



Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bam Bam Resources Corp.

Opinion

We have audited the consolidated financial statements of Bam Bam Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not generated any revenues and has negative cash flow from operations during the year ended June 30, 2021 and, as of that date, the Company has an accumulated deficit of \$21,801,997. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

October 28, 2021

BAM BAM RESOURCES CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2021 \$	June 30, 2020 \$
Assets		
Current assets		
Cash	1,057,876	8,778
GST receivable	73,606	39,961
Prepaid expenses and deposits	683,197	113,240
Total current assets	1,814,679	161,979
Non-current assets		
Equipment	—	2,897
Exploration and evaluation assets (Note 3)	2,398,170	915,833
Total non-current assets	2,398,170	918,730
Total assets	4,212,849	1,080,709
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	180,418	166,298
Loans payable (Note 5)	—	90,000
Total current liabilities	180,418	256,298
Shareholders' equity		
Share capital (Note 6)	20,299,798	9,628,682
Reserves	5,534,630	2,762,742
Deficit	(21,801,997)	(11,567,013)
Total shareholders' equity	4,032,431	824,411
Total liabilities and shareholders' equity	4,212,849	1,080,709

Nature and continuance of operations (Note 1)

Contingencies (Note 12)

Subsequent events (Note 14)

Approved and authorized for issuance by the Board of Directors on October 28, 2021:

/s/ "David Greenway"

David Greenway, Director

/s/ "Bryson Goodwin"

Bryson Goodwin, Director

(The accompanying notes are an integral part of these consolidated financial statements)

BAM BAM RESOURCES CORP.Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended June 30, 2021 \$	Year ended June 30, 2020 \$
Expenses		
Consulting fees (Note 4)	557,668	149,961
Depreciation	2,897	1,655
General and administrative	179,773	79,676
Investor relations	2,704,289	529,068
Management fees (Note 4)	819,403	255,100
Professional fees	244,041	48,879
Rent	27,300	—
Share-based payments (Note 8)	5,578,069	750,071
Transfer agent and filing fees	71,666	53,723
Travel	70,878	53,128
Total expenses	10,255,984	1,921,261
Loss before other income (expense)	(10,255,984)	(1,921,261)
Other income (expense)		
Recovery (write-down) of loan receivable (Note 4)	21,000	(21,000)
Write-down of exploration and evaluation assets (Note 3)	—	(148,947)
Total other income (expense)	21,000	(169,947)
Net loss and comprehensive loss	(10,234,984)	(2,091,208)
Basic and diluted loss per share	(0.18)	(0.50)
Weighted average shares outstanding	58,465,401	4,197,997

(The accompanying notes are an integral part of these consolidated financial statements)

BAM BAM RESOURCES CORP.

Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Reserves	Deficit	Total shareholders' equity
	Number	Amount \$			
Balance, June 30, 2019	6,192,753	7,844,464	2,177,189	(9,475,805)	545,848
Shares issued for cash	8,422,200	1,403,700	—	—	1,403,700
Shares issued for stock options exercised	1,050,000	402,900	(177,900)	—	225,000
Share issuance cost	—	(13,000)	—	—	(13,000)
Fair value of finders' warrants issued	—	(13,382)	13,382	—	—
Shares issued for mineral properties	7,500	4,000	—	—	4,000
Fair value of stock options granted	—	—	750,071	—	750,071
Net loss for the year	—	—	—	(2,091,208)	(2,091,208)
Balance, June 30, 2020	15,672,453	9,628,682	2,762,742	(11,567,013)	824,411
Shares issued for cash	45,165,000	4,565,000	—	—	4,565,000
Share issuance costs	—	(28,200)	—	—	(28,200)
Fair value of finders' warrants issued	—	(64,459)	64,459	—	—
Shares issued for warrants exercised	15,906,200	1,776,135	—	—	1,776,135
Shares issued for options exercised	5,225,925	2,642,477	(1,090,477)	—	1,552,000
Restricted share units granted	—	—	3,865,013	—	3,865,013
Shares issued for restricted share units vested	5,775,000	1,780,163	(1,780,163)	—	—
Fair value of stock options granted	—	—	1,713,056	—	1,713,056
Net loss for the year	—	—	—	(10,234,984)	(10,234,984)
Balance, June 30, 2021	87,744,578	20,299,798	5,534,630	(21,801,997)	4,032,431

(The accompanying notes are an integral part of these consolidated financial statements)

