ATAC RESOURCES LTD.

Consolidated Financial Statements
Years ended December 31, 2021 and 2020
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
ATAC Resources Ltd.

Opinion

We have audited the accompanying consolidated financial statements of ATAC Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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 Management's Discussion and Analysis 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.

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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 IFRS, 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 Hawkshaw.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

April 7, 2022

ATAC RESOURCES LTD.
Consolidated Statements of Financial Position
Expressed in Canadian dollars
As at

		December 31, 2021		December 31, 2020
ASSETS				
Current assets:				
Cash and cash equivalents (Note 3)	$	5,561,557	$	5,901,360
Receivables and prepayments (Note 4)		174,551		121,339
Marketable securities (Note 5)		374,499		420,957
		6,110,607		6,443,656
Non-current assets				
Prepaid exploration expenditures		61,865		45,494
Mineral property interests (Note 6)		2,175,729		793,966
Reclamation deposit (Note 7)		137,593		125,744
Equipment (Note 8)		89,819		112,000
		2,465,006		1,077,204
Total Assets	$	8,575,613	$	7,520,860
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	$	97,158	$	169,830
Accounts payable to related parties (Note 10)		31,824		56,566
Flow-through premium liability (Note 14)		56,281		-
		185,263		226,396
Non-current liabilities:				
Asset retirement obligation (Note 6(a))		306,066		-
Total liabilities		491,329		226,396
Shareholders' equity:				
Share capital (Note 9)		135,718,507		132,149,164
Contributed surplus (Note 9)		2,430,125		3,059,482
Deficit		(130,064,348)		(127,914,182)
Total shareholders' equity		8,084,284		7,294,464
Total liabilities and shareholders' equity	$	8,575,613	$	7,520,860

Nature of operations and going concern (Note 1)
Commitments (Note 14)
Event after the reporting period (Note 15)

Approved on behalf of the Board of Directors as of April 7, 2022:

"James Gray" Director

"Glenn R. Yeadon" Director

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

ATAC RESOURCES LTD.

Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars
For the years ended December 31,

		2021		2020
Expenses:				
Consulting fees (Note 10)	$	104,000	$	40,800
Depreciation (Note 8)		2,370		-
Exploration expenses (Note 6)		632,984		-
General administrative expenses		48,046		37,841
Insurance		63,692		49,905
Investor relations and shareholder information		87,816		112,345
Management, administration, and corporate development fees (Note 10)		42,000		67,515
Office rent (Note 10)		55,200		46,000
Professional fees (Note 10)		186,995		220,435
Property examination costs (Note 10)		54,932		22,440
Salaries and benefits (Note 10)		375,528		271,913
Share-based payments (Note 9,10)		219,265		312,989
Transfer agent and filing fees		34,085		21,904
Travel and meals		13,508		-
Loss from operating expenses		(1,920,421)		(1,204,087)
Project management fee (Note 6)		16,500		-
Foreign exchange gain		10,998		825
Interest income		41,196		154,119
Gain (loss) on marketable securities (Note 5)		(54,261)		157,883
Mineral property impairment (Note 6)		(1,333,337)		(118,783,685)
Gain on option of mineral property interest (Note 6)		30,000		184
Loss for the year before income taxes		(3,209,325)		(119,674,761)
Deferred income tax recovery (Note 11)		171,719		17,004,514
Loss and comprehensive loss for the year	$	(3,037,606)	$	(102,670,247)
Weighted average number of shares outstanding - basic and diluted		174,844,410		160,339,272
Basic and diluted loss per share	$	(0.02)	$	(0.64)

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

ATAC RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian dollars

	Share Capital				
	Number of Shares	Share capital	Contributed surplus	Deficit	Total shareholders' equity
January 1, 2020	**158,035,720**	**$ 131,090,809**	**$ 3,673,633**	**$ (26,143,281)**	**$ 108,621,161**
Private placement shares issued	4,347,827	1,000,000	-	-	1,000,000
Flow-through premium liability	-	(21,739)	-	-	(21,739)
Share issuance costs	-	(70,195)	22,745	-	(47,450)
Shares issued for mineral properties	80,000	16,000			16,000
Shares issued on exercise of options	275,000	83,750	-	-	83,750
Re-allocated on exercise of options	-	50,539	(50,539)	-	-
Share-based payments	-	-	312,989	-	312,989
Re-allocated on expiration of options	-	-	(641,194)	641,194	-
Re-allocated on cancellation of options	-	-	(258,152)	258,152	-
Loss and comprehensive loss for the year	-	-	-	(102,670,247)	(102,670,247)
December 31, 2020	**162,738,547**	**132,149,164**	**3,059,482**	**(127,914,182)**	**7,294,464**
Private placement shares issued	21,600,000	4,032,000	-	-	4,032,000
Flow-through premium liability	-	(228,000)	-	-	(228,000)
Share issuance costs	-	(252,857)	54,018	-	(198,839)
Shares issued for mineral properties	30,000	3,000	-	-	3,000
Re-allocated on expiration of options	-	-	(887,440)	887,440	-
Re-allocated on expiration of finders' warrants	-	15,200	(15,200)	-	-
Share-based payments	-	-	219,265	-	219,265
Loss and comprehensive loss for the year	-	-	-	(3,037,606)	(3,037,606)
December 31, 2021	**184,368,547**	**$ 135,718,507**	**$ 2,430,125**	**$(130,064,348)**	**$ 8,084,284**

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

ATAC RESOURCES LTD.

Consolidated Statements of Cash Flows
Expressed in Canadian dollars
For the years ended December 31,

	2021	2020
Cash flows from operating activities:		
Loss and comprehensive loss for the year	$ (3,037,606)	$ (102,670,247)
Items not involving cash:		
Share-based payments	219,265	312,989
Unrealized (gain) loss on marketable securities	54,261	(157,883)
Interest income	(41,196)	(154,119)
Depreciation	18,370	-
Deferred income tax expense (recovery)	-	(17,004,514)
Gain on option of mineral property interest	(30,000)	(184)
Flow-through premium recovery	(171,719)	-
Asset retirement obligation	114,421	-
Mineral property impairment	1,333,337	118,783,685
Changes in non-cash working capital items:		
Receivables and prepayments	(84,281)	19,405
Accounts payable and accrued liabilities	(6,819)	25,709
Due to related parties	(17,851)	16,927
Cash used in operating activities	**(1,649,818)**	**(828,232)**
Cash flows from investing activities		
Interest received	40,932	154,119
Proceeds on sale of marketable securities	12,197	-
Option payment received	10,000	5,000
Reclamation deposit	(11,849)	638
Purchase of equipment	(12,189)	-
Yukon mining exploration grant received	56,333	37,242
Mineral property acquisition costs	(127,913)	(168,553)
Prepaid exploration expenditures	(87,803)	(19,980)
Deferred exploration and evaluation expenditures	(2,402,854)	(3,967,258)
Cash used in investing activities	**(2,523,146)**	**(3,958,792)**
Cash flows from financing activities		
Issue of common share units for cash	4,032,000	1,083,750
Share issuance costs	(198,839)	(65,000)
Cash provided by financing activities	**3,833,161**	**1,018,750**
Change in cash	(339,803)	(3,768,274)
Cash, beginning of the year	5,901,360	9,669,634
Cash, end of the year	**$ 5,561,557**	**$ 5,901,360**

Supplemental cash flow information (Note 12)

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

1. Nature of operations and going concern

ATAC Resources Ltd. (the "Company" or "ATAC") was incorporated under the laws of the Province of British Columbia, Canada. The Company's head office is located at 1500 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. Its records office is located at 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3. Its main business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada and United States. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") and the OTCQB Venture Market ("OTCQB").

