# ROCKRIDGE RESOURCES LTD.

## INTERIM FINANCIAL STATEMENTS
**(Unaudited - Expressed in Canadian Dollars)**

## FOR THE THREE MONTHS ENDED OCTOBER 31, 2021

## UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended October 31, 2021.

**ROCKRIDGE RESOURCES LTD.**
INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT

| | Note | | **October 31, 2021** | | **July 31, 2021** |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current** | | | | | |
| Cash and cash equivalents | | $ | 355,712 | $ | 590,967 |
| Receivables | 5 | | 134,191 | | 120,559 |
| Prepaid expenses | | | 51,307 | | 133,954 |
| | | | 541,210 | | 845,480 |
| **Exploration and evaluation assets** | 4 | | 4,672,811 | | 4,562,697 |
| | | $ | 5,214,021 | $ | 5,408,177 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | |
| **Current** | | | | | |
| Accounts payable and accrued liabilities | 6 | $ | 45,928 | $ | 16,673 |
| | | | 45,928 | | 16,673 |
| **Shareholders' equity** | | | | | |
| Capital stock | 7 | | 8,818,678 | | 8,818,678 |
| Reserves | 7 | | 934,383 | | 934,383 |
| Deficit | | | (4,584,968) | | (4,361,557) |
| | | | 5,168,093 | | 5,391,504 |
| | | $ | 5,214,021 | $ | 5,408,177 |

**Nature and continuance of operations** (Note 1)

**Approved and authorized by the Board of Directors on December 17, 2021.**

| | | | |
|---|---|---|---|
| *"Jordan Trimble"* | Director | *"James Pettit"* | Director |
| Jordan Trimble | | James Pettit | |

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

**ROCKRIDGE RESOURCES LTD.**
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)
THREE MONTHS ENDED OCTOBER 31,

| | Note | | **2021** | | **2020** |
|---|---|---|---|---|---|
| **GENERAL AND ADMINISTRATIVE EXPENSES** | | | | | |
| Consulting fees | 9 | $ | 115,500 | $ | 238,950 |
| Office and administration | | | 13,618 | | 21,679 |
| Professional fees | | | 16,206 | | 18,175 |
| Rent | | | 6,171 | | 6,114 |
| Shareholder communications | | | 71,392 | | 122,111 |
| Share-based payments | 7 | | - | | 57,558 |
| Transfer agent and filing fees | | | - | | 3,390 |
| Travel | | | 687 | | 1,872 |
| | | | (223,574) | | (469,849) |
| Other income on realization of flow-through premium liability | 7 | | - | | 19,116 |
| Interest income | | | 163 | | - |
| **Loss and comprehensive loss for the year** | | $ | (223,411) | $ | (450,733) |
| **Basic and diluted loss per common share** | | $ | (0.01) | $ | (0.01) |
| **Weighted average number of common shares outstanding – basic and diluted** | | | 72,984,711 | | 51,286,325 |

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

**ROCKRIDGE RESOURCES LTD.**
INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
THREE MONTHS ENDED OCTOBER 31,

| | | 2021 | | 2020 |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Loss for the year | $ | (223,411) | $ | (450,733) |
| Other income on realization of flow-through liability | | - | | 19,116 |
| Share-based payments | | - | | 57,558 |
| Changes in non-cash working capital items: | | | | |
| Accounts receivable | | (13,632) | | (48,237) |
| Prepaid expenses | | 82,647 | | 55,907 |
| Accounts payable and accrued liabilities | | 29,255 | | 15,392 |
| Cash used in operating activities | | (125,141) | | (350,997) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Exploration and evaluation costs | | (110,114) | | (325,583) |
| Cash used in investing activities | | (110,114) | | (325,583) |
| **Increase (decrease) in cash during year** | | (235,255) | | (676,580) |
| **Cash, beginning of year** | | 590,967 | | 1,527,878 |
| **Cash, end of year** | $ | 355,712 | $ | 851,298 |

