PANCONTINENTAL RESOURCES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

EXPRESSED IN CANADIAN DOLLARS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pancontinental Resources Corporation

Opinion

We have audited the consolidated financial statements of Pancontinental Resources Corporation (the "Company"), which comprise the consolidated statement of financial position as at December 31, 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 December 31, 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 audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 working capital of $702,570 as at December 31, 2021 and incurred a net loss of $4,332,322 during the year ended December 31, 2021 and that further funds will be required to fund activities for the upcoming year. As stated in Note 1, these events or conditions 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 Management's Discussion and Analysis, but does not include the 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.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Stephen McCourt.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 11, 2022
Toronto, Ontario

PANCONTINENTAL RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at	December 31 2021	December 31 2020
ASSETS		
Current		
Cash and cash equivalents	**$ 918,383**	$ 3,645,426
Sales tax receivable	**16,788**	12,347
Prepaid expenses and deposits	**162,589**	388,716
	1,097,760	4,046,489
Investment in Voltage Metals Inc. (note 12)	**50,000**	-
Investment in Tortuga Resources Inc.	**1**	1
	$ 1,147,761	$ 4,046,490
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	**$ 395,190**	$ 492,545
Loans from related parties (note 13)	**-**	103,000
	395,190	595,545
EQUITY		
Share capital (note 8)	**25,534,536**	23,672,863
Contributed surplus	**5,483,901**	5,632,438
Warrants (note 9)	**2,577,867**	2,657,055
Deficit	**(32,843,733)**	(28,511,411)
	752,571	3,450,945
	$ 1,147,761	$ 4,046,490

Nature of operations and going concern (note 1)
Commitments and contingencies (note 14)
Subsequent events (note 19)

Approved by the Board of Directors *"David Petroff"* Director (Signed) *"Thomas Layton Croft"* Director (Signed)

See accompanying notes.

PANCONTINENTAL RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

Years ended December 31,	**2021**	2020
Other Income		
Exploration and evaluation recovery (notes 11, 12)	**$ 850,000**	$ 150,000
Interest income	**2,898**	9,307
Royalty revenue (note 15)	**-**	3,737
	852,898	163,044
Expenses		
Corporate and administrative (notes 10, 13)	**1,565,847**	730,474
Exploration and evaluation (notes 11, 13)	**3,176,698**	1,716,417
Share-based payments (notes 8, 13)	**426,423**	587,616
Loss (Gain) on debt settlement (notes 8, 13)	**(15,450)**	9,000
Foreign exchange loss	**31,702**	145,883
	5,185,220	3,189,390
Net loss and comprehensive loss	**$ (4,332,322)**	$ (3,026,346)
Basic and diluted loss per share (note 16)	**$ (0.017)**	$ (0.014)
Weighted average number of common shares outstanding:		
Basic and diluted	**247,843,963**	216,338,578

See accompanying notes.

PANCONTINENTAL RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(expressed in Canadian dollars)

	Share capital		Contributed			
	Number	**Amount**	**surplus**	**Warrants**	**Deficit**	**Total**
Balance, December 31, 2019	177,697,290	$ 20,088,201	$ 4,670,433	$ 702,437	$ (25,485,065)	$ (23,994)
Units issued by private placements (notes 8,9)	63,000,000	3,804,169	-	2,255,831	-	6,060,000
Finder warrants (notes 8,9)	-	-	-	95,748	-	95,748
Shares issued for mineral property (note 8)	1,300,000	78,000	-	-	-	78,000
Shares issued for debt (note 8)	417,500	41,750	-	-	-	41,750
Share issuance costs	-	(386,329)	-	-	-	(386,329)
Exercise of options (note 8)	350,000	47,072	(22,572)	-	-	24,500
Warrants expired	-	-	396,961	(396,961)	-	-
Share-based payments (note 8)	-	-	587,616	-	-	587,616
Net loss for the year	-	-	-	-	(3,026,346)	(3,026,346)
Balance, December 31, 2020	242,764,790	23,672,863	5,632,438	2,657,055	(28,511,411)	3,450,945
Shares issued for mineral property (note 8)	1,250,000	212,500	-	-	-	212,500
Shares issued for debt (note 8)	515,000	87,550	-	-	-	87,550
Exercise of options (note 8)	5,725,000	1,234,460	(574,960)	-	-	659,500
Exercise of warrants (note 8)	3,542,500	327,163	-	(79,188)	-	247,975
Share-based payments (note 8)	-	-	426,423	-	-	426,423
Net loss for the year	-	-	-	-	(4,332,322)	(4,332,322)
Balance, December 31, 2021	**253,797,290**	**$ 25,534,536**	**$ 5,483,901**	**$ 2,577,867**	**$ (32,843,733)**	**$ 752,571**

See accompanying notes.

PANCONTINENTAL RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

Years ended December 31,	2021	2020
Operating activities		
Loss for the year	$ (4,332,322)	$ (3,026,346)
Adjustments to reconcile loss to net cash used:		
Share-based payments	426,423	587,616
Shares issued for mineral properties	212,500	78,000
Loss (Gain) on debt settlement	(15,450)	9,000
Recovery of exploration and evaluation	(50,000)	-
Unrealized foreign exchange	2,779	110,387
	(3,756,070)	(2,241,343)
Net changes in non-cash working capital items		
Royalty revenue receivable	-	5,971
Sales tax receivable	(4,441)	34,058
Prepaid expenses and deposits	225,828	(381,202)
Accounts payable and accrued liabilities	(98,992)	327,657
	(3,633,675)	(2,254,859)
Financing activities		
Related party loan repayments (note 12)	-	(19,362)
Units issued by private placements	-	6,060,000
Proceeds from exercise of warrants	247,975	-
Proceeds from exercise of options	659,500	24,500
Share issuance costs	-	(290,581)
	907,475	5,774,557
Net change in cash	(2,726,200)	3,519,698
Cash and cash equivalents, beginning of year	3,645,426	224,808
Effect of exchange rate changes on cash	(843)	(99,080)
Cash and cash equivalents, end of year	$ 918,383	$ 3,645,426
Supplemental disclosure		
Shares issued for debt	$ 87,550	$ 41,750
Receipt of Voltage Metals Inc. common shares	$ 50,000	$ -

