# NORTHSTAR GOLD CORP.

# CONDENSED INTERIM FINANCIAL STATEMENTS

# THREE MONTHS ENDED JULY 31, 2021

## (EXPRESSED IN CANADIAN DOLLARS)

## (UNAUDITED)

**Notice To Reader**

The accompanying unaudited condensed interim financial statements of Northstar Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

# Northstar Gold Corp.
**Condensed Interim Statements of Financial Position**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| **As at** | | **July 31, 2021** | | April 30, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash | **$** | **754,464** | $ | 1,261,898 |
| Prepaids and other assets | | **176,996** | | 211,458 |
| Sales tax receivable | | **13,746** | | 74,605 |
| **Total Current Assets** | | **945,206** | | 1,547,961 |
| **Non-Current Assets** | | | | |
| Property and equipment (note 4) | | **3,306** | | 3,571 |
| Exploration and evaluation assets (note 5) | | **4,608,903** | | 4,445,153 |
| **Total Assets** | **$** | **5,557,415** | $ | 5,996,685 |
| **EQUITY AND LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Accounts payable and accrued liabilities (note 7) | **$** | **132,449** | $ | 372,848 |
| Flow-through share premium liability (note 10) | | **302,138** | | 302,138 |
| Shareholder advances (note 7) | | **35,000** | | 35,000 |
| Government loan (note 6) | | **60,000** | | 60,000 |
| **Total Liabilities** | | **529,587** | | 769,986 |
| **Equity** | | | | |
| Share capital (note 8(b)) | | **16,265,141** | | 16,164,464 |
| Warrant reserves (note 8(c)) | | **805,142** | | 809,969 |
| Contributed surplus | | **999,465** | | 939,124 |
| Units to be issued | | **102,550** | | - |
| Deficit | | **(13,144,470)** | | (12,740,858) |
| **Total Equity** | | **5,027,828** | | 5,172,699 |
| **Total Equity and Liabilities** | **$** | **5,557,415** | $ | 5,942,685 |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

**Nature of Operations** (note 1)
**Going Concern** (note 2)

# Northstar Gold Corp.
**Condensed Interim Statements of Loss and Comprehensive Loss**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| For the Three Months Ended July 31, | | 2021 | | 2020 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Professional fees | $ | 22,830 | $ | 12,249 |
| Investor relations | | 82,732 | | 52,500 |
| Advertising and promotion | | 9,866 | | 16,875 |
| Salaries and related benefits | | 30,918 | | 28,865 |
| General and administration | | 50,055 | | 34,174 |
| Travel | | 1,199 | | 3,763 |
| Exploration expenses (note 11) | | 151,781 | | 910,417 |
| Depreciation | | 265 | | 512 |
| Stock-based compensation | | 6,341 | | 13,940 |
| Consulting | | 47,625 | | 39,000 |
| **Loss Before Other (Expense) Income** | | (403,612) | | (1,112,295) |
| **Net Loss and Comprehensive Loss for the Period** | $ | (403,612) | $ | (1,112,295) |
| **Basic and Diluted Loss per Share** (notes 1 and 9) | $ | (0.01) | $ | (0.03) |
| **Weighted Average Number of Common Shares Outstanding - basic and diluted** | | 48,631,001 | | 38,824,579 |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

## Northstar Gold Corp.
**Condensed Interim Statements of Cash Flows**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| For the Three Months Ended July 31, | 2021 | 2020 |
|---|---|---|
| **Operating Activities** | | |
| Net loss for the period | $ (403,612) | $ (1,112,295) |
| Adjustments for: | | |
| Depreciation | 265 | 512 |
| Stock-based compensation | 6,341 | 13,940 |
| Changes in non-cash working capital items: | | |
| Prepaid expenses and other assets | 34,462 | (6,793) |
| Sales tax receivable | 60,859 | (115,845) |
| Amounts payable and other liabilities | (240,399) | (47,316) |
| **Net Cash Used In Operating Activities** | (542,084) | (1,267,797) |
| **Investing Activities** | | |
| Funds held in trust | - | 488,332 |
| Acquisition of exploration and evaluation assets | (75,000) | - |
| **Net Cash Provided by (Used In) Investing Activities** | (75,000) | 488,332 |
| **Financing Activities** | | |
| Shares issued on exercise of warrants | 7,100 | 16,840 |
| Proceeds received for future private placement | 102,550 | - |
| **Net Cash Provided by Financing Activities** | 109,650 | 16,840 |
| **Net Change in Cash for the Period** | (507,434) | (762,625) |
| **Cash, Beginning of Period** | 1,261,898 | 905,377 |
| **Cash, End of Period** | $ 754,464 | $ 142,752 |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