The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have revenues and historically has recurring operating losses. As at December 31, 2021, the Company had working capital of $5,925,344 (2020 - $6,217,260) and shareholders' equity of $8,084,284 (2020 - $7,294,464). Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise capital or conduct exploration activities. Operations will depend on obtaining necessary field supplies, obtaining contractor services and safeguarding all personnel during the outbreak, which may be prohibitive or too costly.

2. Significant accounting policies

(a) Basic of presentation

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 International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

	Country of Incorporation	Effective Interest	Functional currency
0885802 B.C. Ltd.	Canada	100%	Canadian Dollar
0885794 B.C. Ltd.	Canada	100%	Canadian Dollar
Cascadia Minerals Ltd.	USA	100%	Canadian Dollar

On January 14, 2021, Cascadia Minerals Ltd. was incorporated in the State of Nevada, USA, to facilitate the exploration of the Company's East Goldfield project (Note 6). The records office of Cascadia Minerals Ltd. is 210 – 241 Ridge Street, Reno, Nevada, USA.

(c) Recent accounting pronouncements

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2021. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

(d) Financial instruments

The Company classifies its financial instruments in the following categories: as FVTPL, financial assets at amortized cost and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Non-derivative financial assets and liabilities

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and

(b) Those to be measured at amortized cost.

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

(i) Non-derivative financial assets and liabilities (continued)

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company's marketable securities are classified as FVTPL. Marketable securities held in companies with an active market are classified as current assets at fair value. Marketable securities held in non-public companies without an active market are classified as non-current assets and are valued at fair value. In situations where fair value is indeterminable or impracticable to determine, the shares are recorded at cost. This may occur when non-public company shares are received as payment for mineral property interests. In such situations cost is determined by reference to the issue price of similar shares issued by the non-public entity for cash, at or near the time of issue of the investment shares, and in similar volumes. When, at future measurement dates fair value is still indeterminable, or impracticable, cost is used as the measure of fair value. When there is evidence of impairment the shares are written down to expected realizable value.

Cash and cash equivalents and reclamation deposit are classified as FVTPL and are accounted for at fair value. Cash equivalents include highly liquid investments with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Receivables are classified as financial assets at amortized cost.

(ii) Derivative financial assets

Warrants are classified as derivative financial assets and are recorded at FVTPL. Warrants without an active market that are received as attachments to common share units are initially recorded at nominal amounts. At the time of purchase the total unit cost is allocated in full to each common share. Subsequent value is determined at measurement date using a valuation technique, such as the Black-Scholes option pricing model, or when the valuation technique input variables are not reliable, using the intrinsic value, which is equal to the higher of the market value of the underlying security, less the exercise price of the warrant, or zero.

(iii) Other financial liabilities

The Company has the following other financial liabilities: accounts payable and accrued liabilities and due to related parties. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

(e) Mineral property interests

The acquisition costs of mineral property interests and any subsequent exploration and evaluation costs are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Mineral property interests that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

2. Significant accounting policies (continued)

(e) Mineral property interest (continued)

The acquisition costs include the cash consideration paid and the fair value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the year the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the year the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

(f) Equipment

Equipment is measured at cost less accumulated depreciation and impairment losses. Equipment not available for use is not subject to depreciation. Depreciation is recognized on a straight-line basis over a term of five years.

An asset's residual value, useful life and depreciation method is reviewed at each reporting period and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent costs that meet the asset recognition criteria are capitalized, while costs incurred that do not extend the economic useful life of an asset are considered repairs and maintenance, which are accounted for as an expense recognized during the period. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

(g) Impairment

(i) Financial assets

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

2. Significant accounting policies (continued)

(g) Impairment (continued)

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in note 2(e) above.

(h) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Share capital is reduced by the average per-common-share carrying amount, with the difference between this amount and the consideration paid, added to or deducted from contributed surplus.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

(i) Flow-through share private placements

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability. The deferred income tax liability and reversal of the flow-through share premium liability are recorded on a pro-rata basis as the required exploration expenditures are completed.

2. Significant accounting policies (continued)

(j) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised the consideration received is recorded as share capital and the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled or expires, the initial recorded value is reversed from contributed surplus and credited to deficit.

(k) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses.

(l) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2. Significant accounting policies (continued)

(l) Income taxes (continued)

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(m) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

(n) Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) Option or sale agreements, under which the Company may receive shares as payment, require the Company to determine the fair value of the shares and/or warrants received. Many factors can enter into this determination, including, if public shares, the number of shares received, the trading value of the shares, and volume of shares, and if non-public shares, the underlying asset value of the shares, or value of the claims under option or sale. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the shares received.

(ii) Recorded costs of flow-through share premium liabilities reflect the premium received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainly and requires the Company to assess the value of non-flow through shares. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.

(iii) The determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(n) Use of estimates and critical judgments (continued)

Judgments

(i) Recorded costs of mineral property interests and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Management is required, at each reporting date, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(ii) Expenditures on properties made on behalf of a farmee subject to a farm-in agreement are not considered to be those of the Company. Funding advanced to the Company by the farmee and payments made by the Company on its behalf are considered cash flows by the Company.

(iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	December 31, 2021	December 31, 2020
Bank and broker balances	$ 1,072,143	$ 2,257,851
Cashable investment certificates	4,489,414	3,643,509
	$ 5,561,557	$ 5,901,360

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	December 31, 2021	December 31, 2020
Sales tax recoverable	$ 48,706	$ 11,181
Exploration incentives receivable (Note 6)	25,000	56,333
Account receivable	2,565	-
Prepaid expenses and deposits	98,280	53,825
	$ 174,551	$ 121,339

(Expressed in Canadian dollars)

5. Marketable securities

Marketable securities consist of various common shares received on the option of mineral property interests as follows:

	Shares with an active market	Warrants	Totals
Cost			
January 1, 2020	$ 1,691,834	$ 475,000	$ 2,166,834
Additions	33,500	-	35,000
December 31, 2020	1,725,334	475,000	2,200,334
Fair value			
January 1, 2020	213,593	15,981	229,574
Additions	33,500	-	33,500
Unrealized gain (loss)	164,021	(6,138)	157,883
December 31, 2020	$ 411,114	$ 9,843	$ 420,957
Cost			
January 1, 2021	$ 1,725,334	$ 475,000	$ 2,200,334
Additions	20,000	-	20,000
Proceeds on sale	(12,177)	(20)	(12,197)
Realized loss	(293,537)	(474,980)	(768,517)
December 31, 2021	1,439,620	-	1,439,620
Fair value			
January 1, 2021	411,114	9,843	420,957
Additions	20,000	-	20,000
Proceeds on sale	(12,177)	(20)	(12,197)
Realized loss	(2,055)	(9,823)	(11,878)
Unrealized loss	(42,383)	-	(42,383)
December 31, 2021	$ 374,499	$ -	$ 374,499

During the year ended December 31, 2020, the Company received 25,000 common shares of Makara Mining Corp. ("Makara") at a fair value of $33,500 ($1.34 per share) pursuant to an option agreement in respect of the Idaho Creek project (Note 6). In the year ended December 31, 2021, the Company received an additional 50,000 common shares of Makara at a value of $20,000 ($0.40 per share).

