PANCONTINENTAL RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2022

(unaudited)

EXPRESSED IN CANADIAN DOLLARS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Pancontinental Resources Corporation (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, RSM Canada LLP, has not performed a review of these unaudited condensed interim consolidated financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

PANCONTINENTAL RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited, expressed in Canadian dollars)

As at	June 30 2022	December 31 2021
ASSETS		
Current		
Cash	**$ 989,416**	$ 918,383
Amounts receivable	**15,801**	-
Sales tax receivable	**32,256**	16,788
Prepaid expenses and deposits	**137,026**	162,589
	1,174,499	1,097,760
Investment in Voltage Metals Corp. (notes 11, 12)	**88,889**	50,000
Investment in Tortuga Resources Inc.	**1**	1
	$ 1,263,389	$ 1,147,761
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	**$ 359,759**	$ 395,190
EQUITY		
Share capital (note 8)	**26,523,257**	25,534,536
Contributed surplus	**5,493,494**	5,483,901
Warrants (note 9)	**3,055,324**	2,577,867
Deficit	**(34,168,445)**	(32,843,733)
	903,630	752,571
	$ 1,263,389	$ 1,147,761

Nature of operations and going concern (note 1)
Commitments and contingencies (note 15)
Subsequent events (note 17)

See accompanying notes.

PANCONTINENTAL RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited, expressed in Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2022	2021	**2022**	2021
Expenses				
Corporate and administrative (notes 10, 14)	**$ 235,210**	$ 598,972	**$ 458,176**	$ 822,449
Exploration and evaluation (note 11)	**538,349**	1,051,000	**881,656**	1,998,328
Share-based payments (notes 8, 14)	**10,956**	44,092	**21,247**	79,422
	(784,515)	(1,694,064)	**(1,361,079)**	(2,900,199)
Other income (expenses)				
Unrealized gain (loss) on investment in Voltage Metals Inc. (note 13)	**$ (152,381)**	$ -	**$ 38,889**	$ -
Exploration and evaluation recovery (notes 11, 12)	**-**	-	**-**	300,000
Gain on debt settlement (notes 8, 14)	**-**	15,450	**-**	15,450
Interest income	**-**	1,286	**-**	2,913
Interest expense (note 14)	**(1,000)**	-	**(1,000)**	-
Foreign exchange loss	**(113)**	(16,786)	**(1,522)**	(31,798)
	(153,494)	(50)	**36,367**	286,565
Net loss and comprehensive loss	**$ (938,009)**	$ (1,694,114)	**$ (1,324,712)**	$ (2,613,634)
Basic and diluted loss per share (note 17)	**$ (0.003)**	$ (0.007)	**$ (0.005)**	$ (0.011)
Weighted average number of common shares outstanding: Basic and diluted	**269,014,228**	243,066,669	**261,454,405**	244,433,900

See accompanying notes.

PANCONTINENTAL RESOURCES CORPORATION

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

	Share capital		Contributed			
	Number	Amount	surplus	Warrants	Deficit	Total
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 properties (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)	150,000	19,430	(8,430)	-	-	11,000
Exercise of warrants (note 8)	1,668,000	154,046	-	(37,286)	-	116,760
Share-based payments (note 8)	-	-	79,422	-	-	79,422
Net loss for the period	-	-	-	-	(2,613,634)	(2,613,634)
Balance, June 30, 2021	246,347,790	24,146,389	5,703,430	2,619,769	(31,125,045)	1,344,543
Exercise of options (note 8)	5,575,000	1,215,030	(566,530)	-	-	648,500
Exercise of warrants (note 8)	1,874,500	173,117	-	(41,902)	-	131,215
Share-based payments (note 8)	-	-	347,001	-	-	347,001
Net loss for the period	-	-	-	-	(1,718,688)	(1,718,688)
Balance, December 31, 2021	253,797,290	$ 25,534,536	$ 5,483,901	$ 2,577,867	$ (32,843,733)	$ 752,571
Units issued by private placements (notes 8,9)	20,265,000	1,173,417		447,783	-	1,621,200
Broker warrants (notes 8,9)	-	-	-	29,674	-	29,674
Share issuance costs	-	(210,850)	-	-	-	(210,850)
Exercise of options (note 8)	200,000	26,154	(11,654)	-	-	14,500
Share-based payments (note 8)	-	-	21,247	-	-	21,247
Net loss for the period	-	-	-	-	(1,324,712)	(1,324,712)
Balance, June 30, 2022	**274,262,290**	**$ 26,523,257**	**$ 5,493,494**	**$ 3,055,324**	**$ (34,168,445)**	**$ 903,630**

See accompanying notes.