## Northstar Gold Corp.
**Condensed Interim Statements of Changes in Equity**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Common Shares | Amount | Contributed Surplus | Warrants Reserve | Shares and Units to be Issued | Deficit | Total |
|---|---|---|---|---|---|---|---|
| **Balance, April 30, 2020** | **38,787,971** | **$ 14,521,400** | **$ 560,609** | **$ 605,708** | **$ -** | **$ (9,733,747)** | **$ 5,953,970** |
| Exercise of broker warrants | 56,132 | 27,119 | - | (10,279) | - | - | 16,840 |
| Expiration of warrants | - | - | 15,506 | (15,506) | - | - | - |
| Stock-based compensation | - | - | 13,940 | - | - | - | 13,940 |
| Net loss for the period | - | - | - | - | - | (1,112,295) | (1,112,295) |
| **Balance, July 31, 2020** | **38,844,103** | **$ 14,548,519** | **$ 590,055** | **$ 579,923** | **$ -** | **$ (10,846,042)** | **$ 4,872,455** |
| | | | | | | | |
| Balance, April 30, 2021 | 48,477,853 | $ 16,164,464 | $ 993,124 | $ 809,969 | $ - | $ (12,740,858) | $ 5,226,699 |
| Private placement. net of issuance costs | - | - | - | - | 102,550 | - | 102,550 |
| Shares issued for exploration and evaluation assets | 250,000 | 88,750 | - | - | - | - | 88,750 |
| Exercise of broker warrants | 28,400 | 11,927 | - | (4,827) | - | - | 7,100 |
| Stock-based compensation | - | - | 6,341 | - | - | - | 6,341 |
| Net loss for the period | - | - | - | - | - | (403,612) | (403,612) |
| **Balance, July 31, 2021** | **48,756,253** | **$ 16,265,141** | **$ 999,465** | **$ 805,142** | **$ 102,550** | **$ (13,144,470)** | **$ 5,027,828** |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

## 1. Nature of Business

Northstar Gold Corp. (the "Company") was incorporated on May 20, 2008 under the laws of Ontario, Canada and is an exploration stage junior mining company. The Company's registered office is located at 17 Wellington Street, New Liskeard, Ontario, Canada.

The Company is engaged in the identification, evaluation and exploration of mineral properties in Ontario, Canada. The Company has not yet determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on September 22, 2021.

## 2. Going Concern

As at July 31, 2021, the Company had not yet commenced production and had accumulated losses of $13,144,470 (April 30, 2021 - $12,740,858). During the three months ended July 31, 2021, the Company incurred a loss of $403,612 (three months ended July 31, 2020 - $1,112,295) The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, and other constraints which may hinder the successful development of the assets. The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing its financial statements which assumes the Company will be able to realize and discharge its liabilities in the normal course of business. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The accompanying condensed interim financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

## 3. Basis of Preparation

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended April 30, 2021.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company’s financial statements for the year ended April 30, 2021.

## 3. Basis of Preparation (Continued)

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company's condensed interim financial statements are consistent with those applied and disclosed in note 3 to the Company's financial statements for the year ended April 30, 2021.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