The valuation of the shares with an active market has been determined in whole by reference to the bid price of the shares on the TSX-V or Toronto Stock Exchange ("TSX") at each period end date.

(Expressed in Canadian dollars)

6. Mineral property interests

The Company's mineral property interests consist of various exploration stage properties located in the Yukon Territory, Canada and Nevada, USA. The properties have been grouped into wholly-owned, under option and royalty interests. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects. The continuity of aggregate costs incurred is as follows:

	Wholly-owned	Under option	Total
January 1, 2020	$ 115,451,621	$ -	$ 115,451,621
Acquisitions / staking / assessments	137,438	47,115	184,553
Exploration and evaluation	3,819,135	160,658	3,979,793
Proceeds from option	(38,500)	-	(38,500)
Gain on option	184	-	184
Impairments	(118,783,685)	-	(118,783,685)
December 31, 2020	586,193	207,773	793,966
Acquisitions / staking / assessments	58,499	72,414	130,913
Exploration and evaluation	1,339,392	1,053,150	2,392,542
Cash / shares received	(30,000)	-	(30,000)
Reclamation obligations	191,645	-	191,645
Gain on option	30,000	-	30,000
Impairments	-	(1,333,337)	(1,333,337)
December 31, 2021	$ 2,175,729	$ -	$ 2,175,729

Changes in the carrying amounts by project for the years ended December 31, 2021 and 2020 are summarized as follows:

	January 1, 2021	Acquisitions / staking / assessments	Exploration and evaluation	Cash / Shares Received	Reclamation obligations	Gain on option	Impairment	December 31, 2021
Wholly-owned projects			Note 6(d)					
Rackla Gold Nadaleen (Osiris and Orion)	$ 1	$ 26,114	$ 437,325	$ -	$ 176,661	$ -	$ -	$ 640,101
Rau	1	-	-	-	-	-	-	1
	2	26,114	437,325	-	176,661	-	-	640,102
Connaught	373,072	32,385	795,287	-	14,984	-	-	1,215,728
Idaho Creek	-	-	3,225	(30,000)	-	30,000	-	3,225
Rosy	213,119	-	103,555*	-	-	-	-	316,674
	586,193	58,499	1,339,392	(30,000)	191,645	30,000	-	2,175,729
Under option project								
East Goldfield	207,773	72,413	1,053,150	-	-	-	(1,333,337)	-
Total All Projects	$ 793,966	$ 130,913	$ 2,392,542	$ (30,000)	$ 191,645	$ 30,000	$(1,333,337)	$ 2,175,729

* net of $25,000 in financial assistance from the Yukon Government

(Expressed in Canadian dollars)

6. Mineral property interests (continued)

	January 1, 2020	Acquisitions / staking / assessments	Exploration and evaluation	Proceeds from option	Gain on option	Impairment	December 31, 2020
Wholly-owned projects							
Rackla Gold Nadaleen (Osiris and Orion)	$ 75,293,440	$ 77,044	$ 512,662	$ -	$ -	$ (75,883,145)	$ 1
Rau	39,666,330	893	3,233,318	-	-	(42,900,540)	1
	114,959,770	77,937	3,745,980	-	-	(118,783,685)	2
Connaught	258,051	58,991	56,030	-	-	-	373,072
Idaho Creek	24,181	127	14,008	(38,500)	184	-	-
Rosy	209,619	383	3,117	-	-	-	213,119
	115,451,621	137,438	3,819,135	(38,500)	184	(118,783,685)	586,193
Under option project							
East Goldfield	-	47,115	1,160,658	-	-	-	207,773
Total All Projects	$ 115,451,621	$ 184,553	$ 3,979,793	$ (38,500)	$ 184	$ (118,783,685)	$ 793,966

a) Wholly-owned projects

The Company's wholly owned projects are comprised of the rights to explore various mineral claims located in the Yukon Territory and Nevada, which are at various stages of exploration. They are not subject to any option or sale agreements, except as noted below.

Rackla Gold property

The Rackla Gold property consists of a 100% interest in the various mineral properties located in the Mayo Mining District, Yukon Territory. The Rackla Gold property has been divided into two separate projects, being the Nadaleen (formerly Osiris and Orion) and Rau projects.

The Nadaleen project is located at the eastern end of the Rackla Gold property and hosts Carlin-type gold mineralization.

The Rau project is located at the western end of the Rackla Gold property and hosts the Tiger Gold deposit.

As at December 31, 2020, the Company recorded an impairment provision of $118,783,685 on the Rackla Gold property as a result of certain impairment indicators being present under the accounting standards. The impairment indicators largely consisted of: (i) the Company's market capitalization being significantly lower than the net assets of the Company for a prolonged period of time; and (ii) the ongoing challenges that the Company has faced with respect to getting the road permitting in place to allow ground access to the property. In future periods, if the impairment indicators are no longer present (ie: the Company's market capitalization has improved and the Company is successful in the continued negotiations with respect to the road permitting), the Company, if it can provide a supportable estimate of the property's recoverable amount, may record a reversal of the 2020 impairment provision. Any impairment reversal shall be to the recoverable amount, not to exceed the carrying value of the property prior to its impairment.

As at December 31, 2021, the Company's market capitalization has improved such that it is no longer significantly lower than net assets of the Company; however, the Company continues to face challenges with getting the road permitting in place to allow ground access on the Rau project. As the Nadaleen project is not affected by the road permitting challenges, the Company has recognized that there are no longer significant indicators of impairment present and has capitalized acquisition and exploration costs incurred in 2021 totalling $463,439. The impairment indicators remain on the Rau project as at December 31, 2021 and a total of $632,984 (comprising acquisition costs of $50,248, exploration costs of $468,315, and a reclamation obligation of $114,421), has been recorded as exploration expenses on the consolidated statement of loss.

6. Mineral property interests (continued)

a) Wholly-owned projects (continued)

Rackla Gold property (continued)

As at December 31, 2021, the Company has recognized reclamation obligations of $176,661 and $114,421 on the Nadaleen and Rau projects, respectively (2020 - $nil for both projects). The undiscounted amounts of estimated cash flows were estimated at $258,650 and $138,450 for Nadaleen and Rau, respectively. The liabilities were estimated using expected lives of 4 and 2 years for Nadaleen and Rau, respectively, and a net discount rate of 10%.