**Supplemental disclosure with respect to cash flows** (Note 11)

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

**ROCKRIDGE RESOURCES LTD.**
INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

| | Capital Stock | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number | | Amount | | Reserves | | Deficit | | Total |
| **Balance, as at July 31, 2020** | **51,123,282** | **$** | **6,166,696** | **$** | **662,046** | **$** | **(2,640,036)** | **$** | **4,188,706** |
| Private placements | 20,611,429 | | 2,636,300 | | - | | - | | 2,636,300 |
| Share issuance-property acquisition | 1,250,000 | | 180,000 | | - | | - | | 180,000 |
| Share issue costs | - | | (75,906) | | - | | - | | (75,906) |
| Share issue costs–finder warrants | - | | (28,541) | | 28,541 | | - | | - |
| Share-based payments | - | | - | | 243,796 | | - | | 243,796 |
| Flow-through premium liability | - | | (59,871) | | - | | - | | (59,871) |
| Loss for the year | - | | - | | - | | (1,721,521) | | (1,721,521) |
| **Balance, as at July 31, 2021** | **72,984,711** | **$** | **8,818,678** | **$** | **934,383** | **$** | **(4,361,557)** | **$** | **5,391,504** |
| Loss for the year | - | | - | | - | | (223,411) | | (223,411) |
| **Balance, as at October 31, 2021** | **72,984,711** | **$** | **8,818,678** | **$** | **934,383** | **$** | **(4,584,968)** | **$** | **5,168,093** |

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

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Rockridge Resources Ltd. (the "Company") was incorporated under the provisions of the *British Columbia Business Corporations Act* on November 10, 2015.

The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is considered to be in the exploration stage and substantially all of the Company's efforts will be devoted to financing and exploring these property interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable. The Company manages its business in a single operating segment: mineral exploration in Canada.

The head office and registered records office of the Company are located at Suite #1610 - 777 Dunsmuir Street, Vancouver, British Columbia, Canada.

The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration projects, and ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

While the Company has completed various private placements (Note 7), there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

## 2. BASIS OF PRESENTATION

### Statement of Compliance with International Financial Reporting Standards

These unaudited condensed interim financial statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements for the year ended July 31, 2021.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

## 3. SIGNIFICANT ACCOUNTING POLICIES

**Critical accounting estimates**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized, and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

**Cash and equivalents**

Cash is comprised of cash on hand and term deposits with its financial institution.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**Exploration and evaluation assets**

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets after an impairment test and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net recoverable amount.

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

### Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year. The Company had no provisions for environmental rehabilitation as at October 31, 2021.

### Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

### Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, share-based payments is measured at the fair value of goods or services received.

### Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. A premium liability is recognized for the share price premium paid by investors when acquiring the flow-through shares. The premium liability is reduced and other income is recognized on the renounced tax deductions as eligible expenditures are incurred.

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

**Financial instruments**

**<u>Classification</u>**

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The following table shows the classification of the Company’s financial instruments under IFRS 9:

| Asset or Liability | IFRS 9 Classification |
|---|---:|
| Cash | FVTPL |
| Receivables | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

**Financial instruments** (cont'd...)

**Measurement**

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

**Financial assets at FVTPL**
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**Financial assets at amortized cost**
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Equity investments at FVOCI**
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

**Debt investments at FVOCI**
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

*Impairment of financial assets at amortized cost:* The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(Unaudited - Expressed in Canadian Dollars)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

**Financial instruments** (cont'd...)

Financial instrument disclosures

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 4. EXPLORATION AND EVALUATION ASSETS

| Fiscal 2022 | Raney Gold Project | Knife Lake Project | Totals |
|---|---|---|---|
| **Acquisition costs:** | | | |
| Balance, beginning of the year | $ 253,350 | $ 956,832 | $ 1,210,182 |
| Cash payment | - | - | - |
| Share issuance | - | - | - |
| Balance, end of the year | 253,350 | 956,832 | 1,210,182 |
| **Exploration costs:** | | | |
| Balance, beginning of the year | 1,006,297 | 2,346,218 | 3,352,515 |
| Incurred during the year | | | |
| Assays | 1,097 | 278 | 1,375 |
| Camp costs | - | 470 | 470 |
| Field expenses | - | 5,360 | 5,360 |
| Geology | - | 20,689 | 20,689 |
| GIS/Logistics/Specialists | - | 76,091 | 76,091 |
| Helicopter | - | 5,058 | 5,058 |
| Maps and reports | - | 1,071 | 1,071 |
| Balance, end of the year | 1,007,394 | 2,455,235 | 3,462,629 |
| **Total costs** | $ 1,260,744 | $ 3,412,067 | $ 4,672,811 |

(Unaudited - Expressed in Canadian Dollars)

