CURRIE ROSE
RESOURCES INC.

# CURRIE ROSE RESOURCES INC.

**(An Exploration Stage Enterprise)**

## INTERIM CONDENSED CONSOLIDATED

## FINANCIAL STATEMENTS

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022, AND 2021

*(expressed in Canadian dollars)*

# MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Currie Rose Resources Inc. ("Currie Rose" or the "Company") as at and for the three and six months ended June 30, 2022 (the "June 2022 Financial Statements") are the responsibility of the management and Board of Directors of the Company.

The June 2022 Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in Note 3 to the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2021. In preparing the June 2022 Financial Statements, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the June 2022 Financial Statements of the Company have been prepared within acceptable limits of materiality and are in compliance with International Accounting Standard 34, "Interim Financial Reporting".

Management has established processes which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the June 2022 Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as at the date of, and for the periods presented by, the June 2022 Financial Statements; and (ii) the June 2022 Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as at the date of and for the periods presented by the June 2022 Financial Statements.

The Board of Directors is responsible for reviewing and approving the June 2022 Financial Statements, together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibility.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"*Michael Griffiths*"
Michael Griffiths
Chief Executive Officer

"*David Bhumgara*"
David Bhumgara
Chief Financial Officer

August 22, 2022

## NOTICE TO READER

The June 2022 Financial Statements have been prepared by and are the responsibility of management. These financial statements have not been reviewed by the Company's independent external auditor.

# CURRIE ROSE RESOURCES INC.

**(An Exploration Stage Enterprise)**

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT JUNE 30, 2022, AND DECEMBER 31, 2021

**(Unaudited – Prepared by Management)**

*(Expressed in Canadian dollars)*

| | Note | | 2022 | | 2021 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash | | $ | 178,945 | $ | 65,886 |
| Restricted cash | 9 | | 235,000 | | - |
| Accounts receivable | 5 | | 6,274 | | 10,272 |
| Prepaid expenses | | | - | | 5,029 |
| Marketable securities | 6 | | 53,000 | | 79,500 |
| | | | 473,219 | | 160,687 |
| **Non-current Assets** | | | | | |
| Resource properties | 7 | | 2 | | 2 |
| **Total Assets** | | $ | 473,221 | $ | 160,689 |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Accounts payable and accrued liabilities | 8,12 | $ | 269,161 | $ | 465,822 |
| Subcription receipts | 9 | | 235,000 | | - |
| | | | 504,161 | | 465,822 |
| **SHAREHOLDERS' EQUITY** | | | | | |
| Share capital | 9 | | 17,286,880 | | 16,963,103 |
| Contributed surplus | | | 1,449,480 | | 1,449,480 |
| Warrants reserve | 10 | | 206,523 | | - |
| Share based payments reserve | 11 | | 186,876 | | 186,876 |
| Accumulated deficit | | | (19,185,325) | | (18,929,218) |
| Accumulated other comprehensive income | | | 24,626 | | 24,626 |
| **Total Shareholders' Deficit** | | | (30,940) | | (305,133) |
| **Total Liabilities and Shareholders' Equity** | | $ | 473,221 | $ | 160,689 |

**Nature of operations and going concern (Note 1 and Note 2)**
**Commitments and contractual obligations (Note 13)**
**Proposed transaction (Note 17)**
**Subsequent events (Note 18)**

**Approved on behalf of the Board:**

*"Michael Griffiths"* Director *"Stephen Coates"* Director

*The accompanying notes form an integral part of these interim condensed consolidated financial statements*

# CURRIE ROSE RESOURCES INC.

## (An Exploration Stage Enterprise)

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS ANDCOMPREHENSIVE LOSS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022, AND 2021

**(Unaudited – Prepared by Management)**

*(Expressed in Canadian dollars)*

| | | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | **Note** | **2022** | **2021** | **2022** | **2021** |
| **Expenses** | | | | | |
| Management fees | 12 | 48,000 | 48,000 | 96,000 | 96,000 |
| Listing fees and shareholder information | | 42,790 | 8,387 | 90,985 | 15,485 |
| Professional fees | | 8,950 | 4,538 | 35,833 | 11,302 |
| General and administration | | 1,681 | 2,553 | 6,914 | 4,295 |
| **Total Expenses** | | **(101,421)** | **(63,478)** | **(229,732)** | **(127,082)** |
| **Loss from operations before undernoted items** | | **(101,421)** | **(63,478)** | **(229,732)** | **(127,082)** |
| Write-off of Resource Projects | 8 | - | (701,850) | - | (701,850) |
| Decrease in fair value of marketable securities | 6 | (26,500) | (18,250) | (26,500) | (127,750) |
| Realized gain on sale of marketable securities | 6 | - | - | 125 | - |
| **Net loss for the period** | | **(127,921)** | **(783,578)** | **(256,107)** | **(956,682)** |
| **Weighted average shares outstanding** | | | | | |
| - Basic and diluted | | 65,064,338 | 41,831,004 | 64,281,465 | 41,831,004 |
| **Loss per share - basic and diluted** | | $ (0.002) | $ (0.019) | $ (0.004) | $ (0.023) |

# CURRIE ROSE RESOURCES INC.

**(An Exploration Stage Enterprise)**

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD FROM JANUARY 1, 2021 TO JUNE 30, 2022