Connaught project

The Connaught project consists of a 100% interest in the CN, NC, OM and TN mineral claims located in the Dawson Mining District, Yukon Territory. The TN claims are subject to a 1% NSR.

In 2020, the Company was approved to receive financial assistance from the Yukon Government on 2020 qualified exploration expenditures on its Connaught project, to a maximum of $39,558. As at December 31, 2020, the Company had earned $33,070 of the amount, which was received during the year ended December 31, 2021.

See Blackbear claims and Mag claims for option agreements in respect of additional claims forming part of the Company's Connaught project.

As at December 31, 2021, the Company has recognized a reclamation obligation of $14,984 (2020 - $nil). The undiscounted amount of estimated cash flows was estimated at $29,200. The liability was estimated using an expected life of 7 years and a net discount rate of 10%.

Idaho Creek project

The Idaho Creek project consists of a 100% interest in the Idaho mineral claims located in the Whitehorse Mining District, Yukon Territory.

On August 19, 2020, and amended on November 25, 2020, and October 13, 2021, the Company signed a property option agreement (the "Option Agreement") with Makara Mining Corp. ("Makara"), whereby Makara has the option to earn a 100% interest in the Company's Idaho Creek project. Pursuant to the Option Agreement, Makara can earn the interest through completion of the following:

Cash payments of $150,000:

- $5,000 on execution of the Option Agreement (received);
- $10,000 on or before May 1, 2021 (received);
- $20,000 on or before May 1, 2022;
- $25,000 on or before May 1, 2023; and
- $90,000 on or before May 1, 2024.

Issuance of 750,000 common shares:

- 25,000 common shares on execution of the Option Agreement (received at a fair value of $33,500);
- 50,000 common shares on or before May 1, 2021 (received at a fair value of $20,000);
- 100,000 common shares on or before May 1, 2022 (received subsequent to December 31, 2021);
- 250,000 common shares on or before May 1, 2023; and
- 325,000 common shares on or before May 1, 2024.

In addition, Makara is required to incur $2,000,000 in exploration expenditures on the project as follows:

- $50,000 on or before December 1, 2020 (incurred);
- An additional $25,000 on or before December 1, 2021 (incurred);
- An additional $225,000 on or before December 1, 2022;
- An additional $500,000 on or before December 1, 2023; and
- An additional $1,200,000 on or before December 1, 2024.

6. Mineral property interests (continued)

a) Wholly-owned projects (continued)

Idaho Creek project (continued)

If an aggregate of $300,000 in exploration expenditures is not incurred by December 1, 2022, Makara is required to pay the difference between actual expenditures and $300,000 to the Company by December 15, 2022, notwithstanding the termination of the Option Agreement.

Pursuant to the Option Agreement, the Company retains a 2% NSR from any commercial production of precious metals from the Idaho Creek project of which Makara can repurchase one-half (being 1%) for $1,000,000.

Further, in addition to the NSR, the Company shall be entitled to receive a one-time cash payment equal to $1 per ounce of gold (or the value equivalent in other metals) identified in the earlier of a National Instrument 43-101 Standards of Disclosure for Mineral Property compliant: (i) measured and indicated resource estimate applicable to the project; or (ii) a proven and probable reserve estimate applicable to the project.

During the year ended December 31, 2020, the Company recognized a gain of $184 in respect of option payments received in excess of the Company's carrying value of the project. In the year ended December 31, 2021, the Company recognized a recovery in excess of carrying costs of $30,000.

In 2020, the Company was approved to receive financial assistance from the Yukon Government on 2020 qualified exploration expenditures on its Idaho Creek project, to a maximum of $23,263. As at December 31, 2020, the Company had earned the full amount, which was received during the year ended December 31, 2021.

Expenditures on the project after the Option Agreement with Makara was signed have been recovered from Makara, therefore the financial assistance earned on these amounts are due to Makara. The 2020 financial assistance was determined to be $18,536 and was included in accounts payable and accrued liabilities as at December 31, 2020, and paid during the year ended December 31, 2021.

Rosy project

The Rosy project consists of a 100% interest in the Rosy and Sam mineral claims located in the Whitehorse Mining District, Yukon Territory.

In 2021, the Company was approved to receive financial assistance from the Yukon Government on 2021 qualified exploration expenditures on its Rosy project, to a maximum of $25,000. As at December 31, 2021, the Company had earned the full amount, which has been recorded as a reduction to exploration and evaluation expenditures for the year, and is included in receivables as at December 31, 2021.

b) Projects under option

East Goldfield project

On February 20, 2020, the Company signed a Property Option Agreement with Silver Range Resources Ltd. ("Silver Range"), a company with common Directors and Officers, whereby the Company had the option to earn a 100% interest in Silver Range's East Goldfield property located in Nevada, USA. Pursuant to the Option Agreement, the Company had the right to earn an initial 75% interest in the property (the "Initial Option") by making cash payments to Silver Range based on the following schedule:

Cash payments of $400,000:

- $30,000 on execution of the Option Agreement (paid);
- $40,000 on or before April 1, 2021 (paid);
- $70,000 on or before April 1, 2022;
- $100,000 on or before April 1, 2023; and
- $160,000 on or before April 1, 2024.

6. Mineral property interests (continued)

b) Projects under option (continued)

East Goldfield project (continued)

In addition, the Initial Option required the Company to incur exploration expenditures on the property as follows:

- $200,000 on or before April 1, 2021 (incurred);
- An additional $200,000 on or before April 1, 2022 (incurred); and
- An additional $9,600,000 on or before December 1, 2025.

The Company had the right at its sole election to make up 50% of all of the cash payments under the Initial Option through the issuance of common shares to Silver Range. The number of common shares to be issued as payment was to be calculated using a share price equal to the volume weighted average price of the Company's common shares for the 10 trading days immediately preceding the applicable payment date, subject to such price not being less than $0.05 per share. Silver Range was not required to accept any number of common shares where accepting the number of shares would result in Silver Range holding (directly or indirectly) more than an aggregate 19.9% of the issued and outstanding shares of the Company.

On completion of the Initial Option, the Company would have the right to acquire an additional 25% interest in the property (the "Second Option") by paying Silver Range an additional $10,000,000 on or before the date that is six months from the Company's issuance of a notice to Silver Range confirming its desire to exercise the Second Option.

Silver Range would retain a 2% NSR on all mineral production from the properties, of which up to 1% can be purchased for $1,000,000.

Silver Range would also be entitled to receive a one-time cash payment equal to US$2 per ounce of gold (or the value equivalent in other metals) on the first 1,000,000 ounces of gold, identified in a NI 43-101 compliant measured and indicated resource estimate application (or proven and probable reserves) to the property; and an additional onetime cash payment equal to US$1 per ounce of gold (or the value equivalent in other metals) on all ounces of gold in excess of 1,000,000 ounces of gold, identified in a NI 43-101 compliant proven or probable reserve estimate applicable (or proven and probable reserves) to the property.