## 4. Property and Equipment

| **Cost** | **Building** | **Furniture and Equipment** | **Vehicles** | **Computer Equipment** | **Total** |
|---|---|---|---|---|---|
| Balance, April 30, 2020, April 30, 2021 and July 31, 2021 | $ 1,500 | $ 6,968 | $ 13,132 | $ 4,827 | $ 26,427 |

| **Accumulated Depreciation** | **Building** | **Furniture and Equipment** | **Vehicles** | **Computer Equipment** | **Total** |
|---|---|---|---|---|---|
| Balance, April 30, 2020 | $ 425 | $ 4,057 | $ 12,488 | $ 4,020 | $ 20,990 |
| Depreciation for the year | 56 | 727 | 276 | 807 | 1,866 |
| Balance, April 30, 2021 | $ 481 | $ 4,784 | $ 12,764 | $ 4,827 | $ 22,856 |
| Depreciation for the period | 14 | 182 | 69 | - | 265 |
| Balance, July 31, 2021 | $ 495 | $ 4,966 | $ 12,833 | $ 4,827 | $ 23,121 |

| **Carrying value** | **Building** | **Furniture and Equipment** | **Vehicles** | **Computer Equipment** | **Total** |
|---|---|---|---|---|---|
| **Balance, April 30, 2021** | **$ 1,019** | **$ 2,184** | **$ 368** | **$ -** | **$ 3,571** |
| **Balance, July 31, 2021** | **$ 1,005** | **$ 2,002** | **$ 299** | **$ -** | **$ 3,306** |

**(Expressed in Canadian Dollars)**

## 5. Exploration and Evaluation Assets

| | Rosegrove | Boston Creek-Miller | Bryce | Temagami-Milestone | Total |
|---|---|---|---|---|---|
| Balance, April 30, 2020 | $ - | $ 169,831 | $ 4,247,822 | $ 4,000 | $ 4,421,653 |
| Additions | 23,500 | - | - | - | 23,500 |
| Balance, April 30, 2021 | $ 23,500 | $ 169,831 | $ 4,247,822 | $ 4,000 | $ 4,445,153 |
| Additions | - | 163,750 | - | - | 163,750 |
| **Balance, July 31, 2021** | **$ 23,500** | **$ 333,581** | **$ 4,247,822** | **$ 4,000** | **$ 4,608,903** |

### (a) Boston Creek - Miller Project, Ontario

The Boston Creek-Miller Project is the Company's flagship property located in the Catherine, Pacaud, Boston and McElroy Townships in the Larder Lake mining division of Northeastern Ontario. All claims are 100% owned by the Company. These claims were acquired in 2013 and 2014 by issuing 500,000 common shares at a price of $0.30 for a total of $150,000 and cash payments of $19,831.

The Boston Creek-Miller Project is subject to a 0.25% net smelter royalty (the "NSR"), with an option to buy out for $250,000 on 16 hectares of land in Pacaud township. There is a 3% NSR on 32 hectares of the Campbell portion of the property. There is a 2% NSR on 96 hectares in Catharine Township with a 1% buy back for $1,000,000 and a right of first refusal on the remaining 1% NSR. The remaining 240 hectares in Catharine Township also carries a 2% NSR, with a 1% buy back for $1,000,000 and a right of first refusal on the remaining 1% NSR. The 32 hectares of freehold patents hold a 3% NSR. The remaining 698 hectares of the Miller Project are unencumbered and royalty free.

All exploration expenses during the periods, net of recoveries on sale of gold extracted from samples, relate to the above property.

On June 8, 2021, the Company entered into an option agreement (or "the Agreement") to acquire 100% interest in the Searles Patent (or "the Searles Patent") .

To earn a 100% interest in the Searles Patent, the Company is subject to the following option terms:

- Cash payment of $75,000 (paid) and issuance of 250,000 Northstar common shares upon signing (issued and ascribed a fair value of $88,750).
- Cash payment of $75,000, issuance of 200,000 Northstar common shares and completion of $100,000 in exploration expenditures by the first anniversary of signing for 50% interest in the Searles Patent.
- Cash payment of $150,000, issuance of 200,000 common shares and completion of $100,000 in exploration expenditures by the second anniversary of signing for 100% interest in the Searles Patent.
- The Vendors retain a 2.5% Net Smelter Return (NSR). Northstar has the right to purchase 1% of the NSR for $1.5 million and an additional 0.5% NSR for $1 million. Northstar retains a standard right of first refusal on any proposed sale or transfer by Searles of the remaining 1% of the NSR.
- Northstar shall pay the vendors US$20 per ounce for any National Instrument 43-101 Measured, Indicated, and Inferred mineral resource ounce delineated on the Searles Patent, determined as at and payable upon the commencement of Commercial Production, subject to a maximum payment of US$15 million. The parties acknowledge and agree that the ounces shall be verified by a formal feasibility study initiated by Northstar at the time of production.