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

Pancontinental Resources Corporation (the "Company"), is a publicly-listed exploration company involved in the business of acquiring and exploring mineral properties. The Company's shares are listed on the TSX Venture Exchange under the trading symbol "PUC" and on the United States OTCQB Venture Market under the trading symbol "PUCCF". The address of the Company's registered office is 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

Going Concern

The business of exploration, development and mining of minerals involves a high degree of risk and there can be no assurances that future exploration activities will result in the discovery of economically recoverable mineral deposits. The success and continuation of the Company as a going concern is dependent upon the Company's ability to arrange financing, which in part, depends on prevailing market conditions, acquiring or discovering economically viable mineral properties, exploration success, and securing title and beneficial interest in its properties.

Further funds will be required for the Company to continue as a going concern, fulfil its obligations and fund its activities. The Company does not produce revenues from its exploration activities or have a regular source of cash flow. There can be no assurance that the Company will be able to obtain sufficient financing in the future or at favourable terms.

As at December 31, 2021, the Company had working capital of $702,570 (December 31, 2020 - $3,450,944), incurred losses for the current year of $4,332,322 (2020 - $3,026,346), and, had an accumulated deficit of $32,843,733 (December 31, 2020 - $28,511,411).

These consolidated financial statements have been prepared using accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, due to uncertainties surrounding a number of factors, such as, but not limited to, the ability to raise additional funds, ability to acquire mineral properties, exploration results, prices of underlying commodities, investor sentiment and financial market conditions, it is not possible to predict if this assumption will prove to be accurate. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and businesses around the world have been forced to cease or limit operations for long or indefinite periods of time.

There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on our financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. The Company has taken measures to contain the spread of COVID-19 and is proceeding with its exploration activities, as long as the work environment remains safe.

2. BASIS OF PREPARATION

Statement of Compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements for the year ended December 31, 2021 were approved and authorized for issue by the Company's board of directors on April 11, 2022.

Basis of Consolidation and Presentation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Pancon Resources Carolinas Corp. ("PRC") (formerly, Palmetto Mining Corporation), a United States company; and, Maya Gold Corporation S.A. de C.V., an inactive Honduras company. All significant inter-company transactions and balances have been eliminated upon consolidation.

These consolidated financial statements are prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss. These consolidated financial statements are presented in Canadian dollars, which is the Company's and PRC's functional currency.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the Company's management to make certain estimates and judgements that they consider reasonable and realistic. These estimates and judgements are based on historical experience, future expectations, economic conditions and other factors. Despite regular reviews, changes in circumstances and assumptions may result in changes in these estimates and judgements, which could materially impact the reported amount of the Company's assets, liabilities, equity or earnings. By their nature, estimates and judgements are subject to measurement uncertainty and actual results could vary from estimates.

Significant estimates relate to:
- measurement of share-based payments and warrant valuation;
- measurement of shares issued to acquire mineral properties and settle debt;
- measurement and impairment of investments;
- recognition of deferred tax assets and liabilities; and,
- establishment of provisions.

Significant judgements relate to:
- ability to continue as a going concern;
- functional currency of the Company and its subsidiary; and,
- choice of accounting policy for exploration and evaluation.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments with original maturities of three months or less.

Exploration and Evaluation
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are first tested for impairment and then capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Option payments received from optionees are treated as a recovery of the related exploration and evaluation properties costs and are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Financial Instruments
The classification of a financial instrument is made at the time it is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit and loss (FVTPL) or if the Company has opted to measure them at FVTPL.

A debt instrument that meets both the business model test and cash flow characteristics test must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at FVTPL, under the fair value option.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as fair value through other comprehensive income (FVTOCI).

If certain conditions are met, the classification of a financial asset, debt instrument or equity instrument may subsequently need to be reclassified.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Transaction costs and any realized or unrealized gains or losses arising from changes in the fair value of the financial asset or liability held at FVTPL are included in the consolidated statements of operations and comprehensive loss in the period in which they arise.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

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

Foreign Currency Translation
Foreign currency transactions are initially recorded in the entity's functional currency at the transaction date exchange rate. At each reporting date, monetary assets and liabilities that are denominated in a foreign currency are translated into the functional currency using the end of the reporting period exchange rate. All foreign currency adjustments are recognized in the statement of operations and comprehensive loss.

Income Taxes
Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred assets and liabilities are recognized for the future tax consequences attributable to the difference between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be recognized.

Interest
The Company classifies interest received and interest paid as an operating cash flow within the statement of cash flows.

Leases
This standard provides a comprehensive model for the identification, measurement and disclosure of lease arrangements. This standard eliminates the classification of material leases as either an operating or finance lease, and instead, these leases are to be recognized as assets and liabilities.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contracts conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

SIGNIFICANT ACCOUNTING POLICIES (continued)

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specific explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when is has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

If a contract is assessed to contain a lease, the Company recognizes a lease liability with a corresponding right-of-use ("ROU") asset on the date at which the leased asset is available for use by the Company. ROU assets are measured at cost, which includes the amount of the lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Purchase, renewal and termination options that are reasonably certain of being exercised are also included in the measurement of the lease liability. ROU assets are subject to impairment.

