013	-	-	-	205,013
Total All Projects	$ 467,145	$ 276,573	$ (26,000)	$ 23,304	$ 26,000	$ 767,022

6. Mineral property interests (continued)

a) Wholly-owned projects

The Company's wholly owned projects are comprised of the rights to explore various mineral claims located in the Yukon Territory, which are at various stages of exploration. They are not subject to any option or sale agreements, except as noted below.

Rackla Gold property

The Rackla Gold property consists of a 100% interest in the various mineral properties located in the Mayo Mining District, Yukon Territory. The Rackla Gold property has been divided into two separate projects, being the Nadaleen (formerly Osiris and Orion) and Rau projects.

The Nadaleen project is located at the eastern end of the Rackla Gold property and hosts Carlin-type gold mineralization.

The Rau project is located at the western end of the Rackla Gold property and hosts the Tiger Gold deposit. The Company has paused work on the Rau project while government land use planning is ongoing. Consequently, the acquisition costs with respect to the Rau project are expensed on an ongoing basis.

Connaught project

The Connaught project consists of a 100% interest in the CN, Mag, NC, OM and TN mineral claims located in the Dawson Mining District, Yukon Territory. The TN claims are subject to a 1% net smelter royalty ("NSR"). The Mag claims are subject to a 1% conventional royalty ("CNSR") and a 10% high-grade royalty on all mineral production from the properties. The Company has the right to purchase 100% of the CNSR for $250,000.

See Blackbear claims for the option agreement in respect of additional claims forming part of the Company's Connaught project.

Idaho Creek project

The Idaho Creek project consists of a 100% interest in the Idaho mineral claims located in the Whitehorse Mining District, Yukon Territory.

On August 19, 2020, and amended on November 25, 2020, October 13, 2021, and March 21, 2023, the Company signed a property option agreement (the "Option Agreement") with Makara Mining Corp. ("Makara"), whereby Makara has the option to earn a 100% interest in the Company's Idaho Creek project. Pursuant to the Option Agreement, Makara can earn the interest through completion of the following:

Cash payments of $150,000:

- $5,000 on execution of the Option Agreement (received);
- $10,000 on or before May 1, 2021 (received);
- $20,000 on or before May 1, 2022 (received);
- $40,000 on or before August 31, 2023; and
- $75,000 on or before May 1, 2024.

Issuance of 750,000 common shares:

- 25,000 common shares on execution of the Option Agreement (received at a fair value of $33,500);
- 50,000 common shares on or before May 1, 2021 (received at a fair value of $20,000);
- 100,000 common shares on or before May 1, 2022 (received at a fair value of $6,000);
- 250,000 common shares on or before May 1, 2023 (received at a fair value of $6,250); and
- 325,000 common shares on or before May 1, 2024.

6. Mineral property interests (continued)

a) Wholly-owned projects (continued)

Idaho Creek project (continued)

In addition, Makara is required to incur $2,000,000 in exploration expenditures on the project as follows:

- $50,000 on or before December 1, 2020 (incurred);
- An additional $25,000 on or before December 1, 2021 (incurred);
- An additional $725,000 on or before December 1, 2023; and
- An additional $1,200,000 on or before December 1, 2024.

If an aggregate of $725,000 in exploration expenditures is not incurred by December 1, 2023, Makara is required to pay the difference between actual expenditures and $725,000 to the Company by December 15, 2023, notwithstanding the termination of the Option Agreement.

Pursuant to the Option Agreement, the Company retains a 2% NSR from any commercial production of precious metals from the Idaho Creek project of which Makara can repurchase one-half (being 1%) for $1,000,000.

Further, in addition to the NSR, the Company shall be entitled to receive a one-time cash payment equal to $1 per ounce of gold (or the value equivalent in other metals) identified in the earlier of a National Instrument 43-101 Standards of Disclosure for Mineral Property compliant: (i) measured and indicated resource estimate applicable to the project; or (ii) a proven and probable reserve estimate applicable to the project.

In the three months ended March 31, 2023, the Company recognized a recovery in excess of carrying costs of $nil (2022 - $6,000).

Rosy project

The Rosy project consists of a 100% interest in the Rosy and Sam mineral claims located in the Whitehorse Mining District, Yukon Territory.

