JUBILEE GOLD EXPLORATION LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management of the Company.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

JUBILEE GOLD EXPLORATION LTD.

Unaudited Condensed Interim Statements of Financial Position
As at June 30, 2022 and December 31, 2021
(Expressed in Canadian dollars)

	June 30, 2022	December 31, 2021
	$	$
Assets		
Current Assets		
Cash	**401,379**	257,447
Accounts receivable	**4,190**	5,749
Prepaid expenses	**2,750**	1,000
Total Current Assets	**408,319**	264,196
Non-Current Assets		
Property and equipment (Note 4)	**129,019**	131,639
Investments (Note 5)	**4,797,761**	5,929,305
Mineral exploration claims (Note 6)	**58,212**	58,212
Total Non-Current Assets	**4,984,992**	6,119,156
Total Assets	**5,393,311**	6,383,352
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 7 and 10)	**189,177**	216,325
Loan payable (Note 10)	**127,500**	127,500
Total Current Liabilities	**316,677**	343,825
Non-Current Liabilities		
Long-term debt (Note 8)	**59,962**	59,925
Total Liabilities	**376,639**	403,750
Shareholders' Equity		
Share capital (Note 9)	**7,767,494**	7,767,494
Contributed surplus	**4,619,759**	4,619,759
Accumulated deficit	**(7,370,581)**	(6,407,651)
Total Shareholders' Equity	**5,016,672**	5,979,602
Total Liabilities and Shareholders' Equity	**5,393,311**	6,383,352

Nature of operations (Note 1)
Contingencies (Note 12)

APPROVED ON BEHALF OF THE BOARD

/signed/ "J.J. Becker"	/signed/ "Grant V. Ohman"
Director	Director

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

JUBILEE GOLD EXPLORATION LTD.
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the Three and Six Months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	Three Months ended June 30,		Six Months ended June 30,	
	2022	2021	**2022**	2021
	$	**$**	**$**	**$**
Expenses				
Professional fees (Note 10)	**18,990**	19,950	**43,291**	47,809
General exploration	**15,023**	15,020	**30,233**	30,059
General and administration	**5,053**	4,215	**14,428**	10,317
Directors and management fees (Note 10)	**1,251**	3,001	**2,501**	6,001
Mining and property taxes	**1,390**	1,389	**6,953**	5,504
Transfer agent fees	**486**	1,135	**4,929**	3,367
Amortization (Note 4)	**1,304**	1,357	**2,620**	2,727
Total Expenses	**43,497**	46,067	**104,955**	105,784
Loss Before Other Income	**(43,497)**	(46,067)	**(104,955)**	(105,784)
Other Income (Expenses)				
Investment income	**9,859**	7,827	**24,605**	16,295
Lease income	**-**	-	**-**	1,500
Royalties (Note 6)	**85,303**	82,259	**85,303**	82,259
Realized gains (loss) on investments	**-**	30,431	**(68,344)**	30,431
Unrealized (loss) gains on investments	**(1,588,624)**	260,083	**(899,496)**	(1,604,614)
Gain (loss) on foreign exchange	**(43)**	(167)	**(43)**	100
Total Other Income (Expenses)	**(1,493,505)**	380,433	**(857,975)**	(1,474,029)
Net (Loss) Income and Comprehensive (Loss) Income	**(1,537,002)**	334,366	**(962,930)**	(1,579,813)
Net (Loss) Income per share – basis	**$ (0.19)**	$ 0.04	**$ (0.12)**	$ (0.20)
Net (Loss) Income per share – diluted	**$ (0.19)**	$ 0.04	**$ (0.12)**	$ (0.20)
Weighted average number of common shares outstanding				
- Basic	**7,961,578**	7,961,578	**7,961,578**	7,961,578
- Diluted	**7,961,578**	8,636,578	**7,961,578**	7,961,578