As at December 31, 2021, the Company recorded an impairment provision of $1,333,337 on the East Goldfield project as a result of termination of the Option Agreement with Silver Range subsequent to December 31, 2021.

Blackbear claims

On November 20, 2020, the Company signed a Property Option Agreement with two vendors whereby the Company has the option to earn a 100% interest in a series of claims contiguous to the Company's Connaught project. Pursuant to the Option Agreement, the Company has the right to earn a 100% interest in the property by making cash payments to the vendors based on the following schedule:

Cash payments of $100,000:

- $10,000 on execution of the Option Agreement (paid);
- $10,000 on or before February 28, 2022 (paid subsequent to December 31, 2021);
- $10,000 on or before February 28, 2023;
- $15,000 on or before February 28, 2024;
- $25,000 on or before February 28, 2025; and
- $30,000 on or before February 28, 2026.

6. Mineral property interests (continued)

b) Projects under option (continued)

Blackbear claims (continued)

In addition, the Option Agreement requires the Company to issue 200,000 common shares as follows:

- 20,000 common shares on Exchange acceptance (issued at a fair value of $4,000);
- 20,000 common shares on or before February 28, 2022 (issued subsequent to December 31, 2021 at a fair value of $2,000 (Note 15));
- 20,000 common shares on or before February 28, 2023;
- 30,000 common shares on or before February 28, 2024;
- 50,000 common shares on or before February 28, 2025; and
- 60,000 common shares on or before February 28, 2026.

The vendors will retain a 2% NSR on all mineral production from the properties, of which up to 1% can be purchased for $500,000.

Mag claims

On November 20, 2020, the Company signed a Property Option Agreement with a vendor whereby the Company has the option to earn a 100% interest in a series of claims contiguous to the Company's Connaught project. Pursuant to the Option Agreement, the Company has the right to earn a 100% interest in the property by making cash payments to the vendor based on the following schedule:

Cash payments of $70,000:

- $15,000 on execution of the Option Agreement (paid);
- $25,000 on or before December 31, 2021 (paid); and
- $30,000 on or before December 31, 2022.

In addition, the Option Agreement requires the Company to issue 120,000 common shares as follows:

- 60,000 common shares on Exchange acceptance (issued at a fair value of $12,000);
- 30,000 common shares on or before December 31, 2021 (issued at a fair value of $3,000); and
- 30,000 common shares on or before December 31, 2022.

The vendor will retain a 1% conventional royalty ("CNSR") and a 10% high-grade royalty on all mineral production from the properties The Company has the right to purchase 100% of the CNSR for $250,000.

c) Royalty interests

The Company has a 1% NSR on the Golden Revenue, Nitro, Seymour and Dawson Gold properties located in the Dawson and Whitehorse Mining Districts, Yukon Territory.

(Expressed in Canadian dollars)

6. Mineral property interests (continued)

d) Exploration expenditures

Exploration and evaluation expenditures on the projects consisted of the following:

For the year ended December 31, 2021	Nadaleen	East Goldfield	Connaught	Other	Total	Rau*
Assays	$ 6,741	$ 160,090	$ 131,420	$ 33,310	$ 331,561	$ 46,657
Depreciation (Note 8)	16,000	-	-	-	16,000	16,000
Drilling	-	701,268	-	-	701,268	36,242
Field and camp	129,460	63,699	261,993	9,631	464,783	141,876
Helicopter and fixed wing	-	-	6,012	39,806	45,818	148,269
Labour	17,396	95,595	206,861	47,914	367,766	62,860
Resource, engineering and environmental studies	267,728	-	5,425	788	273,941	-
Surveys and consulting	-	9,625	165,362	-	174,987	-
Travel and accommodation	-	22,873	18,214	331	41,418	16,411
	437,325	1,053,150	795,287	131,780	2,417,542	468,315
Less: Yukon mineral Exploration grant	-	-	-	(25,000)	(25,000)	-
Total All Projects	$ 437,325	$ 1,053,150	$ 795,287	$ 106,780	$ 2,392,542	$ 468,315

* recorded as exploration expenditures on the consolidated statement of loss

For the year ended December 31, 2020	Nadaleen	Rau	Other	Total
Assays	$ 19,898	$ 176,375	$ 119,298	$ 315,571
Depreciation (Note 8)	16,000	16,000	-	32,000
Drilling	35,600	888,651	-	924,251
Field	41,840	434,132	15,017	490,989
Helicopter and fixed wing	178,590	834,202	-	1,012,792
Labour	18,296	566,003	86,862	671,161
Resource, engineering and environmental studies	193,570	185,665	-	379,235
Surveys and consulting	1,260	13,645	52,051	66,956
Travel and accommodation	7,608	118,645	784	127,037
	512,662	3,233,318	274,012	4,019,992
Less: Yukon mineral exploration grant	-	-	(40,199)	(40,199)
Total All Projects	$ 512,662	$ 3,233,318	$ 233,813	$ 3,979,793

e) Project Management Fee

During the year ended December 31, 2021, the Company provided camp and labour services to White Gold Corporation in consideration for a project management fee of $16,500 (2020 - $nil), an amount included in the statement of loss and comprehensive loss.

7. Reclamation deposit

As at December 31, 2021, the Company has pledged to the Yukon Government a reclamation deposit of $121,043 (2020 - $125,744) to ensure specified properties are properly restored after exploration. This reclamation deposit is comprised of a cashable guaranteed investment certificate with a one-year term. In addition, the Company has posted a bond of $16,550 (US$13,442) with the Nevada Bureau of Land Management in relation to the estimated reclamation cost on the East Goldfield project.

(Expressed in Canadian dollars)

8. Equipment

	Exploration equipment	Computer equipment	Total
Cost			
January 1, 2020 and December 31, 2020	$ 160,000	$ -	$ 160,000
Accumulated depreciation			
January 1, 2020	16,000	-	16,000
Depreciation	32,000	-	32,000
December 31, 2020	$ 48,000	$ -	$ 48,000
Cost			
January 1, 2021	$ 160,000	$ -	$ 160,000
Additions	-	12,189	12,189
December 31, 2021	160,000	12,189	172,189
Accumulated depreciation			
January 1, 2021	48,000	-	48,000
Depreciation	32,000	2,370	34,370
December 31, 2021	$ 80,000	$ 2,370	$ 82,370
Net book value			
December 31, 2020	$ 112,000	$ -	$ 112,000
December 31, 2021	80,000	9,819	89,819

Depreciation on exploration equipment is capitalized to the Company's exploration properties (Note 6), as the equipment is used exclusively for the Company's exploration efforts. During the year ended December 31, 2021, the Company capitalized $16,000 in depreciation charges (2020 - $32,000) to mineral property interests.

9. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value, and unlimited Class "A" preferred shares with a par value of $1.00 each. All issued shares are fully paid.

2021 Transactions

On April 16, 2021, the Company completed a flow-through private placement consisting of the issue of 4,800,000 flow-through common shares at a price of $0.21 per common share for gross proceeds of $1,008,000.