In 2021, the Company was approved to receive financial assistance from the Yukon Government on 2021 qualified exploration expenditures on its Rosy project, to a maximum of $25,000. The grant was received in the year ended December 31, 2022.

b) Projects under option

Blackbear claims

On November 20, 2020, the Company signed a property option agreement with two vendors whereby the Company has the option to earn a 100% interest in a series of claims contiguous to the Company's Connaught project. Pursuant to the option agreement, the Company has the right to earn a 100% interest in the property by making cash payments to the vendors based on the following schedule:

Cash payments of $100,000:

- $10,000 on execution of the Option Agreement (paid);
- $10,000 on or before February 28, 2022 (paid);
- $10,000 on or before February 28, 2023 (paid);
- $15,000 on or before February 28, 2024;
- $25,000 on or before February 28, 2025; and
- $30,000 on or before February 28, 2026.

6. Mineral property interests (continued)

b) Projects under option (continued)

Blackbear claims (continued)

In addition, the option agreement requires the Company to issue 200,000 common shares as follows:

- 20,000 common shares on Exchange acceptance (issued at a fair value of $4,000);
- 20,000 common shares on or before February 28, 2022 (issued at a fair value of $2,000);
- 20,000 common shares on or before February 28, 2023 (issued at a fair value of $1,800);
- 30,000 common shares on or before February 28, 2024;
- 50,000 common shares on or before February 28, 2025; and
- 60,000 common shares on or before February 28, 2026.

The vendors will retain a 2% NSR on all mineral production from the properties, of which up to 1% can be purchased for $500,000.

Catch Property Option Agreement

On January 20, 2022, the Company entered into a property option agreement with a vendor, whereby the Company has the option to earn a 100% interest in the Catch Property, located in Yukon Territory. Pursuant to the option agreement, the Company has the right to earn 100% interest in the Catch Property through completion of the following:

Cash payments of $325,000:

- $10,000 on exchange acceptance of the Option Agreement (paid);
- $15,000 on or before December 31, 2022 (paid);
- $25,000 on or before December 31, 2023;
- $50,000 on or before December 31, 2024;
- $75,000 on or before December 31, 2025; and
- $150,000 on or before December 31, 2026.

Issuance of 2,000,000 common shares with an aggregate value of not more than $380,000:

- 50,000 common shares or that number of common shares with a value not greater than $10,000 on exchange acceptance of the Option Agreement (issued at a fair value of $5,000);
- 50,000 common shares or that number of common shares with a value not greater than $10,000 on or before December 31, 2022 (issued at a fair value $4,500);
- 200,000 common shares or that number of common shares with a value not greater than $40,000 on or before December 31, 2023;
- 350,000 common shares or that number of common shares with a value not greater than $70,000 on or before December 31, 2024;
- 500,000 common shares or that number of common shares with a value not greater than $100,000 on or before December 31, 2025; and
- 850,000 common shares or that number of common shares with a value not greater than $150,000 on or before December 31, 2026.

Incurrence of $3,600,000 in exploration expenditures on the project as follows:

- $150,000 on or before December 31, 2022 (incurred);
- $200,000 on or before December 31, 2023 (incurred);
- $350,000 on or before December 31, 2024 (incurred);
- $900,000 on or before December 31, 2025; and
- $2,000,000 on or before December 31, 2026;

6. Mineral property interests (continued)

b) Projects under option (continued)

Catch Property Option Agreement (continued)

The Catch Property is subject to an annual advance royalty of $25,000, due on or before December 31 of each calendar year, commencing in the year in which a pre-feasibility study is completed and continuing until the earlier of: 1) the commence of commercial production, or 2) the vendor having received an aggregate $500,000 in advance royalty payments. The Catch Property is also subject to a 2% NSR, with the Company having a right to buy back one-half of the NSR for $1,000,000.

Upon the determination of an initial resource equal or greater than 1,000,000 ounces of gold equivalent on the Catch Property, the vendor is also entitled to a milestone payment of $1 per ounce of gold equivalent, which may be satisfied wholly or partially by the issuance of common shares, to be calculated using the 10-day volume-adjusted weighted average price, subject to such price not being less than $0.05.

In 2022, the Company was approved to receive financial assistance from the Yukon Government on 2022 qualified exploration expenditures on its Catch project, to a maximum of $50,000 (Note 4). The grant was received in the three months ended March 31, 2023.