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

JUBILEE GOLD EXPLORATION LTD.
Unaudited Condensed Interim Statements of Changes in Shareholders' Equity
For the Six Months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	Share Capital	Contributed Surplus	Accumulated Deficit	Total
	$	**$**	**$**	**$**
Balance, December 31, 2020	**7,684,494**	**4,619,759**	**(4,391,090)**	**7,996,163**
Net loss and comprehensive loss	-	-	(1,579,813)	(1,579,813)
Balance, June 30, 2021	**7,767,494**	**4,619,759**	**(5,970,903)**	**6,416,350**
Balance, December 31, 2021	**7,767,494**	**4,619,759**	**(6,407,651)**	**5,979,602**
Net loss and comprehensive loss	**-**	**-**	(962,930)	(962,930)
Balance, June 30, 2022	**7,767,494**	**4,619,759**	**(7,368,581)**	**5,016,672**

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

JUBILEE GOLD EXPLORATION LTD.
Unaudited Condensed Interim Statements of Cash Flows
For the Six Months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
Operating Activities		
Net loss for the period	**(962,930)**	(1,579,813)
Items not affecting cash:		
Amortization (Note 4)	**2,620**	2,727
Realized loss (gains) on disposals of investments	**68,344**	(30,431)
Unrealized loss on investments	**899,496**	1,604,613
Interest on long-term debt (Note 8)	**37**	(28)
	7,567	(2,932)
Change in non-cash working capital items:		
Accounts receivable	**1,559**	558
Prepaid expenses	**(1,750)**	(1,212)
Accounts payable and accrued liabilities (Note 7)	**(27,148)**	(17,340)
Net Cash Flows (used in) Operating Activities	**(19,772)**	(20,926)
Financing Activities		
Proceeds from government loans (Note 8)	**-**	20,000
Net Cash Flows from Financing Activities	**-**	20,000
Investing Activities		
Additions of investment	**-**	(24,935)
Proceeds from disposals of investments	**163,704**	35,995
Net Cash Flows from Investing Activities	**163,704**	11,060
Increase in cash	**143,932**	10,134
Cash, beginning of period	**257,447**	300,154
Cash, end of period	**401,379**	310,288

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

1. Nature of Operations

Jubilee Gold Exploration Ltd. ("Jubilee" or the "Company") is a public company listed on the TSX Venture Exchange ("TSX-V") that was incorporated under the laws of Ontario. Jubilee is controlled by the Company's Chief Executive Officer ("CEO"), Jeffrey Becker. The address of the Company's registered office is 696 Warden Avenue, Toronto, Ontario, M1L 4W4, Canada.

The Company's primary business consists of exploring its resource properties to determine whether the properties contain reserves that are economically recoverable. The Company is in the process of exploring its resource properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The Company also holds investments and earns investment income and royalty income.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that any exploration programs will result in profitable mining operations. The recoverability of the carrying value of mineral exploration claims and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material impairment of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory and social requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

These unaudited condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, the ability of the Company to identify, evaluate, and negotiate an acquisition of, a participation in or an interest in properties, assets, or businesses. Management believes that it has sufficient investments to meet the Company's liabilities and commitments over the next 12 months as they come due. These unaudited condensed interim financial statements do not reflect any adjustments to amounts that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Basis of Preparation

(a) Statement of Compliance

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting ("IAS 34").

These unaudited condensed interim financial statements have been prepared in accordance with the same accounting policies, critical estimates and methods described in the Company's annual financial statements. Given that certain information and footnote disclosures have been condensed or excluded in accordance with IAS 34, they do not include all of the information and disclosures required by IFRS for annual financial statements. As such, these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements as at and for the year ended December 31, 2021, including the accompanying notes thereto.

These unaudited condensed interim financial statements were reviewed, approved and authorized for issuance by the Board of Directors (the "Board") of the Company on August 8, 2022.

2. Basis of Preparation (continued)

(b) Basis of Measurement

These unaudited condensed interim financial statements were prepared under the historical cost convention except for financial instruments which are measured at fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Functional Currency

These unaudited condensed interim financial statements are presented in Canadian dollars ("$"), which is also the Company's functional currency. The functional currency is the currency of the primary economic environment in which the Company operates.