BAM BAM RESOURCES CORP.Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended June 30, 2021 \$	Year ended June 30, 2020 \$
Operating activities		
Net loss	(10,234,984)	(2,091,208)
Items not involving cash:		
Depreciation	2,897	1,655
Share-based payments	5,578,069	750,071
Write-down of exploration and evaluation assets	—	148,947
Write-down of loan receivable	—	21,000
Changes in non-cash working capital items:		
GST receivable	(33,645)	72,182
Prepaid expenses and deposits	(569,957)	(12,336)
Accounts payable and accrued liabilities	14,120	(7,394)
Net cash used in operating activities	(5,243,500)	(1,117,083)
Investing activities		
Loan receivable advance	—	(21,000)
Exploration and evaluation asset expenditures	(1,482,337)	(485,965)
Net cash used in investing activities	(1,482,337)	(506,965)
Financing activities		
Proceeds from loans payable	144,445	133,000
Repayment of loans payable	(234,445)	(130,000)
Proceeds from issuance of common shares	7,893,135	1,628,700
Share issuance costs	(28,200)	(13,000)
Net cash provided by financing activities	7,774,935	1,618,700
Change in cash	1,049,098	(5,348)
Cash, beginning of year	8,778	14,126
Cash, end of year	1,057,876	8,778
Non-cash investing and financing activities:		
Fair value of warrants issued as finder's fee	64,459	13,382
Shares issued pursuant to mineral property option agreements	—	4,000
Fair value of stock options transferred from reserves to share capital upon exercise	1,090,477	177,900
Shares issued for restricted share units transferred from reserves.	1,780,163	—

(The accompanying notes are an integral part of these consolidated financial statements)

BAM BAM RESOURCES CORP.

Notes to the Consolidated Financial Statements
Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

1. Nature and Continuance of Operations

Bam Bam Resources Corp. (formerly KOPR Point Ventures Inc.) ("the Company") was incorporated on March 10, 2017 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 700 - 838 West Hastings Street, Vancouver, BC. The Company's principal business activities include the acquisition and exploration of mineral property assets. As at June 30, 2021, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus ("COVID-19") pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows. The Company continues to operate its business, and in response to Federal, Provincial, and State emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of international borders, of the Company or its contractors, and restrictions on travel of various personnel, could impact the Company's ability to conduct its exploration programs in a timely manner.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. During the year ended June 30, 2021, the Company has not generated any revenues and has negative cash flow from operations. As at June 30, 2021, the Company and an accumulated deficit of \$21,801,997. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, and/or private placements of common shares. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

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

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(b) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Bam Bam Nevada, Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

BAM BAM RESOURCES CORP.

Notes to the Consolidated Financial Statements
Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, collectability of loan receivable, fair value of share-based compensation, and unrecognized deferred income tax assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

The application of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

(f) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability; and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

BAM BAM RESOURCES CORP.

Notes to the Consolidated Financial Statements
Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(f) Exploration and Evaluation Expenditures (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Mineral Property Options

The Company does not record any expenditures made by the farmee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

(g) Property and Equipment

Property and equipment, comprised of computer equipment, is recorded at cost. The Company depreciates the computer equipment over their estimated useful lives on a straight-line basis over 3 years.

(h) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged in the consolidated statement of operations over the economic life of the related asset, through amortization using either the unit of production or the straight-line method. The obligation is increased for the accretion and the corresponding amount is recognized in the consolidated statement of operations.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the consolidated statement of operations.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

As at June 30, 2021 and 2020, the Company has no material restoration, rehabilitation, and environmental obligations.

BAM BAM RESOURCES CORP.

Notes to the Consolidated Financial Statements
Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(i) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of operations.

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are 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 financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

BAM BAM RESOURCES CORP.

Notes to the Consolidated Financial Statements
Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

BAM BAM RESOURCES CORP.

Notes to the Consolidated Financial Statements
Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(j) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Share-based Payments

The Company grants share-based awards to employees, directors, and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(l) Loss Per Share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. As at June 30, 2021, the Company had 43,683,875 (2020 – 9,938,700) potentially dilutive shares outstanding.

(m) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations.

(n) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2021, and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

BAM BAM RESOURCES CORP.