PIL Property Option Agreement

On February 21, 2022 and as amended on February 28, 2022 and April 28, 2023, the Company entered into a property option agreement with Finlay Minerals Ltd. (“Finlay”) to acquire a 70% interest in the PIL Property in northern British Columbia through completion of the following:

Cash payments of $650,000:

- $50,000 on exchange acceptance of the option agreement (paid);
- $50,000 on or before December 31, 2022 (paid);
- $50,000 on or before December 31, 2023;
- $100,000 on or before December 31, 2024;
- $100,000 on or before December 31, 2025; and
- $300,000 on or before December 31, 2026.

Issuance of common shares with an aggregate value of not more than $1,250,000:

- $50,000 on exchange acceptance of the option agreement (375,094 common shares issued at a fair value of $52,513);
- $50,000 on or before December 31, 2022 (467,191 common shares issued at a fair value of $38,095);
- $100,000 on or before December 31, 2023;
- $200,000 on or before December 31, 2024;
- $300,000 on or before December 31, 2025; and
- $550,000 on or before December 31, 2026.

For each share issuance above, if the Company’s volume weighted-average price for the ten trading days immediately preceding the share issuance date (“10-day VWAP”) is less than $0.105, the Company must fulfill the requirement by: (a) issuing common shares equal to the required value divided by $0.105, and (b) completing a cash payment equal to the difference between the required value and value of the number of shares issued based on the Company’s actual 10-day VWAP.

(Expressed in Canadian Dollars)

6. Mineral property interests (continued)

b) Projects under option (continued)

PIL Property Option Agreement (continued)

In addition, the Company must incur $12,000,000 in exploration expenditures on the project as follows:

- $300,000 on or before December 31, 2022 (incurred);
- $600,000 on or before December 31, 2023;
- $1,500,000 on or before December 31, 2024; and
- $2,400,000 on or before December 31, 2025;
- $7,200,000 on or before December 31, 2026;

Following the exercise of the option, the Company and Finlay will hold interests in the property of 70% and 30%, respectively, and a joint venture will be formed. The PIL Property is also subject to a 3% net smelter return royalty held by Electrum Resource Corp., with a right to buy back one-half of the royalty (1.5%) for $2,000,000. This buyback right will be transferred to the joint venture following completion of the option.

Under an agreement dated July 14, 2022, the Company acquired the Mount Graves claim from Eagle Plains Resources Inc. ("Eagle Plains"). The purchase price consisted of a $2,500 cash payment and Eagle Plains retaining a 2% net smelter royalty interest. The Company has the right to purchase one-half (1%) of the net smelter royalty interest at any time for $500,000.

The Mount Graves claim is located east of the PIL property, but outside of the area of interest as defined in the PIL property option agreement with Finlay and is not subject to that agreement.

In August of 2022, the Company acquired the Spruce 3 claim in the PIL property area through online staking. This claim is located within the area of interest covered by the PIL property option agreement and Finlay has elected to include the claim in the PIL property under the option agreement.

c) Royalty interests

The Company has a 1% NSR on the Golden Revenue, Nitro, Seymour and Dawson Gold properties located in the Dawson and Whitehorse Mining Districts, Yukon Territory.

d) Exploration expenditures

Exploration and evaluation expenditures on the projects consisted of the following:

For the three months ended March 31, 2023	Nadaleen	Connaught	Catch	PIL	General Exploration and Other	Total
Assays	$ 5,230	$ 2,679	$ 3,341	$ 42	$ 105	$ 11,397
Assessment costs	12,361	14,110	3,578	-	-	30,049
Depreciation (Note 8)	3,600	-	-	-	3,600	7,200
Field and camp	1,433	1,419	1,422	473	817	5,564
Government and community relations	-	-	-	3,776	-	3,776
Helicopter and fixed wing	-	-	29,184	-	-	29,184
Labour	2,689	9,750	34,276	7,582	692	54,989
Surveys and consulting	-	-	11,344	5,365	-	16,709
Total by Project	$ 25,313	$ 27,958	$ 83,145	$ 17,238	$ 5,214	$ 158,868

(Expressed in Canadian Dollars)