The Company recognizes a lease liability at the commencement date of a lease, measured at the present value of the lease payments to be made over the lease term. The measurement of the Company's lease liabilities depends on the interest rate implicit in the lease used to discount the remaining lease payments. In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that the Company assumes it would have to pay to borrow over a similar term, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment. Significant assumptions are required to be made on the basis for which the incremental borrowing rate was derived. These assumptions are considered to be a key source of estimation uncertainty. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company uses the following practical expedients and recognition exemptions when assessing leases:

- exemption to not recognize right-of-use ("ROU") assets and liabilities for leases with a remaining lease term of less than 12 months;
- exemption to not recognize ROU assets and liabilities for leases with low value;

The lease liability is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss when the carrying amount of the right-of-use asset has been reduced to nil.

Loss per Share

The computation of loss per share and diluted loss per share amounts are based upon the weighted average number of outstanding common shares during the year. Dilution is calculated based on the net number of common shares issued should "in the money" options and warrants be exercised and the proceeds used to purchase common shares at the weighted average market price in the period.

SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Share-based Payments
The Company accounts for share-based payments using the fair value based method. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche of options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. The fair value of each tranche of options issued to non-employees is determined by the fair value of the goods or services received. If the fair value of goods or services received cannot be reliably measured, then the Black-Scholes option pricing model or share price is used.

The fair value of stock options, adjusted for expected forfeitures, is recognized as share-based payments expense over each tranche's vesting period with an offsetting credit charged to contributed surplus. The applicable contributed surplus is transferred to share capital if and when, the stock options are exercised. The fair value of stock options remains in contributed surplus on expiry of options. Any consideration paid on the exercise of stock options is credited to share capital.

Share Issue Costs
Share issue costs are recorded as a reduction of share capital.

Royalty Revenue
Royalty revenue is recognized pursuant to the terms of the applicable royalty agreement and when collection is reasonably assured.

Warrants
The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants based on their relative fair value. Unit proceeds are allocated to shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing.

If and when the warrants are exercised, the applicable relative fair value recognized in warrants is transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For those warrants that expire unexercised on maturity, the recorded value is transferred to contributed surplus.

In situations where warrants are issued as consideration for goods and services received and some or all of the goods or services received cannot be specifically identified or reliably measured, then these warrants are measured at the fair value of the share-based payment. The fair value of the share-based payment is determined using the Black-Scholes option pricing model.

5. NEW STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET ADOPTED

The following standards have been issued but are not yet effective:

IFRS 9 – Financial Instruments
The IASB has issued an amendment to IFRS 9, Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included. The amendment is effective for annual periods beginning on or after January 1, 2022, with early adoption permitted. The Company is currently evaluating the impact of the above standards on its financial performance and financial statement disclosures, but expects any impact would immaterial.

IAS 1 – Presentation of Financial Statements
The IASB has issued an amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date.

The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the exploration and development of its mineral properties and the acquisition of other mineral properties for the benefit of its shareholders.

The Company considers its capital structure to consist of shareholder equity. In order to maintain its capital structure the Company is dependent on equity funding and loans from related parties. Funding through equity instruments is comprised of common shares, warrants and incentive stock options. The Board of Directors does not establish quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business.

There were no changes in the Company's management of its capital during the year. The Company is not subject to any externally imposed capital requirements.

(expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31 2021		December 31 2020
Suppliers	**$**	**171,170**	$	463,401
Related parties *		**224,020**		29,144
	$	**395,190**	$	492,545

* Related party payables and accrued liabilities represent amounts for unpaid fees and/or expenses that are payable to directors/officers or entities controlled by or associated with directors/officers.

8. SHARE CAPITAL

Authorized
Unlimited common shares
Unlimited preferred shares

Shares Issued - Private Placements
On March 17, 2020, the Company completed a private placement by issuing 37,500,000 units at $0.08 per unit for gross proceeds of $3,000,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.12 for a period of sixty (60) months, expiring on March 17, 2025. The fair value of the warrants was estimated at $1,487,349 using the relative fair value method. In the event the daily volume weighted average trading price is at least $0.25 per common share for a minimum of 20 consecutive trading days, as traded on the TSX Venture Exchange, the Company has the right to accelerate the expiry date of the warrants, after the expiry of the statutory trading restriction on July 17, 2020, to a date that is twenty days after notice of the accelerated expiry date.

On September 11, 2020, the Company completed a private placement by issuing 25,500,000 units at $0.12 per unit for gross proceeds of $3,060,000. Each unit was comprised of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of $0.18 for a period of twenty-four (24) months, expiring on September 11, 2022. The fair value of the unit warrants was estimated at $768,482 using the relative fair value method. In the event the daily volume weighted average trading price is at least $0.30 per common share for a minimum of 20 consecutive trading days, as traded on the TSX Venture Exchange, the Company has the right to accelerate the expiry date of the warrants, after the expiry of the statutory trading restriction on January 11, 2021, to a date that is twenty days after notice of the accelerated expiry date. In addition, the Company issued 1,254,050 broker and finder warrants, whereby each broker and finder warrant entitles the holder to acquire one common share at a price of $0.12 for a period of twenty-four (24) months. The value of the broker and finder warrants was estimated at $95,748 using the Black-Scholes option pricing model.

Shares Issued - Mineral Properties
On June 25, 2020, the Company issued 1,300,000 common shares at $0.06 per share in accordance with the option agreement for the Montcalm and Nova Projects (Note 11).

On March, 29, 2021, the Company issued 1,250,000 common shares at $0.17 per share in accordance with the option agreement for the St. Laurent Project (Note 11).

(expressed in Canadian dollars)

SHARE CAPITAL (continued)

Shares Issued - Debt Settlements
On October 9, 2020, the Company issued 417,500 common shares at $0.10 per share to a Company officer in settlement of management fees of $32,750 (Note 13).

On June 22, 2021, the Company issued 515,000 common shares at $0.17 per share to Company directors in settlement of loans payable of $103,000 (Note 13).