The flow-through shares were issued at a premium to the trading value of the Company's common shares, which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $144,000 and was recorded as a reduction of share capital. An equivalent flow-through share premium liability was recorded and will be reversed pro-rata as the required exploration expenditures are incurred (Note 14).

On June 25, 2021, the Company completed a private placement consisting of:

a) 14,400,000 units at a price of $0.175 per unit for gross proceeds of $2,520,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.24 until June 25, 2024; and

b) 2,400,000 flow-through units at a price of $0.21 per flow-through unit for gross proceeds of $504,000. Each flow-through unit consisted of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.24 until June 25, 2024.

9. Share capital (continued)

2021 Transactions (continued)

The flow-through share units were issued at a premium to the trading value of the Company's common shares, which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $84,000 and was recorded as a reduction of share capital. An equivalent flow-through share premium liability was recorded and will be reversed pro-rata as the required exploration expenditures are incurred (Note 14).

Finders' fees totaling $155,449 were incurred in respect of the placement, including the issue of 859,478 finders' warrants having a fair value of $54,018. Legal and filing fees amounted to $43,390 and were recorded as a share issue cost and deducted from share capital.

On December 23, 2021, the Company issued 30,000 common shares valued at $3,000 to pursuant to the Mag Property Option Agreement (Note 6).

2020 Transactions

On June 30, 2020, the Company completed a flow-through private placement consisting of the issue of 4,347,827 flow-through units at a price of $0.23 each for gross proceeds of $1,000,000. Each unit consists of one flow-through common share and one-half of a share purchase warrant, with each whole warrant being exercisable into a non-flow-through common share at an exercise price of $0.27 until June 30, 2022.

The flow-through share units were issued at a premium to the trading value of the Company's common shares, which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $21,739 and was recorded as a reduction of share capital. An equivalent flow-through share premium liability was recorded and will be reversed pro-rata as the required exploration expenditures are incurred (Note 14). No value was allocated to the warrant component of the unit.

Finders' fees totaling $82,745 were incurred in respect of the placement, including the issue of 260,870 finders' warrants having a fair value of $22,745. Legal and filing fees amounted to $5,000 and were recorded as a share issue cost and deducted from share capital net of deferred income tax benefits of $17,550.

On December 1, 2020, the Company issued 20,000 common shares valued at $4,000 in connection with the Blackbear Property Option Agreement (Note 6) and 60,000 common shares valued at $12,000 in connection with the Mag Property Option Agreement (Note 6).

Common share rights

The Company has a "Rights Plan" under which one right is issued for each issued and outstanding common share of the Company. Each right entitles the holder to purchase from the Company one common share at a price equal to one-half the market price for each common share of the Company, subject to certain anti-dilutive adjustments. The rights are exercisable only if the Company receives an unacceptable take-over bid as defined in the Rights Plan. The current Rights Plan was approved at the November 2020 annual shareholders' meeting and will remain in effect until the annual shareholders' meeting in 2023. As at December 31, 2021, there were 184,368,547 rights outstanding (2020 – 162,738,547).

Stock options

The Company has an incentive stock option plan (the "Plan"), under which the maximum number of stock options issued cannot exceed 10% of the Company's currently issued and outstanding common shares. The exercise period for any options granted under the Plan cannot exceed ten years. The exercise price of options granted under the Plan cannot be less than the "discounted market price" of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, or the date of grant in respect of options granted to consultants, less a discount of from 15% to 25%), unless otherwise agreed to by the Company and accepted by the TSX-V.

(Expressed in Canadian dollars)

9. Share capital (continued)

Stock options (continued)

A participant who is not a consultant conducting investor relations activities, who is granted an option under the plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is granted an option under the plan with exercise prices below "Market Price" will become vested with the right to exercise one-sixth of the option upon conclusion of every three months subsequent to the grant date.

A participant who is a consultant conducting investor relations activities who is granted options under the plan will become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

Stock option transactions are as follows:

	Number of Stock Options	Weighted Average Exercise Price	
Balance, December 31, 2019	12,437,500	$	0.49
Granted	2,405,000		0.22
Exercised	(275,000)		0.30
Expired and cancelled	(2,332,500)		0.68
Balance, December 31, 2020	12,235,000		0.41
Granted	3,300,000		0.18
Expired	(3,860,000)		0.38
Balance, December 31, 2021	11,675,000	$	0.36
Exercisable, December 31, 2021	9,162,500	$	0.40

As at December 31, 2021, the Company has stock options outstanding and exercisable as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable		Exercise Price	Expiry Date
2,110,000	2,110,000	$	0.55	May 26, 2022
2,640,000	2,640,000		0.55	February 1, 2023
1,605,000	1,605,000		0.30	February 4, 2024
100,000	100,000		0.30	February 4, 2024
1,725,000	1,725,000		0.22	January 9, 2025
195,000	195,000		0.20	April 28, 2025
100,000	50,000		0.17	April 8, 2026
2,950,000	737,500		0.18	July 8, 2026
250,000	-		0.18	July 8, 2026
11,675,000	9,162,500	$	0.36	

During the year ended December 31, 2021, 3,300,000 (2020 – 2,405,000) options were granted to officers, directors, employees and consultants with a weighted average fair value of $0.08 per option (2020 - $0.12). For the year ended December 31, 2021, the Company recognized share-based payment expense of $219,265 (2020 - $312,989) for options granted and vested.

(Expressed in Canadian dollars)

9. Share capital (continued)

Stock options (continued)

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted:

	2021	**2020**
Risk-free interest rate	0.89%	1.45%
Expected life of option	5 years	5 years
Expected annualized volatility	70.36%	64.98%
Dividend	-	-

Warrants

During the year ended December 31, 2021, the Company issued 8,400,000 (2020 – 2,173,914) warrants to subscribers to the financings completed (Note 9).

In addition, during the year ended December 31, 2021, 859,478 finders' warrants (2020 – 260,870) were issued in connection with the financings completed. The value of the finders' warrants was determined to be $54,018 (2020 – $22,745) using the Black-Scholes option pricing model with the following weighted average assumptions:

	2021	**2020**
Risk-free interest rate	0.63%	0.25%
Expected life of option	3 years	2 years
Expected annualized volatility	70.29%	72.67%
Dividend	-	-

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2019	5,636,072	$ 0.425
Issued	2,434,784	0.27
Balance, December 31, 2020	8,070,856	0.28
Issued	9,259,478	0.24
Expired	(382,500)	0.425
Balance, December 31, 2021	16,947,834	$ 0.26

As at December 31, 2021, the Company has warrants outstanding and exercisable as follows:

Number of Warrants Outstanding and Exercisable	Exercise Price	Expiry Date
5,253,572	$ 0.28	March 22, 2022
2,173,914	0.27	June 30, 2022
260,870	0.23	June 30, 2022
9,259,478	0.24	June 25, 2024
16,947,834	$ 0.26	

(Expressed in Canadian dollars)