(d) Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Expected credit losses on financial assets

Determining an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Impairment

Long-lived assets, including property and equipment and mineral exploration claims, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value, less costs to sell, and its value in use.

If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

2. Basis of Preparation (continued)

(d) Significant Accounting Judgments and Estimates (continues)

Income taxes

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

3. Summary of Significant Accounting Policies

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those noted in the Company's audited financial statements for the year ended December 31, 2021, unless otherwise noted below.

(a) Changes in Accounting Policies

The Company adopted the following amendments, effective January 1, 2022. There was no material impact upon the adoption of these amendments on the unaudited condensed interim financial statements.

Amendments to IAS 1 – Presentation of Financial Statement ("IAS 1")

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. The Company early-adopted the amendments as permitted.

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(a) Changes in Accounting Policies (continued)

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”)

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amended IAS 8. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments to IAS 8 are effective for annual periods beginning on or after January 1, 2023. The Company early-adopted the amendments as permitted.

4. Property and Equipment

As at June 30, 2022, the Company’s property and equipment are as follows:

	Office Building	Total
	$	**$**
Cost		
December 31, 2021 and June 30, 2022	184,389	**184,389**
Accumulated Amortization		
December 31, 2021	52,750	**52,750**
Amortization	2,620	**2,620**
June 30, 2022	55,370	**55,370**
Net Book Value		
December 31, 2021	131,639	**131,639**
June 30, 2022	129,019	**129,019**

5. Investments

As at June 30, 2022, the Company’s investments are comprised of the following:

	June 30, 2022	December 31, 2021
	$	$
Long-term Financial Assets		
Equity portfolio investments at FVTPL (Costs: $5,806,027; December 31, 2021 – $6,038,075)	**4,704,036**	5,835,580
Non-Financial Assets		
Gold and silver (at cost) (Estimated fair value: $316,324; December 31, 2021 – $312,818)	**93,725**	93,725
	4,797,761	5,929,305

(Expressed in Canadian dollars)

6. Mineral Exploration Claims

A summary of the Company's mining claims and royalty interests as at and for the six months ended June 30, 2022 is as follows:

	January 1, 2022	Net Additions	Dispositions/ Impairments	June 30, 2022
	$	$	$	$
Staked Claims				
Brackin, Stover, ON	9,660	-	-	9,660
Geary, ON	11,325	-	-	11,325
Harker Township, ON	342	-	-	342
Holloway, Tannahill, ON	685	-	-	685
Munro, ON	2,946	-	-	2,946
Todd, ON	4,512	-	-	4,512
	29,470	-	-	**29,470**
Patented Claims				
Brackin-Leeson, ON	8,141	-	-	8,141
Harker, ON	15,000	-	-	15,000
McVittie, ON	1	-	-	1
	23,142	-	-	**23,142**
Leases				
Elliott Lake, ON	312	-	-	312
Elmhirst, ON	1	-	-	1
Geary, ON	1,200	-	-	1,200
Harker, ON	3,470	-	-	3,470
Hislop, ON	600	-	-	600
Holloway, ON	2	-	-	2
Irwin, Pifher, ON	1	-	-	1
	5,586	-	-	**5,586**
Royalties				
Baird-Farlie, ON	1	-	-	1
Bourlamaque, PQ	1	-	-	1
Munro-Croesus	1	-	-	1
Casummit Lake, ON	1	-	-	1
Coleman, ON	1	-	-	1
Duprat, PQ	1	-	-	1
German-Stock, ON	1	-	-	1
Guillet Township, PQ	1	-	-	1
Heyson-Baird, ON	1	-	-	1
McElroy, ON	1	-	-	1
McGarry, ON	2	-	-	2
North Palladium 20% Net Profits, PQ	1	-	-	1
Pagwachuan Lake, ON	1	-	-	1
	14	-	-	**14**
Total Mineral Exploration Claims	**58,212**	-	-	**58,212**

6. Mineral Exploration Claims (continued)

(a) Net Smelter Return Royalties Receivable

Elmhirst Property

The Elmhirst Property, a four-claim lease in the Beardmore-Geraldton area of north-central Ontario, was optioned by the Company to Laurion Mineral Exploration Inc. ("Laurion") pursuant to an option agreement (the "Elmhirst Option Agreement") dated August 30, 2011. Laurion had the right to earn a 60% interest in the property by making aggregate cash payments of $52,000, issuing 290,000 common shares of Laurion and incurring $500,000 in exploration expenditures over a five-year period. The Company received the cash payment of $10,000 in May 2018.