6. Mineral property interests (continued)

d) Exploration expenditures

For the three months ended March 31, 2022	Nadaleen	East Goldfield	Connaught	General Exploration and Other	Total
Assays	$ 1,740	$ 93,002	$ 3,798	$ 2,475	$ 101,015
Assessment costs	-	-	13,690	3,792	17,482
Depreciation (Note 8)	4,000	-	-	4,000	8,000
Drilling	1,040	-	-	-	1,040
Field and camp	76	2,396	10	6,394	8,876
Government and community relations	-	-	-	1,720	1,720
Helicopter and fixed wing	-	-	-	19,262	19,262
Labour	9,264	9,006	9,485	9,049	36,804
Reclamation	-	10,263	-	-	10,263
Resource, engineering and environmental studies	4,460	-	1,500	-	5,960
Surveys and consulting	-	-	7,392	1,914	9,306
Total by Project	$ 20,580	$ 114,667	$ 35,875	$ 48,606	$ 219,728

e) Asset retirement obligation

	Nadaleen	Rau	Connaught	Total
Balance, December 31, 2021	$ 176,661	$ 114,421	$ 14,984	$ 306,066
Change in estimates	16,386	10,593	6,918	33,897
Balance, December 31, 2022 and March 31, 2023	$ 193,047	$ 125,014	$ 21,902	$ 339,963

The undiscounted amounts of estimated cash flows were estimated at $258,650, $138,450, and $38,800 for Nadaleen, Rau, and Connaught respectively. The liabilities were estimated using expected lives of 3 years, 1 year, and 6 years, and risk-adjusted rates of 13.55%, 14.07%, and 13.3%, for Nadaleen, Rau, and Connaught, respectively.

7. Reclamation deposits

As at March 31, 2023, the Company has pledged to the Yukon Government a reclamation deposit of $121,000 (December 31, 2022 - $121,000) to ensure specified properties are properly restored after exploration. This reclamation deposit is comprised of a cashable guaranteed investment certificate with a one-year term. The Company has also pledged to the British Columbia Government a reclamation deposit of $31,000 (December 31, 2022 - $31,000) with respect to the PIL project. In addition, the Company has posted a cash bond of $17,135 (US$13,442) (December 31, 2022 - $18,206 (US$13,442)) with the Nevada Bureau of Land Management in relation to the East Goldfield project.

(Expressed in Canadian Dollars)

8. Equipment

	Exploration equipment	Computer equipment	Field equipment	Total
Cost				
January 1, 2022	$ 160,000	$ 12,189	$ -	$ 172,189
Additions	-	4,813	3,500	8,313
December 31, 2022	160,000	17,002	3,500	180,502
Disposals	(32,000)	-	-	(32,000)
March 31, 2023	128,000	12,189	-	148,502
Accumulated depreciation				
January 1, 2022	80,000	2,370	-	82,370
Depreciation	32,000	5,399	875	38,274
March 31, 2023	$ 112,000	$ 7,769	$ 875	$ 120,644
Depreciation	7,200	1,417	292	8,909
Disposals	(23,200)	-	-	(23,200)
March 31, 2023	$ 96,000	$ 9,186	$ 1,167	$ 106,353
Net book value				
December 31, 2022	$ 48,000	$ 9,233	$ 2,625	$ 59,858
March 31, 2023	$ 32,000	$ 7,816	$ 2,333	$ 42,149

Depreciation on exploration equipment of $7,200 (2022 - $8,000) for the three months ended March 31, 2023 is included in the Company's exploration expenditures (Note 6), as the equipment is used exclusively for the Company's exploration efforts.

During the three months ended March 31, 2023, the Company sold a piece of heavy equipment, included in exploration equipment at a net book value of $8,800, for total proceeds of $198,000, of which $50,000 had been received and recorded as a deposit during the year ended December 31, 2022.

9. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value, and unlimited Class "A" preferred shares with a par value of $1.00 each. As at March 31, 2023, no Class "A" preferred shares have been issued. All issued shares are fully paid.

2023 Transactions

The Company did not issue any common shares during the three months ended March 31, 2023.

2022 Transactions

On January 5, 2022, the Company issued 20,000 common shares valued at $2,000 pursuant to the Blackbear Property Option Agreement (Note 6(b)).

On January 28, 2022, the Company issued 50,000 common shares valued at $5,000 pursuant to the Catch Property Option Agreement (Note 6(b)).

On March 1, 2022, the Company issued 375,094 common shares valued at $52,513 pursuant to the PIL Property Option Agreement (Note 6(b)).