10. Related party payables and transactions

Key management personnel comprise the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Vice-President of Corporate and Project Development, Vice-President of Exploration, Chairman, former Chief Financial Officer, and directors of the Company. The aggregate value of transactions and outstanding balances with key management personnel and directors and entities over which they have control or significant influence were as follows:

	Classification	For the year ended December 31, 2021	For the year ended December 31, 2020
Archer, Cathro (a)			
Geological services	Property costs	$ 282,814	$ 950,996
Office and administration	Office rent, accounting fees	33,164	72,025
		315,978	1,023,021
Carvest - geological services (b)	Property costs	13,050	3,915
Yeadon Law Corp. (c)	Professional fees	87,754	59,027
DBM CPA (d)	Professional fees	14,500	60,300
D. Goss Corporation (e)	Consulting fees	42,000	31,500
Graham Downs (f)	Salaries and benefits	225,000	229,248
Ian Talbot (g)	Management fees	42,000	40,394
Kenway Mack (h)	Consulting fees	12,000	9,300
Andrew Carne (i)	Property costs and salaries and benefits	134,216	84,230
Adam Coulter (j)	Property costs and salaries and benefits	134,216	85,534
Red Fern Consulting (k)	Professional fees	5,500	-
		$ 1,026,214	$ 1,626,469

(a) Archer Cathro is a geological consulting firm that is a former related party through its management contracts, which confer significant influence over operations. Charges are for property location, acquisition, exploration, management, accounting, office rent and administration.

(b) Robert Carne is a Company Director. He controls Carvest Holdings Ltd. (“Carvest”), which provides geological consulting services to the Company.

(c) Glenn Yeadon is a Director and the Company’s Secretary. He controls Glenn R. Yeadon Personal Law Corporation (“Yeadon Law Corp.”), which provides the Company with legal services. Transactions for the year ended December 31, 2021 include $28,270 (2020 - $5,000) in share issuance costs.

(d) Larry Donaldson is the Company’s former CFO. He is a principal of Donaldson Brohman Martin CPA Inc. (“DBM CPA”), a firm in which he has significant influence. DBM CPA provided the Company with accounting and tax services.

(e) Douglas Goss is a Director and the Company’s Chairman of the Board. He controls Douglas O. Goss Professional Corporation (“D. Goss Corporation”), which provides consulting services to the Company.

(f) Graham Downs is the Company’s President and CEO. He is paid a monthly salary and benefits for his services.

(g) Ian Talbot is the Company’s COO. He provides the Company with management services.

(h) Bruce Kenway is a former Company Director and Chairman of the Audit Committee. He is a partner in Kenway Mack Slusarchuk Stewart LLP (“Kenway Mack”), which provides advisory services to the Company. He retired from the Company’s Board of Directors on February 10, 2022.

(Expressed in Canadian dollars)

10. Related party payables and transactions (continued)

(i) Andrew Carne is the Company's Vice-President of Corporate and Project Development. He is paid a monthly salary for his services with fees allocated between exploration and evaluation expenditures and salaries and benefits expense relative to time spent. Transactions for the year ended December 31, 2021 include $43,107 (2020 - $54,112) in exploration and evaluation expenditures and $11,387 (2020 - $nil) in property examination costs.

(j) Adam Coulter is the Company's Vice-President of Exploration. He is paid a monthly salary for his services with fees allocated between exploration and evaluation expenditures and salaries and benefits expense relative to time spent. Transactions for the year ended December 31, 2021 include $83,340 (2020 - $75,011) in exploration and evaluation expenditures and $14,790 (2020 - $nil) in property examination costs.

(k) Jasmine Lau is the Company's CFO. She is an associate of Red Fern Consulting Ltd, which provides accounting services to the Company.

All related party balances are unsecured and are due within thirty days without interest.

Stock option transactions with related parties:

During the year ended December 31, 2021, 2,850,000 stock options were granted to key management personnel and directors having a fair value on issue of $243,623. The options granted are exercisable at $0.18 until July 8, 2026. All options vest over on a quarterly basis commencing three months of the date of grant.

During the year ended December 31, 2020, 1,695,000 stock options were granted to key management personnel and directors having a fair value on issue of $201,802. 1,500,000 of the options granted are exercisable at $0.22 until January 9, 2025. The remaining 195,000 options granted have an exercise price of $0.20 until April 28, 2025.

11. Income taxes

Income tax recovery for the years ended December 31, 2021 and December 31, 2020 varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

		December 31, 2021		December 31, 2020
Loss before income taxes	$	(3,209,325)	$	(119,674,761)
Statutory Canadian corporate tax rate		27.0%		27.0%
Anticipated income tax recovery		867,000		32,312,185
Change in tax resulting from:				
Unrecognized items for tax purposes and other		(141,000)		(65,902)
Tax benefits to be renounced/renounced on flow-through expenditures		(317,000)		(387,585)
Flow-through premium liability reduction		171,719		158,592
Impairments not deducted for tax purposes		(292,000)		(32,071,595)
Reversal of current and prior year tax liabilities and benefits		-		17,058,819
Change in unrecognized deductible temporary differences		(117,000)		-
Net deferred income tax recovery	$	171,719	$	17,004,514

(Expressed in Canadian dollars)

11. Income taxes (continued)

The significant components of the Company's unrecognized deferred income tax asset (recognized deferred income tax liability) are as follows:

	December 31, 2021	December 31, 2020
Unrealized losses on marketable securities	$ 144,000	$ 240,216
Mineral property interest	9,887,000	9,964,584
Equipment	13,000	12,960
Unclaimed investment tax credits	861,000	860,606
Asset retirement obligation	52,000	-
Non-capital loss carryforwards	4,228,000	3,811,621
Capital loss carryforwards	148,000	44,369
Share issue costs	89,000	78,420
Tax benefits unrecognized	(15,422,000)	(15,012,776)
Net deferred income tax asset (liability)	$ -	$ -

As at December 31, 2021, the Company has non-capital loss carryforwards of approximately $5,000 in the United States, and $15,657,000 (2020 - $14,117,000) in Canada. Of the Canadian loss carryforwards, $7,000 will expire in 2028, $471,000 in 2029, $1,174,000 in 2030, $1,666,000 in 2031 and $12,339,000 thereafter.

As at December 31, 2021, the Company has unused capital losses of approximately $1,097,000 (2020 - $329,000), which have no expiry date and can only be used to reduce future income from capital gains.

As at December 31, 2021, the Company has unclaimed resource and other deductions of approximately $38,300,000 (2020 - $37,700,000), which may be deducted against future taxable income.

As at December 31, 2021, there are share issue costs totaling approximately $331,000 (2020 - $290,000), which have not been claimed for income tax purposes.