The Elmhirst Option Agreement was amended in 2018 provided Laurion with the right to earn an additional 40% interest in the Jubilee leases by issuing a further 160,000 common shares of Laurion in 2018, making additional cash payments of $50,000 and, incurring an additional $333,333 in exploration expenditures and granting a 2% Net Smelter Return ("NSR") Royalty to the Company. Laurion has the right to purchase 1% of the retained NSR for $1,000,000.

In 2019, the Company received the final option payment of $20,000 pursuant to the amended option agreement from 2018, which was included in other income on the statement of income.

Brenbar Gold Property

On December 30, 2019, Laurion entered into another option agreement with the Company, for the acquisition of the Brenbar Gold Property (the "Brenbar Option Agreement") which is also located in the Beardmore-Geraldton area, immediately adjoining the west side of Laurion's flagship area properties. Pursuant to the Brenbar Option Agreement, Laurion was required to make a cash payment of $50,000 and issue 300,000 shares to the Company upon execution of the agreement, in order to acquire (i) the option to earn up to a 100% undivided working interest in the project; and (ii) the sole, exclusive, irrevocable, and immediate right to enter upon and conduct mining operation in and on the project for a period of five years from closing of the agreement.

In order to maintain the right to operate and exercise the option, Laurion is required to make additional cash payments totaling $115,000, and issue an aggregate of 460,000 additional shares, and incur an additional $300,000 in exploration expenditures within a three-year period from the execution of the Brenbar Option Agreement. Upon vesting, Jubilee would retain a 3% NSR on gold production and a 1.5% NSR on base metal production, with Laurion having the right to purchase 1% of the royalties for $1 million.

During the year ended December 31, 2020, the Company received (i) total cash payments of $115,000, including a payment of $50,000 due on execution, and (ii) 460,000 Laurion common shares, including 300,000 shares due on execution, valued at $80,800 based on the share price of the Laurion shares on the date of receipt. The consideration received had been recorded as other income on the statements of (loss) income. During the year ended December 31, 2020, the Company also recognized other income of $20,000, on the 100,000 shares issuable by Laurion on the 12-month anniversary of the Brenbar Option Agreement.

On January 13, 2021, the Company received the 100,000 common shares from Laurion.

Violet and Beaver Properties, Coleman Township

On May 10, 2011, the Company entered into an option agreement with Grupo Moje Limited ("Grupo"), whereby the Company granted Grupo the exclusive right and option to acquire a 100% undivided interest in the Violet and Beaver Properties. The Company holds a 3% NSR of which each 1% of the NSR can be purchased from the Company for $1,500,000. The Violet and Beaver Properties are currently owned by Canada Silver Cobalt Works Inc.

Baird-Farlie Township Property

The Baird-Farlie Township Property (Humlin and Red Ruth Properties), in the Red Lake District of Ontario ("Red Lake"), is currently owned by Evolution Mining. The Company is entitled to a sliding scale NSR based on the price of gold with a 4% NSR if the price of gold per troy ounce exceeds USD $800.

6. Mineral Exploration Claims (continued)

(a) Net Smelter Return Royalties Receivable (continued)

Casummit Lake Property (Springpole)

In 2010, the Company entered into a milestone claims royalty agreement with Gold Canyon Resources Inc. ("Gold Canyon") to sell and transfer the recorded title of certain Casummit claims to Gold Canyon for cash and share consideration. The Company holds a 3% NSR of which Gold Canyon can purchase 1% NSR for $1,000,000. Gold Canyon shall pay the Company an annual advanced royalty of $70,000, which will be adjusted by the Consumer Price Index ("CPI") published by Statistics Canada each year, payable within 90 days of each fiscal year-end of Gold Canyon. Gold Canyon will also issue 100,000 common shares to the Company upon each of the first to fifth anniversary of the TSX-V approval of the agreement. In 2015, Jubilee received the final issuance of 100,000 common shares of Gold Canyon.