On March 31, 2022, the Company completed a flow-through financing of 25,000,000 flow-through units at a price of $0.16 per unit, for $4,000,000 in gross proceeds. Each flow-through unit consists of one flow-through common share and one-half of a share purchase warrant, each whole warrant being exercisable for one common share at a price of $0.22 for a period of two years from closing. In connection with the financing, the Company paid total cash finders fees of $231,180, incurred other share issuance costs of $50,338, and issued 1,444,875 broker warrants, valued at $76,166, exercisable at $0.22 per share for a period of two years from closing. The warrants had a value of $nil using the residual value approach.

9. Share capital (continued)

2022 Transactions (continued)

The flow-through shares were issued at a premium to the trading value of the Company's common shares, which in management's view reflects the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $247,500 and was recorded as a reduction of share capital. An equivalent flow-through share premium liability was recorded and will be reversed pro-rata as the required exploration expenditures are incurred (Note 13).

On November 15, 2022, the Company completed a flow-through financing of 11,111,111 flow-through shares at a price of $0.09 per share, for $1,000,000 in gross proceeds. In connection with the financing, the Company paid total cash finders fees of $60,000 and incurred other share issuance costs of $8,325.

On December 9, 2022, the Company issued 20,000 common shares valued at $1,800 pursuant to the Blackbear Property Option Agreement (Note 6(b)).

On December 9, 2022, the Company issued 30,000 common shares valued at $2,700 pursuant to the Mag Property Option Agreement (Note 6(b)).

On December 9, 2022, the Company issued 50,000 common shares valued at $4,500 pursuant to the Catch Property Option Agreement (Note 6(b)).

On December 13, 2022, the Company issued 476,191 common shares valued at $38,095 pursuant to the PIL Property Option Agreement (Note 6(b)).

Common share rights

The Company has a "Rights Plan" under which one right is issued for each issued and outstanding common share of the Company. Each right entitles the holder to purchase from the Company one common share at a price equal to one-half the market price for each common share of the Company, subject to certain anti-dilutive adjustments. The rights are exercisable only if the Company receives an unacceptable take-over bid as defined in the Rights Plan. The current Rights Plan was approved at the November 2020 annual shareholders' meeting and will remain in effect until the annual shareholders' meeting in 2023. As at March 31, 2023, there were 221,500,943 rights outstanding (December 31, 2022 – 221,500,943).

Stock options

The Company has an incentive stock option plan (the "Plan"), under which the maximum number of stock options issued cannot exceed 10% of the Company's currently issued and outstanding common shares. The exercise period for any options granted under the Plan cannot exceed ten years. The exercise price of options granted under the Plan cannot be less than the "discounted market price" of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, or the date of grant in respect of options granted to consultants, less a discount of from 15% to 25%), unless otherwise agreed to by the Company and accepted by the TSX-V.

A participant who is not a consultant conducting investor relations activities, who is granted an option under the plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is granted an option under the plan with exercise prices below "Market Price" will become vested with the right to exercise one-sixth of the option upon conclusion of every three months subsequent to the grant date.

A participant who is a consultant conducting investor relations activities who is granted options under the plan will become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

(Expressed in Canadian Dollars)

9. Share capital (continued)

Stock options (continued)

Stock option transactions are as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2021	11,675,000	$ 0.35
Granted	4,400,000	0.16
Expired	(4,060,000)	0.43
Balance, December 31, 2022	12,015,000	0.26
Expired	(2,090,000)	0.55
Balance, March 31, 2023	9,925,000	$ 0.19
Exercisable, March 31, 2023	8,887,500	$ 0.20

As at March 31, 2023, the Company has stock options outstanding and exercisable as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Expiry Date
1,280,000	1,280,000	$ 0.30	February 4, 2024
100,000	100,000	0.30	February 4, 2024
1,375,000	1,375,000	0.22	January 9, 2025
195,000	195,000	0.20	April 28, 2025
100,000	100,000	0.17	April 8, 2026
2,475,000	2,475,000	0.18	July 8, 2026
250,000	250,000	0.18	July 8, 2026
4,150,000	3,112,500	0.16	June 8, 2027
9,925,000	8,887,500	$ 0.19	

The Company did not grant any stock options during the three months ended March 31, 2023, or 2022. For the three months ended March 31, 2023, the Company recognized share-based payment expense of $28,458 (2022 - $44,728) for options vested.

Warrants

For the three months ended March 31, 2023, the Company issued nil (2022 – 12,500,000) warrants to subscribers for financings completed during the period.