Shares Issued - Stock Options
During the year ended December 31, 2020, the Company issued 350,000 common shares in connection to the exercise of stock options for proceeds of $24,500. The fair value of these options was $22,572, which was transferred from contributed surplus to share capital.

During the year ended December 31, 2021, the Company issued 5,725,000 common shares in connection to the exercise of stock options for proceeds of $659,500. The fair value of these options was $574,960, which was transferred from contributed surplus to share capital.

Shares Issued - Warrants
During the year ended December 31, 2021, the Company issued 3,542,500 common shares in connection to the exercise of unit warrants for proceeds of $247,975. The fair value of these warrants was $79,188. The fair value of these warrants was transferred from the warrant reserve account.

Stock Options
Under the terms of the Company's stock option plan ("Plan"), the Company is authorized to issue up to a maximum of 10% of the issued common shares with an exercise period that is not to exceed ten years. The term, exercise price and vesting conditions of the options are fixed by the Board of Directors at the time of grant.

Stock option transactions and the number of stock options outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2019	15,350,000	$0.10
Granted (i)	7,950,000	0.12
Exercised	(350,000)	0.07
Expired/Cancelled	(725,000)	0.06
Balance, December 31, 2020	22,225,000	$0.11
Granted (ii)	3,985,000	0.20
Exercised	(5,725,000)	0.12
Expired/Cancelled	(200,000)	0.12
Balance, December 31, 2021	**20,285,000**	**$0.12**

(expressed in Canadian dollars)

SHARE CAPITAL (continued)

(i) On January 22, 2020, the Company granted 2,400,000 stock options to a director/officer and consultants. These options vested immediately and were issued with an exercise price of $0.05 and have a five year term, expiring on January 22, 2025.

On August 10, 2020, the Company granted 4,050,000 stock options to directors, officers and consultants, of which 100,000 options were for the services of an investor relations consultant. All of these options were issued with an exercise price of $0.14 and have a five year term, expiring on August 10, 2025. All of the option vested immediately with the exception of the investor relations consultant options, which vest in instalments of 25,000 options every three months.

On October 25, 2020, the Company granted 1,500,000 stock options to consultants. All of these options were issued with an exercise price of $0.20 and have a five year term, expiring on October 25, 2025. The options vest as follows: (i) 375,000 options on date of grant; and, (ii) 1,125,000 option, which vest in three instalments of 375,000 options every six months from the date of grant.

(ii) On June 10, 2021, the Company granted 255,000 stock options to directors. These options vested immediately and were issued with an exercise price of $0.25. Of these options: 150,000 options have a one year term, expiring on June 10, 2022; and, 105,000 options have a five year term, expiring on June 10, 2026.

On December 31, 2021, the Company granted 3,730,000 stock options to directors, officers and consultants, of which 190,000 options were for the services of an investor relations consultant. All of these options were issued with an exercise price of $0.20 and have a five year term, expiring on December 31, 2026. All of the option vested immediately with the exception of the investor relations consultant options, which vest in instalments of 47,500 options every three months.

Fair value of the options issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2021	2020
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	146%	226%
Risk-free rate of return	1.20%	0.68%
Expected life	5 Years	5 Years
Share price	$0.11	$0.09

Share-based payment expense recognized in 2021 was $426,423 (2020 - $587,616). The offsetting credit was charged to contributed surplus.

The consultants' options were measured using the Black-Scholes option pricing model due to the absence of a reliable measurement of the services granted.

(expressed in Canadian dollars)

SHARE CAPITAL (continued)

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
March 16, 2022	400,000	$0.12	400,000	0.20
June 10, 2022	150,000	0.25	150,000	0.44
June 21, 2022	150,000	0.07	150,000	0.47
June 21, 2022	50,000	0.08	50,000	0.47
June 21, 2022	25,000	0.10	25,000	0.47
June 21, 2022	300,000	0.14	300,000	0.47
January 10, 2023	1,200,000	0.05	1,200,000	1.02
May 1, 2023	1,850,000	0.07	1,850,000	1.33
October 1, 2023	50,000	0.06	50,000	1.75
January 18, 2024	900,000	0.08	900,000	2.05
August 30, 2024	4,475,000	0.10	4,475,000	2.66
January 22, 2025	1,800,000	0.05	1,800,000	3.06
August 10, 2025	3,600,000	0.14	3,600,000	3.61
October 25, 2025	1,500,000	0.20	1,125,000	3.81
June 10, 2026	105,000	0.25	105,000	4.44
December 31, 2026	3,730,000	0.20	3,540,000	5.00
	20,285,000	$0.12	19,720,000	3.02

9. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2019	24,791,218	$0.09
Issued	51,504,050	0.13
Expired	(11,293,218)	0.12
Balance, December 31, 2020	65,002,050	$0.12
Exercised	(3,542,500)	0.07
Balance, December 31, 2021	**61,459,550**	**$0.12**

(expressed in Canadian dollars)

WARRANTS (continued)

Relative fair value of the warrants were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2020
Dividend yield	Nil
Expected volatility (based on historical prices)	213%
Risk-free rate of return	0.65%
Expected life	4 Years
Share price	$0.055

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
September 11, 2022	1,254,050	$0.12	0.69	$ 95,748
September 11, 2022	12,750,000	0.18	0.69	768,482
September 16, 2022	9,955,500	0.07	0.71	226,288
March 17, 2025	37,500,000	0.12	3.21	1,487,349
	61,459,550	$0.12	2.23	$ 2,577,867