On July 12, 2010, the Company entered into a royalty agreement with Gold Canyon and the Company retains a 3% NSR on a second Casummit claim group. Gold Canyon has the right to re-acquire a 1% NSR upon payment of an aggregate of $500,000. No royalties have been received with respect to this arrangement. First Mining Gold Corp. ("First Mining") had acquired Gold Canyon in November 2015.

During the six months ended June 30, 2022, the Company received advanced royalties of $85,303 (2021 – $82,259) on the Casummit Property.

German-Stock Property (Clavos Project)

In 1996, the Company purchased a royalty interest in some mining properties from a company under common management, Clavos Porcupine Mines Limited, for an exchange amount of $100,000. The Company is entitled to receive future royalty payments as follows:

(i) A payment of $200,000 in cash upon commencement of commercial production.

(ii) A royalty based upon a sliding scale NSR based on gold price and subject to changes in the CPI.

(iii) The agreement also provides for a royalty payment in the event that an active exploration program is not commenced within 12 months of the gold price exceeding USD $650 per ounce for more than 90 consecutive days.

In July 2018, Sage Gold Inc. ("Sage"), the owner of the Clavos Project at that time, was issued a Court Order by the Ontario Superior Court of Justice Commercial List (the "Court"), and a receiver was appointed by the Court to oversee all the assets, undertakings and properties of Sage. The receivership application was brought forth by CRH Funding II Pte. Ltd. ("CRH"), alleging that Sage had become insolvent and was unable to fulfill its obligations to CRH under a gold prepayment agreement.

To date, commercial production has not commenced on this project and no royalties are currently recoverable.

Guillet Township Property (formerly the Belletere Mine)

The Company holds a 2% NSR on two mining concessions located in the Township of Guillet, Quebec of which one-half of the NSR can be purchased for $500,000.

Duprat Township Property

The Company holds a 7.5% interest in the net proceeds of commercial exploitation from 10 mining claims, and a 2% NSR on 51 additional claims, both located in Duprat Township, in the Noranda Mining Camp, Quebec.

6. Mineral Exploration Claims (continued)

(a) Net Smelter Return Royalties Receivable (continued)

McGarry Royalty

The Company holds a royalty interest in certain mining claims currently held by Orefinders Resources Inc. ("Orefinders") in McGarry Township within the Larder Lake Mining Division of Ontario ("Larder Lake"). The Company is entitled to royalties determined at the greater of:

(i) An NSR royalty based on the price per troy ounce as follows:
  - 2% when less than USD $500
  - 3% when greater than USD $500 and less than US$800
  - 4% when greater than USD $800; or

(ii) $1.00 per short ton of ore derived from the properties; and

(iii) An advance royalty payment of $21,573 payable quarterly, adjusted to the CPI.

Mirado and Derlak Properties

The Company holds a 3% NSR in the Mirado project located in Larder Lake.

The Company also holds a 3% NSR in the Derlak project located in Red Lake. Orefinders has the right to purchase 1% of the retained NSR at any time for $1,000,000. On March 10, 2017, Orefinders completed the sale of the Derlak project to Pure Gold Mining.

Birney Lake Property

The Company retains a 1% NSR on the Birney Lake Property located in southwestern New Brunswick that is currently owned and actively being explored by Galway Metals Inc. ("Galway Metals"). On July 27, 2020, the Company entered into an agreement (the "Birney Lake Agreement") to sell its 1% NSR on the Birney Lake Property to Galway Metals. Under the terms of the Birney Lake Agreement, Galway Metals will pay the Company a total purchase price of $580,000 comprised of a cash payment of $100,000 and 400,000 common shares of Galway Metals.