## 5. Exploration and Evaluation Assets (Continued)

### (b) Bryce Project, Ontario

The Bryce Project is located in Bryce and Tudhope Township in the Larder Lake mining division of Northeastern Ontario. The Company owns 100% of the unpatented claims. The Company also has 100% ownership of the mining rights to patented ground contiguous with the rest of the Bryce Property. These claims were acquired in 2008, 2009 and 2010 by issuing 7,041,667 shares at a price of $0.60 for a total of $4,225,000 and cash payments of $22,822.

The Bryce Project is subject to a 3% NSR on 672 hectares in Bryce Township with a right of first refusal on a buy out of the NSR. There is also a 3% NSR on another 176 hectares in Bryce with an option to buyback $500,000 per 0.5% for a total of $1,500,000 and a right of first refusal on the remaining 1.5%. The 80 hectares of patented land is subject to a 3% NSR, with a right of first refusal option to buy back 2% at a rate of $100,000 per 0.5%, for a total of $400,000 and a right of first refusal on the remaining 1%.

### (c) Temagami-Milestone, Ontario

The Temagami-Milestone Project is located in Strathcona Township in Northeastern Ontario and is currently in the early stages of exploration. All claims are 100% owned by the Company. No royalties exist on the Property. These claims were acquired in 2012 for staking costs of $4,000.

### (d) Rosegrove, Ontario

On November 2, 2020, the Company acquired the Rosegrove Property. The property is south of the town of Kirkland Lake and Kirkland Lake Gold's Macassa SMC gold mine, northwest of the Boston Creek-Miller Property. The purchase price consisted of a cash payment of $10,000 and the issuance of 50,000 common shares (ascribed a fair value of $13,500).

*Title to Mineral Property Interests*

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements or transfers, noncompliance with regulatory requirements or aboriginal land claims, and title may be affected by undetected defects.

## 6. Government Loan

During the year ended April 30, 2021, the Company applied for and received a Canadian Emergency Business Account (“CEBA”) loan for amounts totaling $60,000. The CEBA loan was implemented by the Government of Canada to provide financial relief measures to small businesses adversely effected by COVID-19. Under the terms of the CEBA loan, proceeds received are interest-free up until December 31, 2022. If a minimum of 75% of the principal balance on the loan is repaid on, or prior to, December 31, 2022, the remaining 25% shall be forgiven. All principal amounts unpaid and outstanding subsequent to December 31, 2022 shall bear interest at a rate of 5% per annum, payable and compounding monthly.

## 7. Related Party Transactions and Key Management Compensation

The Company has contracts for management and geological services plus costs incurred in providing these services with its key management, namely officers, administrators and directors and companies controlled by management. Transactions are recorded at their fair value, which is the agreed upon amount between the parties to provide the services.

- During the three months ended July 31, 2021, the Company paid $30,063 (three months ended July 31, 2020 - $26,813) in fees to the Company's VP, exploration. Included in accounts payable is $3,912 (April 30, 2021 - $4,920) in relation to these fees and reimbursable expenses.
- During the three months ended July 31, 2021, the Company paid $43,125 (three months neded July 31, 2020 - $34,500) to the Company's Chief Executive Officer. Included in accounts payable and accrued liabilities is $nil (April 30, 2021 - $12,496) in relation to these fees and reimbursable expenses.
- As at July 31, 2021, $35,000 (April 30, 2021 - $35,000) was owed to a shareholder who is a director of the Company pertaining to working capital advances. These advances are unsecured, non-interest bearing and have no fixed terms for repayment.

During the three months ended July 31, 2021 the Company expensed $11,207, (three months ended July 31, 2020 - $8,976) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

(i) Robert D.B. Suttie to act as Chief Financial Officer ("CFO") of the Company;
(ii) Bookkeeping and office support services;
(iii) Corporate filing services
(iv) Corporate secretarial service

The Marrelli Group is also reimbursed for out of pocket expenses.