As at December 31, 2021, the Company has unused investment tax credits totaling approximately $1,179,000 (2020 - $1,179,000), which have not been claimed for income tax purposes. Of the credits, $958,000 will expire in 2032 and $221,000 in 2033.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

12. Supplemental cash flow information

The Company incurred non-cash financing and investing activities during the years ended December 31, 2021 and 2020 as follows:

	2021	2020
Non-cash financing activities:		
Share issue costs on finders' warrants issued	$ (54,018)	$ (22,745)
Expiry of finders' warrants	15,200	-
Expiry of stock options	887,440	-
Shares issued for exploration expenditure asset	3,000	-
Share capital reduced by flow-through share premium	228,000	21,739

	2021	2020
Non-cash investing activities:		
Deferred exploration expenditures included in accounts payable and related party payables	$ 31,242	$ 78,625
Marketable securities received as option payment	(20,000)	(33,500)
Deferred exploration recoveries included in receivables	(25,000)	(56,333)
Depreciation capitalized to exploration expenditures	16,000	32,000
Asset retirement obligation	191,645	-
Prepaid exploration expenditure included in accounts payable	-	25,361
Prepaid exploration expenditure capitalized to mineral property interests	(46,071)	-

(Expressed in Canadian dollars)

12. Supplemental cash flow information (continued)

During the years ended December 31, 2021 and 2020, no amounts were paid for interest or income tax expenses.

13. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at December 31, 2021 is comprised of shareholders' equity of $8,084,284 (2020 - $7,294,464).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional funds from equity markets.

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, marketable securities, reclamation deposit, accounts payable and accrued liabilities, and accounts payable to related parties.

The carrying value of accounts payable and accrued liabilities and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the consolidated statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
December 31, 2021				
Cash and cash equivalents	$ 5,561,557	$ -	$ -	$ 5,561,557
Marketable securities	374,499	-	-	374,499
Reclamation deposits	137,593	-	-	137,593
	$ 6,073,649	$ -	$ -	$ 6,073,649

	Level 1	Level 2	Level 3	Total
December 31, 2020				
Cash and cash equivalents	$ 5,901,360	$ -	$ -	$ 5,901,360
Marketable securities	411,114	9,843	-	420,957
Reclamation deposits	125,744	-	-	125,744
	$ 6,438,218	$ 9,843	$ -	$ 6,448,061

13. Financial risk management (continued)

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and market and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal accounts receivable exposure as its refundable credits are due from the Canadian Government.

(b) Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash equivalents.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

(d) Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the December 31, 2021 value of marketable securities, every 10% increase or decrease in the share prices of these companies would have impacted loss for the period, up or down, by approximately $38,000 (2020 - $42,000) before income taxes.

(e) Currency risk

The Company is exposed to currency risk because it holds funds and receivables in United States Dollars ("USD"), which, because of fluctuating exchange rates can create gains or losses at the time the funds are converted to Canadian dollars. The Company has no control over these fluctuations and does not hedge its foreign currency holdings. Based on its December 31, 2021 USD holdings, every 5% increase or decrease in the exchange rate would have had an insignificant impact on profit or loss before income taxes.

14. Commitments

On April 16, 2021, the Company completed a private placement of flow-through units for gross proceeds of $1,008,000 (Note 9). The Company is required to spend the funds on qualified exploration programs no later than December 31, 2022. The expenditures and available income tax benefits will be renounced to the flow-through shareholders effective December 31, 2021. As of December 31, 2021, all of the funds had been spent.

On June 28, 2021, the Company completed a private placement of flow-through units for gross proceeds of $504,000 (Note 9). The Company is required to spend the funds on qualified exploration programs no later than December 31, 2022. The expenditures and available income tax benefits will be renounced to the flow-through shareholders effective December 31, 2021. As of December 31, 2021, $166,312 of the funds had been spent and $337,688 remains to be spent.

(Expressed in Canadian dollars)

14. Commitments (continued)

A summary of the Company's flow-through premium liability as at December 31, 2021 and December 31, 2020 and changes during the year then ended is as follows:

	December 31, 2021	December 31, 2020
Balance, beginning of year	$ -	$ 136,852
Addition pursuant to financing	228,000	21,739
Reduction, pro rata based on eligible expenditures	(171,719)	(158,591)
Balance, end of year	$ 56,281	$ -

15. Events after the reporting period

Blackbear Claims Share Issuance

Subsequent to December 31, 2021, the Company issued 20,000 common shares valued at $2,000 pursuant to the Blackbear claims option agreement (Note 6).

Catch Property Option Agreement

Subsequent to December 31, 2021, the Company entered into a Property Option Agreement with a vendor, whereby the Company has the option to earn a 100% interest in the Catch Property, located in the Yukon Territories. Pursuant to the Option Agreement, the Company has the right to earn 100% interest in the property by making aggregate cash payments of $325,000 ($10,000 paid subsequent to December 31, 2021), issuing an aggregate of 2,000,000 common shares with an aggregate value not greater than $380,000 (50,000 common shares issued subsequent to December 31, 2021), and incurring $3,600,000 in exploration expenditures on or before December 31, 2026.

The Catch Property is subject to an annual advance royalty of $25,000, due on or before December 31 of each calendar year, commencing in the year in which a pre-feasibility study is completed and continuing until the earlier of: 1) the commence of commercial production, or 2) the vendor having received an aggregate $500,000 in advance royalty payments. The Catch Property is also subject to a 2% NSR, with the Company having a right to buy back one-half of the NSR for $1,000,000.

Upon the determination of an initial resource equal or greater than 1,000,000 ounces of gold equivalent on the Catch Property, the vendor is also entitled to a milestone payment of $1 per ounce of gold equivalent, which may be satisfied wholly or partially by the issuance of common shares, to be calculated using the 10-day volume-adjusted weighted average price, subject to such price not being less than $0.05.

PIL Property Option Agreement

Subsequent to December 31, 2021, the Company entered into a Property Option Agreement with Finlay Minerals Ltd. ("Finlay") to acquire a 70% interest in the PIL Property in northern British Columbia by making aggregate cash payments of $650,000 ($50,000 paid subsequent to December 31, 2021), issuing aggregate common shares equivalent to $1,250,000 (375,094 common shares issued subsequent to December 31, 2021), and incurring $12,000,000 in exploration expenditures on or before December 31, 2026. Following the exercise of the option, the Company and Finlay will hold interests in the property of 70% and 30%, respectively, and a joint venture will be formed. The PIL Property is also subject to a 3% net smelter return royalty held by Electrum Resource Corp., with a right to buy back one-half of the royalty (1.5%) for $2,000,000. This buyback right will be transferred to the joint venture following completion of the option.

East Goldfield Termination

Subsequent to December 31, 2021, the Company terminated the East Goldfield property option (Note 6).

15. Events after the reporting period (continued)

Flow-through Financing

Subsequent to December 31, 2021, the Company completed a flow-through financing of 25,000,000 flow-through units at a price of $0.16 per unit, for $4,000,000 in gross proceeds. Each flow-through unit consists of one flow-through common share and one-half of a share purchase warrant, each whole warrant being exercisable for one common share at a price of $0.22 for a period of two years from closing. In connection with the financing, the Company paid total cash finders fees of $231,180 and issued 1,444,875 broker warrants exercisable at $0.22 per share for a period of two years from closing.