On August 4, 2020, the Company received the cash payment of $100,000, and 400,000 common shares of Galway Metals, which are valued at $480,000 based on the closing share price of Galway Metals. In 2020, a gain of $579,999 was recorded on the disposal of the 1% NSR on the Birney Lake Property.

Pagwachuan Lake Property

The Company holds a 3% NSR in this project located in the Pagwachuan Lake Area in Ontario. Argonaut Gold Inc. has the right to purchase 1% of the retained NSR at any time for $1,000,000.

Munro Property (Croesus-Munro)

On October 30, 2020, the Company entered into an agreement of purchase and sale (the "Munro Sale Agreement") to sell the Croesus-Munro Property in Larder Lake to Epica Gold Inc. ("Epica Gold"), a wholly owned subsidiary of HighGold Mining Inc. ("HighGold"). Under the terms of the Munro Sale Agreement, Epica Gold is required to pay total consideration to the Company comprised of a cash payment of $25,000, and the issuance of 275,000 shares of HighGold for various mineral claims under patented properties, and other claims, leases and rights.

Pursuant to a NSR Royalty Agreement entered in conjunction to the Munro Sale Agreement, the Company also granted Epica Gold the option to purchase half of the Company's retained royalty with respect to the concerned properties for $2,000,000.

6. Mineral Exploration Claims (continued)

(a) Net Smelter Return Royalties Receivable (continued)

Munro Property (Croesus-Munro) (continued)

In 2020, the Company recognized total other income of $478,750 on the sale, including an amount of $453,750 recorded on the 275,000 shares issuable by HighGold. The shares were valued based on the share price of HighGold on the execution date of the Munro Sale Agreement.

In 2021, the Company received the 275,000 common shares from HighGold.

(b) Net Smelter Return Royalties Payable

Elliott Lake Property (Ghost Lake)

The Company has a 2.5% NSR obligation on net proceeds of production to Ty Randa on the Elliott Township Property in Larder Lake.

Harker Township Property (Golden Harker)

The Company has a 2% NSR obligation to Goldcorp Inc. on three mineral claims within the Golden Harker Property in Larder Lake.

Munro Property (Croesus-Munro)

The Company has a 2% NSR obligation to Canadian Johns Mansville on eight leased claims in the north part of Munro Township.

7. Accounts Payable and Accrued Liabilities

Accounts payable of the Company are principally comprised of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities.

Accounts payable and accrued liabilities as at June 30, 2022 are due within one year.

8. Long-Term Debt

On September 17, 2020, the Company received $40,000 in revolving credit (the "CEBA Loan") from the Government of Canada under the Canada Emergency Business Account (CEBA) COVID-19 Economic Response Plan. The funding is granted in the form of an interest-free loan of which up to $40,000 may be drawn. On January 1, 2021, any balance remaining on the CEBA Loan automatically converted to a non-revolving term loan with a maturity date of December 31, 2022. Effective January 1, 2023, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum. If 75% of the outstanding balance of the CEBA Loan is repaid on or before December 31, 2022, the remaining 25% of the balance shall be forgiven. The CEBA Loan must be repaid in full by no later than December 31, 2025.

In 2021, the Company received an additional CEBA Loan in the amount of $20,000 under the CEBA Loan expansion program.

The CEBA Loan was measured at a present value of $53,967 on initial recognition. During the six months ended June 30, 2022, accretion of $1,415 (2021 – $1,296) had been recorded in profit or loss.

On January 12, 2022, the Government of Canada announced the extension of the CEBA Loan repayment deadline and interest-free period to December 31, 2023.

(Expressed in Canadian dollars)

9. Share Capital and Stock Options

Share capital

As at June 30, 2022, the authorized share capital of the Company consists of an unlimited number of Class A common shares. Each shareholder has the right to vote their number of shares at a shareholders' meeting. The Class A common shares do not have a par value. All issued shares are fully paid.

The Company's share issued and outstanding as at June 30, 2022 are as follows:

	June 30, 2022	December 31, 2021
	$	$
Issued: 7,961,578 Class A common shares	**7,767,494**	7,767,494

There are no share capital transactions during the six months ended June 30, 2022 and 2021.