## 4. EXPLORATION AND EVALUATION ASSETS

| **Fiscal 2021** | **Raney Gold Project** | **Knife Lake Project** | **Totals** |
|---|---|---|---|
| **Acquisition costs:** | | | |
| Balance, beginning of the year | $ 217,350 | $ 793,028 | $ 1,010,378 |
| Cash payment | - | 19,804 | 19,804 |
| Share issuance | 36,000 | 144,000 | 180,000 |
| Balance, end of the year | 253,350 | 956,832 | 1,210,182 |
| **Exploration costs:** | | | |
| Balance, beginning of the year | 454,352 | 995,498 | 1,449,850 |
| Incurred during the year | | | |
| Assays | 31,773 | 29,547 | 61,320 |
| Camp costs | 10,873 | 37,461 | 48,334 |
| Consulting | 800 | - | 800 |
| Drilling | 328,675 | 273,645 | 602,320 |
| Field expenses | 30,997 | 141,840 | 172,837 |
| Fuel | - | 23,084 | 23,084 |
| Geology | 138,856 | 115,776 | 254,632 |
| Geophysics | - | 250,457 | 250,457 |
| GIS/Logistics/Specialists | - | 2,431 | 2,431 |
| Helicopter | - | 481,101 | 481,101 |
| Mag Survey | 1,500 | - | 1,500 |
| Mobil/demobilize | 6,166 | 15,111 | 21,277 |
| Supplies | 2,305 | 27,653 | 29,958 |
| Travel | - | 2,220 | 2,220 |
| Wildlife monitor | - | 394 | 394 |
| Rebate | - | (50,000) | (50,000) |
| Balance, end of the year | 1,006,297 | 2,346,218 | 3,352,515 |
| **Total costs** | $ 1,259,647 | $ 3,303,050 | $ 4,562,697 |

### Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

### Raney Gold Project, Ontario, Canada

The Company entered into a property option agreement dated September 1, 2016 with 1082545 B.C. Ltd. to acquire a 100% interest in eleven mineral claims located in the Raney Township, in the Porcupine Mining Division of Ontario. Pursuant to the agreement, the Company paid $160,000, issued 450,000 common shares (valued at $75,000) and incurred exploration expenditures of $1,100,000 to complete the acquisition.

(Unaudited - Expressed in Canadian Dollars)

## 4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

**Raney Gold Project, Ontario, Canada** (cont'd…)

The property is subject to a 2% net smelter royalty ("NSR") in favor of certain holders.

On January 18, 2019, the Company arranged with the Optionor to extend the date of when the Minimum Exploration Expenditures have to be incurred by one year for a payment of $10,000 (paid) and the issuance of 100,000 shares (issued and valued at $24,000). On December 20, 2019, the Company arranged an additional extension of the second anniversary obligations by six months.

The "Exclusion of Time", a discretionary measure that was implemented by the Ministry of Northern Development and Mines in consultation with the previous claim owners to allow the necessary time needed for the performing and reporting of assessment work on the mineral claims as well as the necessary consultations with First Nations, has expired on February 22, 2019. The Company has used conversion credits allowable under the new rules in Ontario that keep the claims in good standing until 2022.

On May 13, 2020, the Company acquired additional cells by way of staking for a cost of approximately $3,350.

**Knife Lake Project, Ontario, Canada**

The Company entered into a property option agreement dated November 1, 2018 with Eagle Plains Resources Ltd. to acquire a 100% interest in the Knife Lake Copper VMS project.

Pursuant to the agreement and extension agreement entered into, the Company paid $150,000 and issued 3,800,000 common shares valued at $781,500.

In order to complete the acquisition, the Company is required to issue an additional 1,750,000 common shares and incur additional exploration expenditures of $1,000,000 in stages based on the following schedule:

| Date for Completion | Cash Payment | Number of Common Shares to be Issued | Minimum Exploration Expenditures to be Incurred |
|---|---|---|---|
| On or before the third anniversary of the Acceptance Date[2] | $Nil | 750,000[1] | $Nil |
| On or before the fourth anniversary of the Acceptance Date[2] | $Nil | 1,000,000[1] | $1,000,000 |
| **TOTAL** | **Nil** | 1,750,000 | **$1,000,000** |

(1) Subject to such resale restrictions and legends as may be imposed by the applicable securities laws.
(2) "Acceptance Date" is January 2, 2019.

On September 21, 2020, the Company arranged with the Optionor to extend the second anniversary of when the minimum exploration expenditures must be incurred by six months from January 2, 2021 to June 2, 2021. With regards to this agreement extension, the Company has issued 300,000 common shares valued at $54,000.

The property is subject to a 2.5% NSR with a 1.5% buyback for $2,000,000 for all claims; except 2 claims where 1% is subject to a $1,000,000 buyback.