Notes to the Consolidated Financial Statements
Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets

	Moosehead Property \$	Majuba Hill Property \$	Total \$
Acquisition costs:			
Balance, June 30, 2019	125,750	181,567	307,317
Additions	—	103,405	103,405
Impairment	(125,750)	—	(125,750)
Balance, June 30, 2020	—	284,972	284,972
Additions	—	120,521	120,251
Balance, June 30, 2021	—	405,493	405,493
Exploration costs:			
Balance, June 30, 2019	23,197	244,301	267,498
Additions	—	386,560	386,560
Impairment	(23,197)	—	(23,197)
Balance, June 30, 2020	—	630,861	630,861
Additions	—	1,361,816	1,361,816
Balance, June 30, 2021	—	1,992,677	1,992,677
Carrying amounts:			
Balance, June 30, 2020	—	915,833	915,833
Balance, June 30, 2021	—	2,398,170	2,398,170

Moosehead Gold Project

On August 1, 2018, the Company entered into an agreement to acquire the Moosehead Gold Project located near the town of Grand Falls-Windsor in Newfoundland and Labrador. In addition, the Company also acquired claims on Thwart Island in St. John's Bay. On August 17, 2018, in connection with the acquisition of the Moosehead Gold Project, the Company made a payment of \$90,000 and issued 65,000 common shares with a fair value of \$35,750.

During the year ended June 30, 2020, the Company decided not to further proceed with the exploration of the property. As a result, the Company recorded a write-down of \$148,947.

Majuba Hill Copper Project

On May 28, 2018, the Company entered into an Exploration Lease and Option to Purchase Agreement with Majuba Hill LLC, a Nevada limited liability company (the "Owner"), for the Majuba Hill Copper Project in Nevada, USA. The Owner granted to the Company the exclusive option and right to acquire ownership of the property for the final purchase price of US\$4,000,000 due on or before May 28, 2028, and the following commitments:

- i) Cash payments to be made:
 - US\$50,000 upon execution of the agreement; (paid)
 - US\$50,000 on or before May 28, 2019 (paid);
 - US\$75,000 on or before May 28, 2020 (paid);
 - US\$100,000 on or before May 28, 2021 (paid); and
 - US\$125,000 on or before May 28, 2022 and each subsequent anniversary of the agreement date.

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3. Exploration and Evaluation Assets (continued)

Majuba Hill Copper Project (continued)

- ii) Shares to be issued
 - 7,500 upon execution of the agreement (issued);
 - 7,500 on or before May 28, 2019 (issued);
 - 7,500 on or before May 28, 2020 (issued); and
 - 7,500 on or before May 28, 2021 (issued).
- iii) Exploration expenditures to be incurred:
 - US\$100,000 on or before May 28, 2019 (incurred); and
 - US\$350,000 on or before May 28, 2020 (incurred).

Precious metals from the property are subject to a 3% net smelter return royalty. Minerals from the property are subject to a 1% net smelter return royalty.

4. Related Party Transactions

- (a) As at June 30, 2021, the amount of \$50,106 (2020 - \$5,356) is owed to a company controlled by the President and Chief Executive Officer of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities. During the year ended June 30, 2021, the Company incurred management fees of \$395,000 (2020 - \$84,000) to the President and Chief Executive Officer of the Company.
- (b) As at June 30, 2021, the amount of \$nil (2020 - \$40,548) is owed to a director of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities. During the year ended June 30, 2021, the Company incurred management fees of \$87,000 (2020 - \$42,000) to this director.
- (c) As at June 30, 2021, the amount of \$nil (2020 - \$5,141) is owed to a former director of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities. During the year ended June 30, 2021, the Company incurred management fees of \$nil (2020 - \$10,000) to this former director.
- (d) As at June 30, 2021, the amount of \$nil (2020 - \$31,000) is owed to a company controlled by the Chief Financial Officer of the Company, which is unsecured, non-interest bearing, and due on demand. During the year ended June 30, 2021, the Company incurred management fees of \$192,500 (2020 - \$93,500) to a company controlled by the Chief Financial Officer of the Company.
- (e) As at June 30, 2021, the amount of \$nil (2020 - \$3,386) is owed to the Chief Financial Officer of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities.
- (f) As at June 30, 2021, the amount of \$nil (2020 - \$2,625) is owed to a company controlled by the Corporate Secretary of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities. During the year ended June 30, 2021, the Company incurred management fees of \$57,500 (2020 - \$35,600) to a company controlled by the Corporate Secretary of the Company.
- (g) During the year ended June 30, 2021, the Company received \$21,000 pursuant to a loan repayment from a public company with common officers and directors. This amount had been written-off in the year ended June 30, 2020 due to uncertainty of collectability due to the financial position of this company.
- (h) During the year ended June 30, 2021, the Company recognized 1,760,000 stock options with a fair value of \$433,137 (2020 - \$5,333) and vested restricted share units with a fair value of \$2,219,400 (2020 - \$nil) to key management personnel.