Stock options

The Company is authorized to issue stock options to employees, officers and consultants. The options' maximum term is ten years, and they vest immediately.

As at June 30, 2022, there were 675,000 outstanding and exercisable stock options. The weighted average exercise price of the stock options was $0.15, and the weighted average remaining contractual life of the stock options was 0.72 years. All options have an expiry date of March 19, 2023.

10. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

Related party loan

On April 6, 2016, the Company entered into a loan agreement with the CEO, who is also a director and controlling shareholder of Jubilee, providing for the terms and conditions pursuant to which Jeffrey Becker loaned the Company a principal amount of $300,000 (the "Loan") by evidenced of a promissory note. The Loan has a term of five years and is payable on demand after one year. The Loan bears interest at the rate of 1% per annum payable yearly on the date of each annual anniversary. The Loan is convertible at the option of the holder into Class A common shares of the Company at any time until the date of expiry of the loan term. The terms and conditions of the Loan provide that accrued interest can also be paid through the issuance of Class A common shares.

The conversion rate will be determined based on a price per Class A common share that is not less than the market price of the Class A common shares at the time of the conversion of the loan or at the time the accrued interest is payable, all subject to TSX-V acceptance. If at the time of conversion, the Company is no longer a publicly traded reporting issuer; the conversion price shall be $0.10 for any amount of principal or accrued interest to be converted.

The estimated fair value of the conversion option at the time of issue and as at June 30, 2022 was $nil.

As at June 30, 2022, the loan payable balance was $127,500 (December 31, 2020 – $127,500). Accrued interest on the Loan of $8,695 (December 31, 2021 – $8,057) was included in accounts payable and accrued liabilities.

10. Related Party Transactions (continued)

Director fees

During the six months ended June 30, 2022, remuneration of $2,500 (2021 – $nil) had been recorded for services provided by certain directors to the Company. As at June 30, 2022, an amount of $2,500 (December 31, 2021 – $nil) due to the directors was included in accounts payable and accrued liabilities. This balance is unsecured, non-interest bearing and due on demand.

Management fees

Effective January 1, 2019, the amount previously accrued as management fees to an entity controlled by the CEO of the Company were invoiced by the entity, and the management remuneration had been amended and reduced to $1 per annum. During the six months ended June 30, 2022, $1 was paid for the accrued management fees owed to the entity controlled by the CEO of the Company (2021 – $1). As at June 30, 2022, total management fees of $151,754 (December 31, 2021 – $151,753) was outstanding to the entity controlled by the CEO and was included in accounts payable and accrued liabilities. This balance is unsecured, non-interest bearing and due on demand.

During the six months ended June 30, 2021, a director of Jubilee provided $6,000 of management services to the Company. As at June 30, 2022, no amount was due to the director (December 31, 2021 – $3,900 included in accounts payable and accrued liabilities).

Other related party transactions

During the six months ended June 30, 2022, Branson Corporate Services Ltd. (“Branson”), where the Chief Financial Officer (“CFO”) of the Company is employed, charged fees of $22,500 (2021 – $22,500), for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at June 30, 2022, an amount of $4,238 (December 31, 2021 – $nil) due to Branson was included in accounts payable and accrued liabilities. This balance is unsecured, non-interest bearing and due on demand.

11. Contingent Liabilities

Pursuant to an agreement dated May 1, 1941, the Company agreed to issue a $50,000 income note payable to an optionee, with non-cumulative interest bearing at 5% per annum, depending on net earnings, amongst other criteria. Net earnings were defined as gross proceeds from the sale of products derived from mining operations conducted upon the Irwin, Pifher Property (the “Irwin Property”), after deducting all expenses of every kind incurred in operating the Irwin Property.

As at June 30, 2022, neither exploration activity nor production has commenced on the Irwin Property and there is uncertainty as to the timing of payment of this income note payable. In the event that the Company sells the Irwin Property, the income note becomes null and void. As a result, no provision has been made in these unaudited condensed interim financial statements.