(Unaudited - Expressed in Canadian Dollars)

## 5. RECEIVABLES

The Company's receivables on October 31, 2021 and July 31, 2021 are as follows:

| | | October 31, 2021 | | July 31, 2021 |
|---|---|---|---|---|
| Amount due from a related party | $ | - | $ | 3,289 |
| Taxes recoverable | | 134,191 | | 117,270 |
| | $ | 134,191 | $ | 120,559 |

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities on October 31, 2021 and July 31, 2021 are as follows:

| | | October 31, 2021 | | July 31, 2021 |
|---|---|---|---|---|
| Accounts payable | $ | 26,076 | $ | 3,623 |
| Amount due to a related party (Note 9) | | 4,852 | | 1,050 |
| Accrued liabilities | | 15,000 | | 12,000 |
| | $ | 45,928 | $ | 16,673 |

Accounts payable is comprised principally of amounts outstanding for trade purchases relating to exploration and general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

## 7. CAPITAL STOCK AND RESERVES

**Authorized**

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

**Private placements**

During the first quarter of fiscal 2022, there have been no transactions.

During the fiscal 2021, the Company issued capital stock as follows:

On March 4, 2021 and March 8, 2021, the Company closed a non-brokered private placement of 16,620,000 units at a price of $0.125 per unit and 3,991,429 flow-through units at a price of $0.14 per flow-through unit. Each unit consists of one common share and one common share purchase warrant, each whole warrant is exercisable to purchase one additional common share at a price of $0.22 for the period of five years from the date of issuance. Each flow-through unit consists of one common flow-through share and one-half of one common share purchase warrant, each whole warrant is exercisable to purchase one additional common share at a price of $0.22 for the period of three years from the date of issuance.

On issuance, the Company recognized a flow-through premium of $59,871. The Company incurred $558,800 in flow-through expenditures resulting in a recovery recorded as other of income of $59,871.

In addition, the Company has paid finders' fees of a total of $61,000 and issued an aggregate 459,714 finders' warrants. Each finders' warrant is exercisable into one common share for a period of up to three years at a price of $0.22. The finders' warrants were valued at $28,541 using the Black-Scholes option pricing model with an expected life of 3 years, volatility of 94.58%, risk-free rate of 0.26% and a dividend rate of 0%. The Company incurred $14,906 in other share issue costs associated with the above financings.

(Unaudited - Expressed in Canadian Dollars)

## 8. STOCK OPTIONS AND WARRANTS

### Stock Option Plan

On November 22, 2016, the Company adopted a stock option plan. The stock option plan provides that, subject to the requirement of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. In addition, the number of common shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued shares calculated at the time of grant. All options granted under the stock option plan will expire not later than the date that is ten years from the date that such options are granted.

The following incentive stock options were outstanding at October 31, 2021:

| | Number of Shares | Exercise Price | Expiry Date |
|---|---|---|---|
| **Stock options:** | 1,850,000 | $ 0.25 | January 25, 2024 |
| | 100,000 | $ 0.35 | February 27, 2024 |
| | 150,000 | $ 0.25 | May 28, 2024 |
| | 100,000 | $ 0.21 | January 15, 2025 |
| | 1,500,000 | $ 0.175 | July 17, 2025 |
| | 100,000 | $ 0.20 | August 13, 2025 |
| | 200,000 | $ 0.21 | September 1, 2025 |
| | 100,000 | $ 0.20 | September 29, 2025 |
| | 2,000,000 | $ 0.15 | March 12, 2026 |
| | 6,100,000 | | |

The following warrants were outstanding at October 31, 2021:

| | Number of Shares | Exercise Price | Expiry Date |
|---|---|---|---|
| **Warrants:** | 8,470,000 | $ 0.35 | December 18, 2023 |
| | 204,925 | $ 0.35 | December 18, 2023 |
| | 253,363 | $ 0.25 | December 23, 2022 |
| | 3,891,358 | $ 0.25 | December 23, 2022 |
| | 353,500 | $ 0.175 | January 10, 2024 |
| | 17,000,000 | $ 0.175 | January 10, 2024 |
| | 1,995,715 | $ 0.22 | March 5, 2024 |
| | 459,714 | $ 0.22 | March 5, 2024 |
| | 16,620,000 | $ 0.22 | March 5, 2026 |
| | 49,248,575 | | |

(Unaudited - Expressed in Canadian Dollars)

## 8. STOCK OPTIONS AND WARRANTS (cont'd...)

**Stock Option Plan** (cont'd...)

Stock option and warrant transactions are summarized as follows:

| | Warrants | | Stock Options | |
|---|---|---|---|---|
| | Number | Weighted Average Exercise Price | Number | Weighted Average Exercise Price |
| Outstanding and Exercisable, July 31, 2020 | 31,245,446 | $0.24 | 3,700,000 | $0.22 |
| Additions | 19,075,429 | $0.22 | 2,400,000 | $0.16 |
| Expired / Cancelled | (1,072,300) | $0.50 | - | - |
| Outstanding, July 31, 2021 and October 31, 2021 | 49,248,575 | $0.23 | 6,100,000 | $0.20 |
| Exercisable, July 31, 2021 and October 31, 2021 | 49,248,575 | $0.23 | 6,050,000 | $0.20 |