PANCONTINENTAL RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, expressed in Canadian dollars)

	Three months ended June 30 2022	Three months ended June 30 2021	Six months ended June 30 2022	Six months ended June 30 2021
Operating activities				
Loss for the period	**$ (938,009)**	$ (1,694,114)	**$ (1,324,712)**	$ (2,613,634)
Adjustments to reconcile loss to net cash used:				
Share-based payments	**10,956**	44,092	**21,247**	79,422
Shares issued for mineral properties	**-**	-	**-**	212,500
Unrealized gain (loss) on Voltage Metals investment	**152,381**	-	**(38,889)**	-
Gain on debt settlement	**-**	(15,450)	**-**	(15,450)
Unrealized foreign exchange	**(4,715)**	(69,092)	**(2,091)**	21,597
	(779,387)	(1,734,564)	**(1,344,445)**	(2,315,565)
Net changes in non-cash working capital items				
Amounts receivable	**(1,241)**	-	**(15,801)**	-
Sales tax receivable	**(15,176)**	(1,635)	**(15,468)**	(2,660)
Prepaid expenses and deposits	**53,880**	39,392	**25,988**	212,927
Accounts payable and accrued liabilities	**138,732**	241,177	**(36,313)**	(12,394)
	(603,192)	(1,455,630)	**(1,386,039)**	(2,117,692)
Financing activities				
Related party loan advances (note 14)	**100,000**	-	**100,000**	-
Related party loan repayments (note 14)	**(100,000)**	-	**(100,000)**	-
Units issued by private placements	**1,621,200**	-	**1,621,200**	-
Proceeds from exercise of options	**-**	4,000	**14,500**	11,000
Proceeds from exercise of warrants	**-**	-	**-**	116,760
Share issuance costs	**(181,176)**	-	**(181,176)**	-
	1,440,024	4,000	**1,454,524**	127,760
Net change in cash	**836,832**	(1,451,630)	**68,485**	(1,989,932)
Cash, beginning of period	**148,739**	3,017,781	**918,383**	3,645,426
Effect of exchange rate changes on cash	**3,845**	69,384	**2,548**	(19,959)
Cash, end of period	**$ 989,416**	$ 1,635,535	**$ 989,416**	$ 1,635,535
Supplemental disclosure				
Interest paid	**$ 1,000**	$ -	**$ 1,000**	$ -

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 June 30, 2022, the Company had working capital of $814,740 (December 31, 2021 - $702,570), incurred losses for the current six-month period of $1,324,712 (2021 - $2,613,634), and, had an accumulated deficit of $34,168,445 (December 31, 2021 - $32,843,733).

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 coronavirus COVID-19 a global pandemic. This contagious virus, which continues to spread, has stressed health care providers and adversely affected global and local supply chains, workforces, economies, and financial markets.

There remains ongoing uncertainty surrounding the duration and severity of COVID-19 and the impact it may have on our financial position and results, exploration activities, workers, partners, consultants and suppliers. 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 unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, of the 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 six-month period ended June 30, 2022, were approved and authorized for issue by the Company's board of directors on August 29, 2022.

Basis of Consolidation and Presentation
These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Pancon Resources Carolinas Corp. ("PRC"), 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 ("CAD"), which is the Company's and PRC's functional currency.

Certain comparative figures have been reclassified to conform with the basis of presentation adopted in the current year.

These condensed interim consolidated financial statements do not include all of the disclosure required in annual financial statements and should be read in conjunction with the Company's audited 2021 annual consolidated financial statements. These consolidated financial statements are not necessarily indicative of the results that may be anticipated for the entire year.

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 Company's accounting policies, as described in Note 4, Significant Accounting Policies, of the Company's audited annual consolidated financial statements for the year ended December 31, 2021, have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise noted.

Adoption of IFRS 9 – Financial Instruments
The IASB 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. On January 1, 2022, the Company adopted IFRS 9, which did not have any effect on the Company's financial statements.

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

The following standard has been issued but is not yet effective:

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 current six-month period. The Company is not subject to any externally imposed capital requirements.