The Company’s exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made and expects to make expenditures in the future to comply with such laws and regulations.

12. Risk Management

The Board of the Company has the overall responsibility for the establishment and oversight of its risk management framework. Risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Board oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

12. Risk Management (continued)

The Company's financial instruments consist primarily of cash, investments, accounts payable and accrued liabilities, loan payable and long-term debt. The Company is exposed to various risks as it relates to these financial instruments. There have been no changes in risks, objectives, policies and procedures since the Company's most recent financial reporting period.

The following analysis provides a measure of the risks:

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through its cash holding and investments. Cash is held with a reputable Canadian chartered bank, and investments are held with a reputable financial institution, which are both closely monitored by management. The maximum credit risk is equivalent to the carrying values of the Company's cash and investments balances.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its needs. The Company forecasts cash flows for a period of 12 months to identify financial requirements. These requirements are met through cash management, dispositions of assets and accessing financing through loans.

As at June 30, 2022, the Company had cash of $401,379 (December 31, 2021 – $257,447) to settle current liabilities of $316,677 (December 31, 2021 – $343,825). All of the Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. As the Company has the ability to liquidate its investment portfolio, management believes that it has sufficient cash flows to meet its obligations for the next 12 months.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant. The methods and assumptions management use when accessing market risks are summarized below:

Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company maintains a portion of its cash and investments in United States dollars ("USD"). The Company does not engage in any hedging activities to reduce its foreign currency risk. As at June 30, 2022, the Company had cash held in USD accounts totaling $8,852 (December 31, 2021 – $11,833). A change in rates of plus or minus 1% would have a nominal effect on comprehensive income for the six months ended June 30, 2022. As at June 30, 2022, the Company held investments denominated in USD with a fair value totaling $179,051 (December 31, 2021 – $231,549).

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. The loss due to price risk on production is remote at this time since the Company is not a producing entity. There are certain investments in companies that may be producing entities who may be sensitive to fluctuations in commodity prices.

(Expressed in Canadian dollars)

12. Risk Management (continued)

Market risk (continued)

Equity price risk

The Company is exposed to equity price risk associated with changes in the market value of its investments. The Company closely monitors equity prices to determine the appropriate course of action to be taken. The Company's equity investments are concentrated in the resource sector. A 10% change in the quoted market of these investments would result in a change of approximately $470,404 to the Company's net loss for the six months ended June 30, 2022.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. As at June 30, 2022, the Company's financial instruments consisted of cash, investments, accounts payable and accrued liabilities and loan payable and long-term debt. The fair value of cash, accounts payable and accrued liabilities and loan payable are approximately equal to their carrying value due to their short-term nature. Investments in financial assets are carried at their fair value when there is an active market.

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that include the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities, and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are described below:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments – equity portfolio	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
December 31, 2021	5,835,580	-	-	5,835,580
June 30, 2022	4,704,036	-	-	4,704,036

As at June 30, 2022 and December 31, 2021, the Company's financial instruments carried at fair value consisted of its investments in publicly traded equities, which have been classified as Level 1 per Note 5. The fair value disclosure for investment in non-financial assets had also been classified as Level 1. There were no transfers between Levels 2 and 3 for recurring fair value measurements during the six months ended June 30, 2022, and the year ended December 31, 2021.

13. Capital Management

The Company's objectives when managing capital are:

(i) To safeguard its ability to continue as a going concern;
(ii) Continue the development and exploration of its mineral properties; and
(iii) Maintain a capital structure, which optimizes the cost of capital at acceptable risk.

For capital management purposes, the Company defines capital as its shareholders' equity that includes share capital, contributed surplus, and deficit. Funds are secured through equity capital. There can be no assurance that the Company will be able to obtain sufficient capital in the case of operating cash deficits. There has been no change with respect to the overall capital risk management strategy since the Company's most recent financial reporting period.

13. Capital Management (continued)

The Company is not subject to any externally imposed capital imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V 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 12 months.

As at June 30, 2022, management believes that the Company was compliant with TSX-V Policy 2.5.