During the period ended October 31, 2021, the Company granted Nil (Year ended July 31, 2021 – 2,400,000) options to consultants, officers and directors. Accordingly, using the Black-Scholes options pricing model, the stock options are recorded at fair value in the statement of loss and comprehensive loss. Total share-based compensation recognized in the statement of loss and comprehensive loss for options granted and vested was $Nil (Year ended July 31, 2021 – $243,796) and the weighted average value of each option granted during the period ending October 31, 2021 was $Nil (Year ended July 31, 2021 – $0.10) per option.

| | 2022 | 2021 |
|---|---|---|
| Risk-free interest rate | - | 0.25% |
| Expected life | - | 5 years |
| Annualized volatility | - | 90% |
| Estimated forfeiture rate | - | 0.00% |
| Dividend rate | - | 0.00% |

## 9. RELATED PARTY TRANSACTIONS

*Key Management Compensation*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate amount of expenditures paid or payable to key management personnel for the quarter ended (directors, former directors or companies with common directors) was as follows:

| | Oct 31, 2021 | Oct 31, 2020 |
|---|---|---|
| Consulting fees | $ 74,500 | $ 43,100 |
| Professional fees | - | 3,867 |
| | $ 74,500 | $ 46,967 |

(Unaudited - Expressed in Canadian Dollars)

## 9. RELATED PARTY TRANSACTIONS

The Company incurred the following amounts to a director for exploration expenditures:

| | Oct 31, 2021 | Oct 31, 2020 |
|---|---|---|
| Knife Lake Project, Saskatchewan, Canada | $ - | $ - |
| Raney Gold Project, Ontario, Canada | - | 12,000 |
| | $ - | $ 12,000 |

As at October 31, 2021, included in receivables is $Nil (2020 - $8,170) due from related parties and in accounts payable and accrued liabilities is $4,852 (2020 - $625) due to related parties.

*Administrative agreement*

The Company operates from the premises of a private company owned by a director that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company, no administration fee is charged.

*Consulting agreement*

During the year ended July 31, 2019, the Company entered into consulting agreements with two directors and an officer which contain a contingent obligation, exercisable at the option of the consultant, to pay a termination fee to each individual in the event of certain conditions involving concentrations of ownership of voting securities of the Company.

## 10. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

| | Period From August 1 to October 31, 2021 | Period From August 1 to October 31, 2020 |
|---|---|---|
| Loss before income taxes | $ (223,411) | $ (450,733) |
| Combined Canadian federal and provincial statutory rate | 26% | 26% |
| Expected income tax recovery at statutory tax rates | 58,087 | 117,191 |
| Change in unrecognized deductible temporary differences | (58,087) | (117,191) |
| Total deferred tax recovery | $ - | $ - |

Significant components of the Company’s temporary differences and unused tax losses include losses available for future periods as at October 31, 2021 of $223,411 (October 31, 2020 - 450,733) expiring in 2038.

(Unaudited - Expressed in Canadian Dollars)

## 11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

| | October 31, 2021 | October 31, 2020 |
|---|---|---|
| Cash paid or accrued during the period for interest | $ - | $ - |
| Cash paid during the period for income taxes | $ - | $ - |

For the three months ended October 31, 2021, there were no significant non cash transactions.

The significant non cash transactions during the year ended July 31, 2021 include:

a) The issuance of 1,250,000 common shares valued at $180,000 for exploration and evaluation assets;

b) Granting 459,714 finders' warrants valued at $28,541 as share issue costs through reserves;

c) Incurring exploration and evaluation asset expenditures of $1,356 through accounts payable and accrued liabilities.

## 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

Cash and cash equivalents are carried at fair value using a level 1 fair value measurement. The fair values of receivables and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of the instruments.

**Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivable. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies.

*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.

## 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at October 31, 2021, the Company had a cash balance of $355,712 to settle current liabilities of $45,928. The Company does not believe it is currently exposed to any significant liquidity risk.

(a) Interest rate risk

The Company has cash and cash equivalent balances held with financial institutions. The Company's current policy is to invest excess cash in short-term demand treasury bills issued by the Government of Canada and term deposits with its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk as most transactions are denominated in Canadian dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

## 13. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an option interest are in the exploration stage; as such the Company intends to rely on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital restrictions