10. CORPORATE AND ADMINISTRATIVE

	2021	2020
Consulting (note 13)	**$ 54,059**	$ 88,061
Filing and transfer agent fees	**57,106**	63,087
Insurance	**25,180**	19,764
Management fees (note 13)	**873,640**	257,950
Office and general	**20,769**	16,692
Professional fees	**83,895**	80,193
Salaries and benefits	**75,390**	-
Shareholder relations and promotion	**368,665**	199,407
Travel	**7,143**	5,320
	$ 1,565,847	$ 730,474

(expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION

	2021	2020
Acquisition costs (note 13)	**$ 322,500**	$ 78,000
Property costs	**293,236**	232,501
Assaying	**508,855**	122,222
Community relations	**-**	943
Consulting/Contracting	**404,902**	304,370
Drilling	**940,654**	473,647
Environmental	**143,730**	180,900
Equipment and supplies	**186,017**	74,382
Geophysics/Surveys	**34,812**	92,468
Professional fees	**-**	5,831
Reports	**4,279**	3,733
Site costs	**119,954**	71,217
Travel/Transportation	**41,795**	76,203
Wages and benefits	**175,964**	-
	$ 3,176,698	$ 1,716,417

Brewer Gold Project – South Carolina, United States

The Brewer Gold Project is located in Chesterfield County, South Carolina, United States and encompasses approximately 1,000 acres**.** In January, 2020, the Company in co-operation with Environmental Risk Transfer LLC (ERT), a company providing environmental risk transfer solutions to mitigate environmental liabilities, was awarded the right by the Brewer Gold Receiver LLC (the "Receiver"), the South Carolina Department of Health and Environmental Control ("SC DHEC") and the U.S. Environmental Protection Agency ("US EPA"), to explore the former Brewer Gold Mine property ("Brewer"), a Superfund site.

On March 1, 2020, the Company and the Receiver executed an exclusive mining lease with the option for the Company to purchase Brewer (the "Option Agreement"). During 2021, the Company expended the requisite US $2 million to conduct exploration and environmental due diligence during the Option Agreement's initial twenty-four-month term, which began on April 1, 2020. On March 23, 2022, this period was extended until December 31, 2024, with no additional expenditure requirements. The Company can exercise its option to purchase Brewer at any time during the option term. Pursuant to the Option Agreement, the Company retained ERT to conduct environmental due diligence required to determine the Superfund liability at Brewer, at a cost of US $250,000 (paid).

The purchase price for Brewer is comprised of the following two components:

(i) the cost of environmental remediation and financial assurance for assuming ownership of all past environmental liability at Brewer, which will be an amount based on ERT's environmental due diligence during the option term; and,

(ii) half of the total past costs incurred by the SC DHEC and the US EPA to clean and manage Brewer since 2000, which costs are to be paid from future mining operations in ten equal annual installments subject to a profit formula to be determined by the parties.

(expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

Brewer	**2021**	2020
Property costs	**$ 7,521**	$ 6,030
Assaying	**508,855**	122,222
Community relations	**-**	943
Consulting/Contracting	**404,902**	303,326
Drilling	**940,654**	473,647
Environmental	**143,730**	180,900
Equipment and supplies	**186,017**	74,382
Geophysics/Surveys	**34,812**	92,468
Professional fees	**-**	5,831
Reports	**4,279**	3,733
Site costs	**118,199**	64,133
Travel/Transportation	**41,795**	76,203
Wages and benefits	**175,964**	-
	$ 2,566,728	$ 1,403,818

Jefferson Gold Project – South Carolina, United States
The Jefferson Gold Project is located in Chesterfield County, South Carolina, United States and nearly completely surrounds the former Brewer Gold Mine. As at December 31, 2021, Jefferson consisted of fifteen exploration-stage gold prospective property leases owned by private landowners, encompassing approximately 1,995 acres (subsequent to December 31, 2021, a lease was modified and the project area was reduced to 1,989 acres). During 2021, the Company acquired four leases and had two leases expire. As at December 31, 2021, the annual lease payments for 2022 were US $215,845.

Of the fifteen leases, the Company has the right to acquire a 100% interest in thirteen leases and, also holds a right of first refusal to acquire a 100% interest in one lease. The leases range in expiration from 2022 to 2031. In addition, the Company reserves the right to relinquish fourteen of the leases at any time. Five of the leases include a production royalty ranging from 1.5% to 3.5%, which is payable to the landowner that owns the property from which minerals are produced.

Jefferson	**2021**	2020
Property costs	**$ 285,215**	$ 222,921
Site costs	**555**	5,884
	$ 285,770	$ 228,805

St. Laurent Project – Ontario, Canada
St. Laurent is an exploration-stage nickel-copper-cobalt-gold-platinum-palladium project, encompassing approximately 4,400 hectares, and is located in St. Laurent township, approximately 160 kilometres northeast of Timmins, Ontario. The Company sold the St. Laurent Project to Voltage Metals Inc. in December 2021 (Note 12).

Option Agreement
On March 25, 2019, the Company entered into an option agreement with 2681891 Ontario Inc. (the “Optionor”), pursuant to which the Company obtained the right (the “Option”) to acquire a 100% interest in the St. Laurent property.

(expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

In March 2021, the Company completed its payment obligations and exercised the Option pursuant to the Company's agreement with Voltage. To exercise the Option, the Company:

(i) Paid the Optionor an aggregate of $145,000 as follows:
- $15,000 on or before April 17, 2019 (paid);
- $20,000 on or before April 17, 2020 (paid*);
- $50,000 on or before April 17, 2021 (paid in March 2021);
- $60,000 on or before April 17, 2022 (paid in March 2021).

(ii) Issued to the Optionor an aggregate of 1,850,000 common shares of the Company as follows:
- 250,000 common shares within 5 days of April 17, 2019 (issued);
- 350,000 common shares on or before April 17, 2020 (completed *);
- 500,000 common shares on or before April 17, 2021 (issued on March 29, 2021);
- 750,000 common shares on or before April 17, 2022 (issued on March 29, 2021).