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5. Loans Payable

- (a) As at June 30, 2021, the Company had a loan payable of \$nil (2020 - \$40,000) to the President and Chief Executive Officer of the Company, which are unsecured, non-interest bearing, and due on demand.
- (b) As at June 30, 2021, the Company had a loan payable of \$nil (2020 - \$50,000) to a third-party which is unsecured, bears interest at 18% per annum, and is due on demand.

6. Share Capital

Authorized: Unlimited common shares without par value

Share transactions for the year ended June 30, 2021:

- (a) On August 31, 2020, the Company consolidated its outstanding common shares on a 10:1 basis. All share amounts have been retroactively restated for all periods presented.
- (b) On September 14, 2020, the Company issued 29,625,000 units at a price of \$0.067 per unit for proceeds of \$1,975,000. Each unit consisted of one common share and one transferable share purchase warrant exercisable at \$0.083 per common share expiring on September 14, 2023. In connection with this private placement, the Company incurred finder's fees of \$7,200 and issued 108,000 finder's warrants with a fair value of \$18,990 and are exercisable into a common share at a price of \$0.083 per unit expiring on September 14, 2023.
- (c) On November 16, 2020, the Company issued 15,540,000 units at a price of \$0.167 per unit for proceeds of \$2,590,000. Each unit is comprised of one common share and one transferrable warrant exercisable at \$0.267 per common share expiring on November 16, 2023. In connection with this private placement, the Company incurred finder's fees of \$23,800 and issued 142,800 finder's warrants with a fair value of \$45,469. Each finder's warrant is exercisable at a price of \$0.267 per unit expiring on November 16, 2023.
- (d) During the year ended June 30, 2021, the Company issued 15,906,200 common shares for proceeds of \$1,776,135 pursuant to the exercise of share purchase warrants.
- (e) During the year ended June 30, 2021, the Company issued 5,225,925 common shares for proceeds of \$1,552,000 pursuant to the exercise of stock options. The fair value of \$1,090,477 for the stock options exercised was reallocated from reserves to share capital.
- (f) During the year ended June 30, 2021, the Company issued 5,775,000 common shares pursuant to the settlement of restricted share units. The fair value of \$1,780,163 for the restricted share units vested was reallocated from reserves to share capital.

Share transactions for the year ended June 30, 2020:

- (g) On February 25, 2020, the Company issued 8,422,200 units at a price of \$0.50 per unit for proceeds of \$1,403,700. Included in this share issuance were 2,325,600 units for proceeds of \$387,600 issued to officers and directors of the Company. Each unit consisted of one common share and one transferable share purchase warrant exercisable at \$0.267 per common share expiring on August 25, 2021. In connection with this private placement, the Company incurred finders' fees of \$13,000 and issued 78,000 finders' warrants with a fair value of \$13,382, of which 8,400 finders' warrants are exercisable into one share at a price of \$0.267 per share for a period of 18 months and 69,600 finders' warrants are exercisable into units at a price of \$0.167 per unit for a period of 18 months.

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6. Share Capital (continued)

Share transactions for the year ended June 30, 2020:

- (h) On April 28, 2020, the Company issued 600,000 common shares for proceeds of \$120,000 pursuant to the exercise of stock options. The fair value of \$94,860 for the stock options exercised was reallocated from reserves to share capital.
- (i) On April 30, 2020, the Company issued 450,000 common shares for proceeds of \$105,000 pursuant to the exercise of stock options. The fair value of \$83,040 for the stock options exercised was reallocated from reserves to share capital.
- (j) On May 25, 2020, the Company issued 7,500 common shares with a fair value of \$4,000 pursuant to the terms of the mineral property option agreement for the Majuba Hill Property.

7. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, June 30, 2019	3,612,225	1.27
Issued	8,500,200	0.27
Expired	(3,612,225)	1.27
Balance, June 30, 2020	8,500,200	0.27
Issued	45,415,800	0.15
Expired	(15,906,200)	0.11
Balance, June 30, 2021	38,009,800	0.19

As at June 30, 2021, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
6,524,400	0.27	August 25, 2021
69,600	0.17	August 25, 2021
16,213,000	0.08	September 14, 2023
15,202,800	0.27	November 16, 2023
<u>38,009,800</u>		

8. Stock Options

The Company has adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

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8. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, June 30, 2019	197,400	0.33
Granted	2,787,000	0.37
Exercised	(1,050,000)	0.25
Expired	(495,900)	0.33
Outstanding, June 30, 2020	1,438,500	0.47
Granted	8,000,000	0.31
Exercised	(5,225,925)	0.30
Expired	(3,038,500)	0.42
Outstanding, June 30, 2021	1,174,075	0.23

During the year ended June 30, 2021, the Company recorded share-based compensation of \$5,578,069 (2020 - \$750,071). The weighted average grant date fair value of stock options granted during the year ended June 30, 2021 was \$0.21 (2020 - \$3.30) per option. The weighted average share price at the date of exercise during the year ended June 30, 2021 was \$0.31 (2020 - \$0.36).