Both Marrelli Support and DSA are private companies. Robert Suttie is the President of Marrelli Support.

As of July 31, 2021 the Marrelli Group was owed $12,278 (April 30, 2021 - $11,932) and these amounts were included in accounts payable and accrued liabilities.

**(Expressed in Canadian Dollars)**

## 8. Share Capital

### (a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares.

### (b) Common Shares Issued

The following is a summary of common shares issued during the three months ended July 31, 2021 and 2020:

| | Number of Common Shares | Amount |
|---|---|---|
| Balance, April 30, 2020 | 38,787,971 | $ 14,521,400 |
| Exercise of broker warrants | 56,132 | 27,119 |
| **Balance, July 31, 2020** | **38,844,103** | **$ 14,548,519** |
| Balance, April 30, 2021 | 48,477,853 | 16,164,464 |
| Exercise of broker warrants | 28,400 | 11,927 |
| Shares issued for exploration and evaluation assets (Note 5(e)) | 250,000 | 88,750 |
| **Balance, July 31, 2021** | **48,756,253** | **$ 16,265,141** |

### (c) Warrants

The following table reflects the continuity of warrants for the three months ended July 31, 2021 and 2020:

| | Number of Warrants | Amount |
|---|---|---|
| Balance, April 30, 2020, | 5,161,712 | $ 605,708 |
| Exercised | (56,132) | (10,279) |
| Expired | (266,667) | (15,606) |
| **Balance, July 31, 2020** | **4,838,913** | **$ 579,823** |
| Balance, April 30, 2021 | 6,624,945 | $ 809,969 |
| Exercised | (28,400) | (4,827) |
| **Balance, July 31, 2021** | **6,596,545** | **$ 805,142** |

**(Expressed in Canadian Dollars)**

**8. Share Capital (Continued)**

**(c) Warrants (Continued)**

The following table reflects the warrants outstanding and exercisable as of July 31, 2021:

| Expiry Date | Exercise Price ($) | Weighted Average Remaining Contractual Life (Years) | Number of Warrants Outstanding |
|---|---|---|---|
| January 2, 2022 | 0.30 | 0.42 | 934,417 |
| January 2, 2022 | 0.43 | 0.42 | 265,713 |
| June 22, 2022 | 0.40 | 0.89 | 2,068,750 |
| June 22, 2022 | 0.45 | 0.89 | 2,158,125 |
| June 22, 2022 | 0.25 | 0.89 | 274,200 |
| June 22, 2022 | 0.32 | 0.89 | 305,700 |
| August 21, 2022 | 0.40 | 1.06 | 561,000 |
| August 21, 2022 | 0.25 | 1.06 | 28,640 |
| | 0.39 | 0.82 | 6,596,545 |

**(d) Stock Options**

The following table reflects the continuity of stock options for the three months ended July 31, 2021 and 2020:

| | Number of Stock Options | Weighted Average Exercise Price ($) |
|---|---|---|
| Balance, April 30, 2020 and July 31, 2020 | 3,360,000 | 0.30 |
| **Balance, April 30, 2021 and July 31, 2021** | **3,360,000** | **0.30** |

As at July 31, 2021, 3,020,000 (April 30, 2021 - 3,020,000) issued and outstanding options were exercisable.

The following table reflects the stock options issued and outstanding as of July 31, 2021:

| Expiry Date | Exercise Price ($) | Weighted Average Remaining Contractual Life (years) | Number of Options Outstanding |
|---|---|---|---|
| February 9, 2024 | 0.30 | 2.53 | 2,200,000 |
| January 27, 2025 | 0.30 | 3.49 | 1,160,000 |
| | **0.30** | **2.86** | **3,360,000** |

**(Expressed in Canadian Dollars)**

## 9. Loss per Share

The calculation of basic and diluted loss per share for the three months ended July 31, 2021 and 2020 were based on the loss attributable to common shareholders of $403,612 (three months ended July 31, 2020 - $1,112,295) and the weighted average number of common shares outstanding of 48,631,001 (three months ended July 31, 2020 - 38,824,579). Diluted loss per share does not include the effect of warrants and stock options as they are anti-dilutive.