* In April 2020, a Company director provided the cash and shares for the Company to satisfy the required payments that were due by April 17, 2020.

A net smelter return royalty of 2.5% (the "NSR") is payable to the Optionor from all minerals sold from the St. Laurent Project. The Company retained the right to purchase 1% of the NSR (such that the Optionor's NSR is reduced to 1.5%) for $1,000,000.

St. Laurent	**2021**	2020
Acquisition costs	**$ 322,500**	$ -
Property costs	**500**	2,725
Consulting/Contracting	**-**	1,044
Site costs	**1,200**	1,200
	$ 324,200	$ 4,969

Montcalm and Nova Projects – Ontario, Canada
Montcalm and Nova are exploration-stage nickel-copper-cobalt projects located within the Porcupine Mining Division, approximately 65 kilometres northwest of Timmins, Ontario, Canada. Montcalm encompassed approximately 3,880 hectares and Nova encompassed approximately 840 hectares. The Company sold the Montcalm and Nova Projects to Voltage Metals Inc. in December 2021 (Note 12).

<u>Option Agreement</u>
On January 5, 2018, the Company entered into an option agreement (the "Option Agreement"), as amended on February 20, 2018, February 28, 2020 and on June 22, 2020, with 2522962 Ontario Inc., which was subsequently acquired by Pelangio Exploration Inc. (the "Optionor"). The Option Agreement provided the Company with the right (the "Option") to acquire a 100% interest in the Montcalm and Nova properties. On June 22, 2020, the Option Agreement was amended, whereby the Company agreed to issue: a total of 700,000 common shares in lieu of the Company making the remaining two annual cash payments of $35,000 each or $70,000 in the aggregate; and, issue a total of 600,000 common shares to complete the remaining two annual 300,000 share instalments. On June 25, 2020, the Company issued 1,300,000 common shares in satisfaction of all remaining payments and exercised its option to

(expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

acquire a 100% interest in the Montcalm and Nova properties. The total Option payments made by the Company during the term of the Option Agreement consisted of:

(i) Cash payments totalling $70,000 (originally $140,000, of which $35,000 was paid in each of 2018 and 2019); and,

(ii) An aggregate of 1,900,000 (originally 1,200,000) common shares of the Company, issued as follows:
- 300,000 common shares on February 28, 2018;
- 300,000 common shares on April 1, 2019;
- 700,000 common shares on June 25, 2020, in lieu of the remaining two annual cash payments of $35,000 each. The cash payments were due on June 28, 2020 and on February 28, 2021, respectively; and,
- 600,000 common shares on June 25, 2020, representing the remaining two 300,000 common share instalments, previously due on June 28, 2020 and on February 28, 2021, respectively.

Montcalm	**2021**	2020
Acquisition costs (note 13)	**$ -**	$ 62,400
Property costs	-	325
	-	62,725
Nova		
Acquisition costs (note 13)	-	15,600
Total	**$ -**	$ 78,325

Gambler Project – Ontario, Canada
Gambler is an exploration-stage nickel-copper-cobalt project located within the Porcupine Mining Division, approximately 65 kilometres northwest of Timmins, Ontario, Canada. Gambler is adjacent to the Montcalm Project and encompassed approximately 7,476 hectares. The Gambler property was staked by the Company in 2018. The Company sold the Gambler Project to Voltage Metals Inc. in December 2021 (Note 12).

Gambler	**2021**	2020
Property costs	**$ -**	$ 500

First Nations – Montcalm, Nova and Gambler Projects
On October 1, 2018, the Company entered into a Memorandum of Understanding ("MOU") with the Flying Post First Nation ("FPFN") that provides a framework for co-operation between the Company and FPFN with respect to aboriginal and treaty rights at the Company's Montcalm, Nova and Gambler Projects. The MOU established the prioritization of business, employment and training opportunities for FPFN members. The Company compensated FPFN for the impact of all on-the-ground exploration work by paying FPFN 2% of such costs for the period in which the Company held the Montcalm, Nova and Gambler Projects.

12. SALE OF EXPLORATION AND EVALUATION PROPERTIES – ONTARIO, CANADA

On June 20, 2020, the Company entered into an agreement (the "Purchase Agreement") with Voltage Metals Inc., formerly, Tempus Resources Inc. ("Voltage Inc."), a private company, pursuant to which Voltage Inc. obtained the right ("Option") to acquire up to a 100% interest in the Company's four mineral projects, St. Laurent, Montcalm, Nova and Gambler (the "Projects"), located in Ontario, Canada. On March 1, 2021, the Purchase Agreement was amended, whereby the remaining $800,000 of the requisite $1 million cash payment was spread over three quarterly instalments, beginning March 31, 2021; and, the $2 million exploration expenditure stage was eliminated and exchanged for 1,000,000 common shares of Voltage Inc.

In December 2021, Voltage Inc. acquired all of the Company's interest in the Projects and completed the exercise of the Option, having:

(i) Paid an aggregate of $1,000,000 to the Company, as follows:
- $100,000 non-refundable deposit on signing*;
- $100,000 by September 22, 2020;
- $300,000 by March 31, 2021;
- $300,000 by September 30, 2021; and,
- $200,000 by December 31, 2021.

* In April 2020, a Company director provided the cash and shares for the Company to satisfy the April 17, 2020 payment requirements for the St. Laurent Project (Note 10). The Company director retained the right to recover up to an aggregate of $50,000 from any party or parties that purchased or joint ventured any or all of the Projects. The Company was not liable for the repayment of the cash or shares to the Company director. The Director recovered $50,000 from the initial $100,000 non-refundable deposit paid by Voltage Inc.