In addition, during the three months ended March 31, 2023, nil finders' warrants (2022 – 1,444,875) were issued in connection with the financings completed. The value of the finders' warrants was determined to be $nil (2022 – $77,016) using the Black-Scholes option pricing model with the following weighted average assumptions:

	2023	**2022**
Risk-free interest rate	N/A	2.27%
Expected life of option	N/A	2 years
Expected annualized volatility	N/A	83.21%
Dividend	N/A	-

(Expressed in Canadian Dollars)

9. Share capital (continued)

Warrants (continued)

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	16,947,834	$ 0.26
Issued	13,944,875	0.22
Expired	(7,688,356)	0.28
Balance, December 31, 2022 and March 31, 2023	23,204,353	$ 0.23

As at March 31, 2023, the Company has warrants outstanding and exercisable as follows:

Number of Warrants Outstanding and Exercisable	Exercise Price	Expiry Date
9,259,478	$ 0.24	June 25, 2024
13,944,875	0.22	March 31, 2024
23,204,353	$ 0.23	

10. Related party payables and transactions

Key management personnel comprise the Chief Executive Officer, Chief Financial Officer, former Chief Operating Officer, Vice-President of Corporate and Project Development, Vice-President of Exploration, Chairman, and directors of the Company. For the three months ended March 31, 2023 and 2022, the aggregate value of transactions with key management personnel and directors and entities over which they have control or significant influence were as follows:

	2023	2022
Salaries	$ 111,482	$ 91,156
Consulting fees	-	10,500
Management fees	10,500	10,500
Professional fees	50,295	63,677
Exploration and evaluation expenditures	24,768	24,833
Property examination costs	1,160	7,761
Share-based payments	22,286	30,901
	$ 220,491	$ 239,328

As at March 31, 2023, amounts owing to related parties were $44,587 (December 31, 2022 - $22,202). All related party balances are unsecured and are due within thirty days without interest.

As at March 31, 2023, included in marketable securities (Note 5) are:

a) 11,399,910 shares with a fair value of $341,997 in Arcus Development Group, a company with two directors and a former officer in common; and

b) 250,000 shares with a fair value of $17,500 in Rockhaven Resources Ltd., a company with two directors in common.

(Expressed in Canadian Dollars)

11. Supplemental cash flow information

The Company incurred non-cash financing and investing activities during the three months ended March 31, 2023 and 2022 as follows:

	2023	2022
Non-cash financing activities:		
Share issue costs on finders' warrants issued	$ -	$ (76,166)
Shares issued for mineral property interests	-	59,513
Share capital reduced by flow-through share premium	-	247,500
Share issuance costs in accounts payable	-	246,338

	2023	2022
Non-cash investing activities:		
Marketable securities received as option payment	$ -	$ (6,000)
Equipment purchased included in accounts payable and related party payables	-	3,500

During the three months ended March 31, 2023 and 2022, no amounts were paid for interest or income tax expenses.

12. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at March 31, 2023 is comprised of shareholders' equity of $4,803,038 (December 31, 2022 - $5,136,233). There were no changes to the Company's capital structure during the three months ended March 31, 2023 and 2022.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional funds from equity markets.

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, reclamation deposit, accounts payable and accrued liabilities, and accounts payable to related parties.

The carrying value of receivables, accounts payable and accrued liabilities, accounts payable to related parties, and deposits received approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the condensed consolidated interim statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

12. Financial risk management (continued)

Financial instruments - fair value (continued)

	Level 1	Level 2	Level 3	Total
March 31, 2023				
Cash and cash equivalents	$ 4,024,006	$ -	$ -	$ 4,024,006
Marketable securities	361,774	-	-	361,774
Reclamation deposits	169,135	-	-	169,135
	$ 4,554,915	$ -	$ -	$ 4,554,915

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Cash and cash equivalents	$ 4,314,779	$ -	$ -	$ 4,314,779
Marketable securities	134,126	-	-	134,126
Reclamation deposits	170,206	-	-	170,206
	$ 4,619,111	$ -	$ -	$ 4,619,111

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and market and currency risk.

a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal accounts receivable exposure as its refundable credits are due primarily from the Canadian Government.

b) Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash equivalents.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

d) Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the March 31, 2023 value of marketable securities, every 10% increase or decrease in the share prices of these companies would have impacted loss for the period, up or down, by approximately $36,000 (2022 - $38,000) before income taxes.

e) Currency risk

The Company is exposed to currency risk because it holds funds and receivables in United States Dollars ("USD"), which, because of fluctuating exchange rates can create gains or losses at the time the funds are converted to Canadian dollars. The Company has no control over these fluctuations and does not hedge its foreign currency holdings. Based on its March 31, 2023 USD holdings, every 5% increase or decrease in the exchange rate would have had an insignificant impact on profit or loss before income taxes.