(unaudited, expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30 2022		December 31 2021
Suppliers	**$**	**189,301**	$	121,560
Accrued liabilities		**111,356**		49,610
Related parties *		**59,102**		224,020
	$	**359,759**	$	395,190

* 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 April 19, 2022, the Company closed the first tranche of a best efforts brokered private placement for gross proceeds of $1,245,200 by issuing 15,565,000 units at $0.08 per unit. On May 13, 2022, the Company closed the second and final tranche of the private placement for additional gross proceeds of $376,000 by issuing 4,700,000 units. The Company received total gross proceeds of $1,621,200 and issued a total of 20,265,000 units. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.14 for a period of 24 months from closing.

As consideration for the services of the broker, the Company issued 746,700 broker warrants (tranche 1 – 661,950 BWs/tranche 2 - 84,750 BWs), each with an exercise price of $0.08. Each broker warrant entitles the holder to purchase one broker unit consisting of one common share and one share purchase warrant that entitles the holder to purchase one additional common share at an exercise price of $0.14 for a period of 24 months from closing. In addition, the Company paid cash commissions of $59,736.

Shares Issued - Mineral Properties
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).

Shares Issued - Debt Settlements
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, resulting in a gain of $15,450.

Shares Issued - Stock Options
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.

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

During the six-month period ended June 30, 2022, the Company issued 200,000 common shares in connection to the exercise of stock options for proceeds of $14,500. The fair value of these options was $11,654, 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, 2020	22,225,000	$0.11
Granted (i)	3,985,000	0.20
Exercised	(5,725,000)	0.12
Expired	(200,000)	0.12
Balance, December 31, 2021	20,285,000	$0.11
Exercised	(200,000)	0.07
Expired	(875,000)	0.15
Balance, June 30, 2022	**19,210,000**	**$0.12**

(i) 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.

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

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

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

Share-based payment expense recognized for the current six-month period was $21,247 (2021 - $79,422). The offsetting credit was charged to contributed surplus. Consultant options were measured using the Black-Scholes option pricing model due to the absence of a reliable measurement of the services granted.

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
January 10, 2023	1,200,000	$0.05	1,200,000	0.53
May 1, 2023	1,850,000	0.07	1,850,000	0.83
October 1, 2023	50,000	0.06	50,000	1.25
January 18, 2024	900,000	0.08	900,000	1.55
August 30, 2024	4,475,000	0.10	4,475,000	2.17
January 22, 2025	1,800,000	0.05	1,800,000	2.56
August 10, 2025	3,600,000	0.14	3,600,000	3.11
October 25, 2025	1,500,000	0.20	1,125,000	3.32
June 10, 2026	105,000	0.25	105,000	3.94
December 31, 2026	3,730,000	0.20	3,587,500	4.50
	19,210,000	$0.12	18,692,500	2.67

(unaudited, expressed in Canadian dollars)

9. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price	Relative fair value
Balance, December 31, 2020	65,002,050	$0.12	$ 2,657,055
Exercised	(3,542,500)	0.07	(79,188)
Balance, December 31, 2021	61,459,550	$0.12	$ 2,577,867
Issued	21,011,700	0.14	477,457
Balance, June 30, 2022	**82,471,250**	**$0.13**	**$ 3,055,324**

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

	2022
Dividend yield	Nil
Expected volatility (based on historical prices)	97%
Risk-free rate of return	2.55%
Expected life	2 Years
Share price	$0.075

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	0.19	$ 95,748
September 11, 2022	12,750,000	0.18	0.19	768,482
September 16, 2022	9,955,500	0.07	0.21	226,288
April 19, 2024	15,565,000	0.14	1.80	358,667
April 19, 2024 (i)	661,950	0.08	1.80	89,116
May 13, 2024	4,700,000	0.14	1.87	27,408
May 13, 2024 (i)	84,750	0.08	1.87	2,266
March 17, 2025	37,500,000	0.12	2.71	1,487,349
	82,471,250	$0.13	1.75	$ 3,055,324

(i) Broker warrants that entitle the holder to purchase one broker unit for each warrant held. Each broker unit consists of one common share and one share purchase warrant that entitles the holder to purchase one additional common share at an exercise price of $0.14 for a period of 24 months.