(ii) Issued 1,000,000 common shares (the "Voltage Inc. Shares") in the share capital of Voltage Inc. to the Company on March 29, 2021.
- 500,000 common shares are subject to a trading restriction of four months following a liquidity event**); and,
- 500,000 common shares are subject to a trading restriction of eight months following a liquidity event**).

** Liquidity event occurs upon: (i) Voltage Inc. completing a public offering and being listed for trading on a recognized stock exchange; or (ii) Voltage Inc.'s common shares being exchanged for the securities of another issuer and being listed on a recognized stock exchange; or (iii) the acquisition of all or substantially all of Voltage Inc.'s common shares for cash consideration. Subsequent to December 31, 2021, Voltage Inc. completed its liquidity event (Note 19).

As a result of Voltage Inc. having made the payments due by March 31, 2021, the Company completed its payment obligations pursuant to the St. Laurent option agreement and exercised its option to acquire the St. Laurent project (Note 11).

In 2021, the initial value placed on the Voltage Shares was $50,000 and it was considered a Level 2 financial instrument.

(expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS AND BALANCES

A summary of the compensation of key management (directors/officers) of the Company is included in the table below. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company.

		2021		2020
Consulting (i)	**$**	**5,000**	$	-
Management fees (ii)		**873,640**		257,950
Exploration and evaluation (iii)		**-**		78,000
Share-based payments (iv)		**273,243**		367,187
	$	**1,151,883**	$	703,137

(i) Consulting fees were paid or became payable to a Company controlled by a Company director.

(ii) Management fees were paid or became payable to a Company controlled by a Company officer and to a company associated with a Company officer.

(iii) Pelangio Exploration Inc. ("Pelangio") is party to the Option Agreement for the Montcalm and Nova Projects (Note 10) and is a related party by virtue of a common director. During the year ended December 31, 2020, the Company issued 1,300,000 common shares to Pelangio.

(iv) Share-based payments represents the fair value of stock options granted to Company directors and officers.

In addition, the Company had the following related party transactions:

Loans from related parties balance of $nil (December 31, 2020 - $103,000) consisted of cash loans provided by Company directors/officers. On June 22, 2021, the Company issued 515,000 common shares in settlement of $103,000 of loans resulting in a gain of $15,450. These loans were non-interest bearing, unsecured and due on demand.

On October 9, 2020, Company issued 417,500 common shares in settlement of $32,750 of accrued management fees payable to a Company officer resulting in a loss of $9,000.

14. COMMITMENTS AND CONTINGENCIES

The Company has a management services agreement, effective April 1, 2021, with a Company officer that contains the provision of termination and change of control benefits. The agreement provides that in the event that the officer's services are terminated by the Company, other than for cause, or there is a change in control of the Company then the officer is entitled to receive a payment equal to the sum of: two (2) years of consulting fees; any unpaid bonus; plus the average of the bonus paid to the officer over the previous two (2) year period. As a triggering event has not taken place, the contingent payment of US $590,000 has not been reflected in these consolidated financial statements.

(expressed in Canadian dollars)

15. GROSS OVERRIDING ROYALTY

On February 8, 2007, the Company formed a joint venture (the "Joint Venture") with Enova Mining Limited, formerly, Crossland Strategic Metals Limited, ("Enova") and subsequently earned a 50% interest in a number of Australian properties prospective for rare earth elements ("REE") and uranium. On November 26, 2015 (the "Effective Date") the Company completed the sale of its entire interest in the Joint Venture to Essential Mining Resources Pty Ltd. ("EMR")and retained a gross overriding royalty ("GOR") of one percent (1%) on sales of production from 100% of the Joint Venture properties ("JV Properties"). During 2017, EMR merged with Enova.

On each anniversary of the Effective Date, Enova is to pay the Company an advance royalty (2021 - AU $2,311 vs 2020 – AU $2,311) based on the JV Properties retained and their size. In 2021, Enova advised the Company that it had overreported the advance royalty for the two previous years by AU $2,531, resulting in royalty revenue being overstated by AU $220 in the aggregate. The advance royalty payments: are non-refundable; and, are to be deducted from the 1% GOR payable to the Company upon the JV Properties being placed into production.

16. LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding for the period. For the purposes of calculating the basic and diluted loss per share the effect of the potentially dilutive options and warrants were not included in the calculation as the result would be anti-dilutive.

17. INCOME TAXES

Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in the financial statements:

	2021	2020
Loss before income taxes	**$ (4,332,322)**	$ (3,026,346)
Statutory rate	**26.50%**	26.50%
Expected income tax recovery	**(1,148,065)**	(801,982)
Increase (decrease) resulting from:		
Non-deductible expenses and other permanent differences	**113,185**	156,384
Adjustment to non-capital and net-capital losses	**(67)**	210,790
Effects of difference in foreign exchange	**(2,394)**	(77,004)
Effects of higher tax rates in foreign jurisdiction	**553,009**	(218,044)
Change in deferred tax assets not recognized	**484,332**	729,856
Income tax expense	**$ -**	$ -

(expressed in Canadian dollars)

INCOME TAXES (continued)

Deferred Income Taxes
The temporary differences that give rise to future income tax assets and deferred income tax liabilities are presented below:

	2021	2020
Exploration and evaluation costs	**$ 3,073,672**	$ 2,772,050
Share issuance costs	**59,118**	83,726
Investment in Tortuga Resources Inc.	**29,251**	29,251
Non-capital loss carry-forwards	**1,901,061**	1,693,743
Capital loss carry forwards	**660,882**	660,882
Deferred tax asset	**5,723,984**	5,239,652
Less: Deferred tax assets not recognized	**(5,723,984)**	(5,239,652)
Net deferred income tax asset	**$ -**	$ -

Tax Credit Carry-forwards
At December 31, 2021, the Company has available non-capital losses to reduce future years' taxable income for Canadian tax purposes of approximately $5,535,115. These losses expire as follows:

Year of Origin	Year of Expiry	Canada	United States	Total
2021	2041	$ 207,888	$ 715,985	$ 923,873
2020	2040	796,433	232,958	1,029,391
2019	2039	553,436	193,984	747,420
2018	2038	398,550	186,751	585,301
2017	2037	255,737	263,058	518,795
2016	2036	271,663	77,480	349,143
2015	2035	306,983	-	306,983
2014	2034	57,686	-	57,686
2013	2033	484,230	-	484,230
2012	2032	339,605	-	339,605
2011	2031	429,001	-	429,001
2010	2030	398,478	-	398,478
2009	2029	327,862	-	327,862
2008	2028	284,689	-	284,689
2007	2027	292,677	-	292,677
2006	2026	130,197	-	130,197
		$ 5,535,115	**$ 1,670,216**	**$ 7,205,331**

The Company has $418,770 of Canadian exploration and development costs and $5,060,356 of foreign exploration and development costs that can be carried forward indefinitely and used to offset future taxable income. Additionally, the Company has available $4,987,788 of capital losses that can be carried forward indefinitely to use against future taxable capital gains.

The potential tax benefit relating to these tax losses has not been reflected in these financial statements.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, the investment in Voltage Metals Inc., accounts payable and accrued liabilities and loans from related parties approximates fair value due to the relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arms-length transaction between willing parties and is best evidenced by a quoted market price if one exists.

IFRS 7 establishes a fair value hierarchy that prioritizes the valuation techniques for each financial instrument measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

The methods and assumptions used to develop fair value measurements are: Level 1 - includes quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - includes inputs, other than quoted prices included in Level 1, that are observable for an asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from process); and, Level 3 - includes inputs that are not based on observable data.

Classification of Financial Instruments

			2021		2020
Financial assets					
Cash and cash equivalents	Amortized cost	**$**	**918,383**	$	3,645,426
Investment in Voltage Metals Inc.	Fair value through profit and loss		**50,000**		-
Investment in Tortuga Resources Inc.	Fair value through profit and loss		**1**		1
Financial liabilities					
Accounts payable and accrued liabilities	Amortized cost	**$**	**395,190**	$	492,545
Loans from related parties	Amortized cost		**-**		103,000

Risk Management

The primary objectives of the Company's financial risk management procedures are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position, from events that have the potential to materially impair its financial strength. These activities include the preservation of its capital by minimizing risk related to its cash.

The Company does not trade financial instruments for speculative purposes and does not have a risk management committee or written risk management policies. The Company's financial instruments are exposed to the risks described below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge their obligations. Financial instruments that potentially expose the Company to this risk consist of cash and the royalty revenue receivable. The Company mitigates the risk to its cash by depositing a majority of its cash with Canadian and United States banks. Allowances for the royalty revenue receivable are recognized as necessary for potential credit losses.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Currency Risk
The Company operates in Canada and the United States, thus exposing the Company to market risks from fluctuations in foreign exchange rates. The Company has certain corporate and administrative expenditures, exploration and evaluation expenditures and future potential financial commitments (Note 10) denominated in United States dollars. The Company monitors foreign exchange rates and has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates. As at December 31, 2021, a 10% change in the United States dollar (USD) would impact the Company's loss by approximately $20,000 (2020 - $152,000).

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 interest rates The Company's excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company's excess cash is subject to interest rate risk resulting from fluctuations in prime rates.

Liquidity Risk
Liquidity risk management requires maintaining sufficient cash, liquid investments or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 5. The Company does not have any income from operations or a regular source of income and is highly dependent on its working capital and equity funding to support its exploration and corporate activities. There can be no assurance that the Company will be successful in its fund raising activities.

Accounts payable and accrued liabilities are generally due within 30 days and loans from related parties are due on demand. As at December 31, 2021, the Company had cash of $918,383 to settle current liabilities of $395,190. The Company will need to raise additional capital to fund 2022 activities.

19. SUBSEQUENT EVENTS

(a) On March 11, 2022, Mansa Exploration Inc. acquired Voltage Metals Inc. and changed its name to Voltage Metals Corp. ("Voltage Corp."). The Voltage Inc. Shares were then exchanged for 1,269,841 Voltage Corp. common shares (the "Voltage Corp. Shares"). Voltage Corp. was then listed for trading on the Canadian Securities Exchange ("CSE") on March 18, 2022 (the "Voltage Listing Date"). The ability of the Company to sell or transfer any part of the Voltage Corp. Shares is limited by the following:
- firstly, the CSE policy, whereby 20% of the Voltage Corp. Shares were released on March 11, 2022 and the remainder shall be released in four (4) equal quarterly instalments, ending on March 11, 2023: and,
- secondly, in accordance with the Purchase Agreement, whereby beginning on the Voltage Listing Date, 50% of the Voltage Corp Shares are subject to a trading restriction of four months and 50% are subject to a trading restriction of eight months,

Beginning in 2022, the Voltage Corp. Shares will become the basis for valuation purposes and will be considered a Level 1 financial instrument. Any resulting gain or loss in the fair value of the Exchanged Voltage Shares will be recognized through profit or loss.

(b) On March 28, 2022, the Company announced its intention to raise up to $3 million through the issuance of up to 37,500,000 units at a price of $0.08 per unit. The financing will be comprised of a $2 million "best efforts" brokered private placement and a $1 million non-brokered private placement. Each unit will consist of one common share and one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase an additional common share at $0.14 for a period of 24 months. The brokered private placement includes an option

SUBSEQUNT EVENTS (continued)

for the agent to sell up to an additional 6,250,000 units for additional proceeds of up to $500,000. The private placement is expected to close on or around April 19, 2022.

(c) Subsequent to December 31, 2021, the Company received proceeds of $14,500 from the exercise of 200,000 stock options.