The fair value of stock options granted have been estimated using the Black-Scholes option-pricing model assuming no expected dividends, no forfeitures, and the following weighted average assumptions:

	2021	2020
Risk-free interest rate	0.18%	1.00%
Expected volatility	178%	207%
Expected option life (in years)	1	1

9. Restricted Share Units

The Company adopted a Restricted Share Unit Plan (the "RSU Plan"), approved by the Company's shareholders on December 2, 2019. The RSU Plan is designed to provide certain directors, officers, consultants and other key employees (an "Eligible Person") of the Company and its related entities with the opportunity to acquire restricted share units ("RSUs") of the Company. The RSU Plan allows the Company to award, in aggregate, up to a rolling 10% maximum of the issued and outstanding shares from time to time, under and subject to the terms and conditions of the RSU Plan.

The following table summarizes the continuity of RSUs:

	Number of RSUs	Weighted average issue price \$
Balance, June 30, 2019 and 2020	—	—
Granted	10,275,000	0.38
Vested	(5,775,000)	0.31
Balance, June 30, 2021	4,500,000	0.46

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10. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of financial instruments, which include cash, and accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(d) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. As at June 30, 2021, the Company has no significant financial instruments denominated in a foreign currency; however, the Company has exploration and evaluation assets in the U.S. with mineral property option agreement obligations denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk. As at June 30, 2021, the Company is not exposed to any significant foreign exchange rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

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11. Capital Management

The Company's capital structure consists of cash and equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support 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 properties in which the Company currently has interests are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests 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.

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

12. Contingencies

On July 11, 2019, a Notice of Civil Claim was filed with the Supreme Court of British Columbia seeking certification for a class action against the Company. The Claim alleges misrepresentations made by the Company in its public disclosure. The Company continues to take procedural steps towards a hearing which will determine if the plaintiffs will be granted leave under the Securities Act. At this time, the outcome of both aforementioned matters is uncertain, however the Company believes that any liabilities that might arise from such matters, to the extent not provided for, will not have a significant impact on the Company's consolidated financial statements.

13. Income Taxes

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. The components of these differences are as follows:

	2021 \$	2020 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(2,763,446)	(564,626)
Tax effect of:		
Permanent differences and other	1,505,594	208,551
True up of prior year differences	—	239,421
Change in unrecognized deferred tax assets	1,257,852	116,654
Income tax provision	—	—

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13. Income Taxes (continued)

The significant components of deferred income tax assets and liabilities are as follows:

	2021 \$	2020 \$
Deferred income tax assets (liability):		
Non-capital losses carried forward	3,705,390	2,383,502
Exploration and evaluation assets	(23,405)	37,659
Investment	158,486	158,486
Share issuance costs	18,380	21,352
Unrecognized deferred income tax assets	(3,858,851)	(2,600,999)
Net deferred income tax asset	—	—

As at June 30, 2021, the Company has non-capital losses carried forward of \$13,723,665 which are available to offset future years' taxable income. These losses expire as follows:

	\$
2037	51,364
2038	2,018,188
2039	5,481,234
2040	1,278,980
2041	4,893,899
	13,723,665

The Company also has available mineral resource related expenditure pools totalling 2,311,484, which may be deducted against future taxable income on a discretionary basis.

14. Subsequent Events

- Subsequent to June 30, 2021, the Company issued 500,000 common shares for proceeds of \$42,500 pursuant to the exercise of share purchase warrants.
- On July 7, 2021, the Company granted 2,000,000 stock options exercisable at a price of \$0.235 per common share expiring on July 7, 2022 to consultants.
- Subsequent to June 30, 2021, the Company issued 5,550,000 common shares pursuant to the vesting of RSUs.
- On August 4, 2021, the Company issued 7,500 common shares pursuant to the mineral property agreement.
- On September 7, 2021, the Company issued 23,503,590 units at \$0.095 per unit for proceeds of \$2,232,841. Each unit consisted of one common share of the Company and one transferable share purchase warrant. Each share purchase warrant is exercisable at a price of \$0.125 per common share expiring on September 7, 2023. In connection with this share issuance, the Company incurred share issuance costs of \$11,542.
- On October 8, 2021, the Company granted 6,300,000 RSUs to directors and consultants of the Company.