(Expressed in Canadian Dollars)

13. Commitments

On March 31, 2022, the Company completed a private placement of flow-through units for gross proceeds of $4,000,000 (Note 9). The Company is required to spend $3,997,500 of the funds on qualified exploration programs no later than December 31, 2023. The expenditures and available income tax benefits were renounced to the flow-through shareholders effective December 31, 2022. As of March 31, 2023, all of the funds had been spent.

On November 15, 2022, the Company completed a private placement of flow-through shares for gross proceeds of $1,000,000 (Note 9). The Company is required to spend the funds on qualified exploration programs no later than December 31, 2023. The expenditures and available income tax benefits were renounced to the flow-through shareholders effective December 31, 2022. As of March 31, 2023, $61,318 of the funds had been spent, $938,682 remains to be spent.

A summary of the Company's flow-through premium liability as at March 31, 2023 and December 31, 2022 and changes during the periods then ended is as follows:

	March 31, 2023	December 31, 2022
Balance, beginning of the year	$ 4,894	$ 56,281
Addition pursuant to financing	-	247,500
Reduction, pro rata based on eligible expenditures	(4,894)	(298,887)
Balance, end of the year	$ -	$ 4,894

No portion of the flow-through exploration obligation is accrued for accounting purposes, while the flow-through premium liability, although accrued, is a non-cash item which will ultimately be included in profit or loss.

14. Subsequent event

On April 6, 2023, the Company announced that it had entered into a definitive agreement (the "Arrangement Agreement") with Hecla Mining Company ("Hecla") whereby Hecla will acquire all of the issued and outstanding shares of the Company for consideration payable in Hecla common shares and in shares of a new exploration company, named Cascadia Minerals Ltd. ("Cascadia") (the "Transaction"). The consideration will consist of 0.0166 common shares in the capital of Hecla and 0.1 common shares in the capital of Cascadia for each one common share of the Company held. The Hecla shares to be received by the Company's shareholders represent a value of $0.14 per Company common share held based on Hecla's 5-day volume-weighted average trading price ending April 3, 2023.

Cascadia will hold all of the Company's rights and interests related to the Catch, PIL, Rosy, and Idaho Creek projects (the "Cascadia Assets"), subject to a right of first refusal to Hecla to acquire any or all of the Cascadia Assets, as well as the Company's cash balance following completion of the Transaction. The Company intends to apply for a listing of Cascadia shares on the TSX-V.

Hecla has also agreed to make a $2,000,000 strategic investment into Cascadia (the "Strategic Investment"), in which Hecla will acquire 5,502,957 units of Cascadia (the "Cascadia Units") at a price of $0.36 per Cascadia Unit. Each Cascadia Unit will contain one common share of Cascadia and one warrant, each warrant entitling Hecla to purchase one additional Cascadia common share for a period of five years at a price of $0.36. Following completion of the Transaction and the Strategic Investment, Company shareholders will own 80.1% and Hecla will own 19.9% of Cascadia's issued and outstanding common shares.

The Transaction will be effected by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia), requiring the approval of at least 66 2/3% of the votes cast by: (i) the ATAC shareholders; and (ii) the ATAC shareholders, ATAC option holders and ATAC warrant holders of the Company (collectively, the "Securityholders"), voting together as a single class (the "Arrangement Resolution") at a special meeting of the Company's Securityholders called to consider, among other matters, the Arrangement Resolution and the Transaction (the "Meeting").

14. Subsequent event (continued)

The directors and officers of the Company have entered into voting support agreements with Hecla, pursuant to which they have agreed, among other things, to vote their Company securities in favour of the Arrangement Resolution and the Transaction.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals including, but not limited to, TSX-V acceptance and the satisfaction of certain other closing conditions customary in transactions of this nature. The Arrangement Agreement contains customary provisions including non-solicitation, "fiduciary out" and "right to match" provisions, as well as a C$1.65 million termination fee payable to Hecla under certain circumstances. The Arrangement Agreement, which describes the full particulars of the Arrangement, will be made available on SEDAR under the Company’s issuer profile at www.sedar.com.