## 10. Flow-through Share Liability

| For the three months ended July 31, | 2021 | 2020 |
|---|---|---|
| Balance, beginning of and end of period | $ **302,138** | $ 23,097 |

(i) In conjunction with the private placement closed on March 30, 2020, no flow-through liability resulted. The Company is committed to incur and renounce the $989,509 in eligible flow-through expenditures by December 31, 2022.

(ii) The Flow-Through Common Shares issued in private placement completed on December 22, 2020 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $302,138. The Company is committed to incur and renounce the $1,381,200 in eligible flow-through expenditures by December 31, 2022.

On June 29, 2021, due to the Covid-19 pandemic, Bill C-30 received Royal Ascent, enacting the Canadian Government's legislation extending the deadline to incur expenditures for flow-through financings closed in 2019 and 2020 by twelve months.

## 11. Exploration Expenses

| For the three months ended July 31, | 2021 | 2020 |
|---|---|---|
| Boston Creek-Miller Project | | |
| Drilling | $ **-** | $ 432,152 |
| Geophysics | **44,205** | 336,665 |
| Assays | **39,816** | 62,611 |
| Linecutting | **-** | 44,463 |
| Geological | **10,448** | 23,200 |
| Support costs | **3,043** | 11,326 |
| Transportation | **170** | - |
| Travel | **189** | - |
| | **97,871** | 910,417 |
| Bryce Project | | |
| Geological | **11,313** | - |
| Rosgrove Project | | |
| Geophysics | **42,597** | - |
| **Total Exploration Expenses** | $ **151,781** | $ 910,417 |

## 12. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended July 31, 2021 or 2020. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at July 31, 2021 totaled $5,027,828 (April 30, 2021 - $5,172,699). The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to sustain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification and development of precious metal and base metal deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

## 13. Financial Instruments and Risk Management

### Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the Company's cash is held with a highly rated Canadian financial institution in Canada.

### Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due.

The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company has historically generated cash flow from its financing activities. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 12. At July 31, 2021, the Company's current liabilities, which comprise accounts payable and accrued liabilities total $132,449. The Company will require additional funding to maintain corporate and administrative functions and to fund its continuing exploration activities and commitments.

### Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. The Company is not exposed to any significant interest rate risk volatility or exchange rate volatility.

## 14. Impact of COVID-19

The outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results, ability to finance, carrying value of assets and condition of the Corporation and its operating subsidiaries in future periods. On April 6, 2020, the Company temporarily suspended its drilling program as it no longer felt that these activities could be carried out in a way that was safe to the Company's employees and contractors. Operations re-commenced on June 15, 2020. Aside from a temporary pause in exploration activities, the Company has not experienced any material impact related to the Covid-19 outbreak.

## 15. Subsequent Events

On August 5, 2021, the Company announced it had closed the first tranche of a non-brokered private placement of units for gross proceeds of $1,572,220. The offering was comprised of 2,999,806 flow through units, for a total of $929,940 and 2,293,856 non-flow through units, totalling $642,280. The flow through units were priced at $0.31 and comprised of one flow through common share and one-half of one non-flow through share purchase warrant. Each full warrant is exercisable for one non-flow through common at an exercise price of $0.42 for a period of 24 months. The non-flow through units were priced at $0.28 and were comprised of one common share and one-half of one share purchase warrant. Each full purchase warrant is exercisable into common shares at a price of $0.42 for a period of 24 months. The Company paid a total of $71,880 in finders fees associated with this offering, issued 298,239 finder warrants with exercise prices of $0.28 and $0.31 and expiring 24 months from the closing date of the offering and issued 150,000 common shares to a certain finder who assisted the Company as a financial advisor in connection with the offering.

On September 13, 2021, the Company closed the final tranche of a private placement comprised of 64,516 flow through units, for a total of $20,000 and 300,000 non-flow through units, totalling $84,000. The flow through units were priced at $0.31 and comprised of one flow through common share and one-half of one non-flow through share purchase warrant. Each full warrant is exercisable for one non-flow through common at an exercise price of $0.42 for a period of 24 months. The non-flow through units were priced at $0.28 and were comprised of one common share and one-half of one share purchase warrant. Each full purchase warrant is exercisable into common shares at a price of $0.42 for a period of 24 months