(unaudited, expressed in Canadian dollars)

10. CORPORATE AND ADMINISTRATIVE

	Three months ended June 30 **2022**	Three months ended June 30 2021	Six months ended June 30 **2022**	Six months ended June 30 2021
Consulting (note 14)	**$ 8,400**	$ 11,552	**$ 16,800**	$ 42,167
Filing and transfer agent fees	**39,585**	20,853	**48,530**	30,816
Insurance	**4,899**	6,233	**9,717**	12,495
Management fees (note 14)	**87,456**	446,160	**174,435**	506,640
Office and general	**3,840**	4,497	**10,310**	13,298
Professional fees	**15,112**	11,246	**21,792**	15,736
Salaries and benefits	**26,858**	12,066	**53,812**	12,066
Shareholder relations and promotion	**47,960**	81,173	**119,767**	183,663
Travel	**1,100**	5,192	**3,013**	5,568
	$ 235,210	$ 598,972	**$ 458,176**	$ 822,449

11. EXPLORATION AND EVALUATION

Mineral Project	Three months ended June 30 **2022**	Three months ended June 30 2021	Six months ended June 30 **2022**	Six months ended June 30 2021
Brewer, South Carolina, United States	**$ 398,161**	$ 917,527	**$ 718,297**	$ 1,519,309
Jefferson, South Carolina, United States	**127,279**	133,173	**150,450**	155,919
St. Laurent, Ontario, Canada	**-**	300	**-**	323,100
Project evaluation, United States	**12,909**	-	**12,909**	-
	$ 538,349	$ 1,051,000	**$ 881,656**	$ 1,998,328

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 (the "Option Period"), which began on April 1, 2020. On March 23, 2022, the Option Period was extended until December 31, 2024, with no additional expenditure requirements (On July 11, 2022, the Company acquired the right to extend the Option Period up to December 31, 2030 – Note 19). The Company can exercise its option to purchase Brewer at any time during the option term. Pursuant to the Option Agreement the Company has retained ERT to conduct environmental due diligence required to determine the Superfund liability at Brewer, at a cost of US $250,000, which was paid during 2020 and 2021.

(unaudited, expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

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.

	Three months ended June 30		Six months ended June 30	
Brewer	**2022**	2021	**2022**	2021
Property costs	**$ -**	$ 1,842	**$ 1,899**	$ 3,741
Assaying	**1,877**	163,390	**53,253**	276,365
Consulting/Contracting	**51,421**	106,366	**126,706**	241,947
Drilling	**102,272**	445,161	**102,272**	649,867
Environmental	**-**	55,260	**-**	112,230
Equipment and supplies	**15,581**	48,264	**33,652**	97,498
Geophysics/Surveys	**142,682**	27,252	**192,415**	27,252
Reports	**537**	516	**1,157**	3,662
Site costs	**22,292**	24,878	**48,667**	50,876
Travel/Transportation	**5,742**	13,948	**13,839**	25,221
Wages and benefits	**55,757**	30,650	**144,437**	30,650
	$ 398,161	$ 917,527	**$ 718,297**	$ 1,519,309

Jefferson Gold Project – South Carolina, United States

The Jefferson Gold Project is in Chesterfield County, South Carolina, United States and nearly completely surrounds the former Brewer Gold Mine. During the current six-month period, the area of one lease was reduced and the Company relinquished one other lease. As at June 30, 2022, Jefferson consisted of fourteen exploration-stage gold prospective property leases owned by private landowners, encompassing approximately 1,919 acres. The total lease payments for 2022 is US $207,845.

The Company has the right to acquire a 100% interest in thirteen of the leases and holds a right of first refusal to acquire a 100% interest in one other lease. The leases range in expiration from 2022 to 2031. In addition, the Company reserves the right to relinquish thirteen of the leases at any time. Four 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.

	Three months ended June 30		Six months ended June 30	
Jefferson	**2022**	2021	**2022**	2021
Property costs	**$ 126,896**	$ 133,214	**$ 149,687**	$ 156,002
Site costs	**383**	(41)	**763**	(83)
	$ 127,279	$ 133,173	**$ 150,450**	$ 155,919

(unaudited, expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

St. Laurent Project – Ontario, Canada (Sold)
St. Laurent is an exploration-stage nickel-copper-cobalt-gold-platinum-palladium project and is located in St. Laurent township, approximately 160 kilometres northeast of Timmins, Ontario and encompasses an area of approximately 4,400 hectares. In December 2021, the sale of St. Laurent (Note 12) to Voltage Metals Inc. was completed and the Company retained the right to purchase a 1% net smelter royalty for $1,000,000.

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. In March 2021, the Company completed its payment obligations and exercised the Option pursuant to the Company's purchase agreement with Voltage Metals Inc. 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).

	Three months ended June 30		Six months ended June 30	
St. Laurent	**2022**	2021	**2022**	2021
Acquisition costs	**$ -**	$ -	**$ -**	$ 322,500
Site costs	**-**	300	**-**	600
	$ -	$ 300	**$ -**	$ 323,100

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.

(unaudited, expressed in Canadian dollars)

SALE OF EXPLORATION AND EVALUATION PROPERTIES – ONTARIO, CANADA (continued)

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.

(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*).

*The liquidity event occurred on March 18, 2022, as Voltage Inc.'s common shares were exchanged for the securities of another issuer and was listed on a recognized stock exchange (Note 13).

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

13. INVESTMENT IN VOLTAGE METALS

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"). On April 12, 2022, a Company director was appointed to Voltage Corp.'s board of directors.

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.

	Number		Amount
Balance, December 31, 2020	-	$	-
Voltage Metals Inc. shares acquired on sale of mineral properties (note 12)	1,000,000		50,000
Balance, December 31, 2021	1,000,000		50,000
Gain on exchange of Voltage Metals Inc. shares	269,841		140,476
Loss on change in fair value	-		(101,587)
Balance, June 30, 2022	**1,269,841**	**$**	**88,889**

(unaudited, expressed in Canadian dollars)

INVESTMENT IN VOLTAGE METALS (continued)

For 2022, the Voltage Corp. Shares will become the basis for valuation purposes and are 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. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

14. 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.

	Three months ended June 30		Six months ended June 30	
	2022	2021	**2022**	2021
Consulting (i)	**$ 6,000**	$ -	**$ 12,000**	$ -
Management fees (ii)	**87,456**	446,160	**174,435**	506,640
Share-based payments (iii)	**268**	23,070	**1,262**	23,070
Interest expense (iv)	**1,000**	-	**1,000**	-
	$ 93,724	$ 469,230	**$ 187,697**	$ 529,710

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

(iv) Interest was paid to a Company director pursuant to a $100,000 cash loan made by the director to the Company on April 12, 2022. The loan was repaid on May 12, 2022.

15. COMMITTMENTS 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.

16. 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) 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 $220. 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.

17. 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.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, amounts receivable, the investment in Voltage Metals and accounts payable and accrued liabilities 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.

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:

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 its cash with Canadian and United States banks. Allowances for the royalty revenue receivable are recognized as necessary for potential credit losses.

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 15) 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 June 30, 2022, a 10% change in the United States dollar (USD) would have a nominal impact on the Company's loss (December 31, 2021 - $20,000).

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 6. 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. As at June 30, 2022, the Company had cash of $989,416 to settle current liabilities of $359,759. The Company needs to raise additional capital to fund its 2022 corporate and exploration activities.

19. SUBSEQUENT EVENTS

On July 11, 2022, the Company and the Receiver amended the Option Agreement to provide the Company with the right to extend the Option Period for the Brewer Gold Project (note 11) up to December 31, 2030, as follows:

(i) To extend the Option Period to December 31, 2027, the Company shall pay up to a maximum of US $1.4 million per year for 2025, 2026 and 2027, in quarterly instalments of US $350,000, to the SC DHEC and the US EPA to cover continuing site management costs.

(ii) To extend the Option Period to December 31, 2028, the Company shall:
- expend at least US $9 million (June 30, 2022 – expended approximately US $3.67M) on exploration activities since commencement of the Option Period; and,
- pay up to a maximum of US $1.5 million, in quarterly payments of US $375,000, to the SC DHEC and the US EPA to cover continuing site management costs.

SUBSEQUENT EVENT (continued)

(iii) To extend the Option Period up to December 31, 2029, and to December 31, 2030, respectively, the Company shall:
- expend at least US $1.5 million on exploration activities in the immediately prior year; and,
- pay up to a maximum of US $1.5 million per year, in quarterly payments of US $375,000, to the SC DHEC and the US EPA to cover continuing site management costs.