**(Unaudited – Prepared by Management)**

*(Expressed in Canadian dollars)*

| | Share Capital | | Reserves | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Number of shares** | **Dollar amount** | **Contributed Surplus** | **Warrants** | **Share based payments** | **Deficit** | **Accumulated Other Comprehensive Income** | **Total** |
| **Balance, January 1, 2021** | **41,831,004** | **$ 16,358,373** | **$ 1,441,480** | **$ 8,000** | **$ 186,876** | **$ (16,986,251)** | **$ 24,626** | **$ 1,033,104** |
| Net loss and comprehensive loss for the period | - | - | - | - | - | (956,682) | - | (956,682) |
| **Balance, March 31, 2021** | **41,831,004** | **16,358,373** | **1,441,480** | **8,000** | **186,876** | **(17,942,933)** | **24,626** | **76,422** |
| Issuance of shares to Accelerate on debt conversion (Note 7) | 8,333,334 | 500,000 | - | - | - | - | - | 500,000 |
| Issuance of common shares on debt settlement (Note 12) | 4,000,000 | 140,000 | - | - | - | - | - | 140,000 |
| Share issue costs - cash | - | (35,270) | - | - | - | - | - | (35,270) |
| Expiry of warrants | - | - | 8,000 | (8,000) | - | - | - | - |
| Net loss and comprehensive loss for the period | - | - | - | - | - | (986,285) | - | (986,285) |
| **Balance, December 31, 2021** | **54,164,338** | **16,963,103** | **1,449,480** | **-** | **186,876** | **(18,929,218)** | **24,626** | **(305,133)** |
| Issuance of common shares on private placement (Note 9) | 10,900,000 | 344,795 | - | 200,205 | - | - | - | 545,000 |
| Share issue costs | - | (21,018) | - | 6,318 | - | - | - | (14,700) |
| Net loss for the period | - | - | - | - | - | (256,107) | - | (256,107) |
| **Balance, March 31, 2022** | **65,064,338** | **$ 17,286,880** | **$ 1,449,480** | **$ 206,523** | **$ 186,876** | **$ (19,185,325)** | **$ 24,626** | **$ (30,940)** |

*The accompanying notes form an integral part of these interim condensed consolidated financial statements*

# CURRIE ROSE RESOURCES INC.

**(An Exploration Stage Enterprise)**

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

**(Unaudited – Prepared by Management)**

*(Expressed in Canadian dollars)*

| | Note | 2022 | 2021 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Net loss for continuing operations for the period | | $ (256,107) | $ (956,682) |
| **Non-cash items:** | | | |
| Write-down of Rossland Project | | - | 701,850 |
| Realized gain on sale of marketable securities | 6 | (125) | - |
| Decrease in fair value of marketable securities | 6 | 26,500 | 127,750 |
| | | (229,732) | (127,082) |
| **Net change in non-cash working capital items:** | | | |
| Accounts receivable | | 3,998 | 7,544 |
| Prepaid expense | | 5,029 | (8,457) |
| Accounts payable and accrued liabilities | | (196,661) | 97,574 |
| **Cash Flows used in operating activities** | | **(417,366)** | **(30,421)** |
| **Cash Flows from Investing Activities** | | | |
| Resource property expenditures | 7 | - | (144,091) |
| Proceeds on sale of marketable securities | 6 | 125 | - |
| **Cash Flows used in investing activities** | | **125** | **(144,091)** |
| **Cash Flows from Financing Activities** | | | |
| Advance from Accelerate, net of transaction costs | 7 | - | 137,696 |
| Issuance of shares, net of transactions costs | | 530,300 | - |
| **Cash Flows from financing activities** | | **530,300** | **137,696** |
| **(Decrease)/Increase in cash** | | **113,059** | **(36,816)** |
| Cash, beginning of the period | | 65,886 | 79,491 |
| **Cash, end of the period** | | **$ 178,945** | **$ 42,675** |

*The accompanying notes form an integral part of these interim condensed consolidated financial statements*

## 1. NATURE OF OPERATIONS

Currie Rose Resources Inc. ("Currie Rose" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. It is a public company that trades on the TSX Venture Exchange under the symbol "CUI.V". Currie Rose is a precious metal explorer focused on identifying high value assets in Canada and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities. The head office and principal address ofthe Company is located at 401 Bay Street, Suite 2704, Toronto, Ontario, Canada, M5H 2Y4.

## 2. BASIS OF PRESENTATION AND GOING CONCERN

### (a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The same accounting policies, methods of computation and note disclosures are followed in these unaudited interim condensed consolidated financial statements as compared to the Company's annual consolidated financial statements for the years ended December 31, 2021 and 2020. In particular, the Company's significant accounting policies are presented as Note 3 in those audited consolidated financial statements have been consistently applied in the preparation of these unaudited interim condensed consolidated financial statements.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on August 22, 2022.

### (b) Basis of presentation

Unless otherwise stated, the interim condensed consolidated financial statements are presented in Canadian dollars,which is the Company's presentation currency as the Company is based in Canada and obtains most of its financing through Canadian dollar private placements. The Canadian dollar is also the Company's functional currency for Canadian exploration activities and its corporate head office in Canada.

### (c) Risk and uncertainty as a result of the global COVID-19 pandemic

Consistent with other businesses globally, the Company's operations have been adversely affected by the effects of the widespread global outbreak of COVID-19. At the same time, Currie's corporate office has closed, and executives are working remotely until further notice. Asthe Company's exploration is focused in British Columbia, Currie is adhering to the new Health and Safety Guidelines set by the BC provincial government, which includes revised work protocols to limit the spread of COVID-19. As our personnel are accommodated locally and not in a camp situation, the return-to-work protocols and a safe working environment will need to accommodate appropriate controls to ensure the safety of our personnel and their families. While the Company continues to advance its exploration activity, the timelines for future studies and exploration could be impacted, depending on both the continued duration and severity of the COVID-19 pandemic.

Beyond the potential impact to various schedules, the economic impact of COVID-19 could affect the Company's ability to access capital markets and secure sufficient financing to move the project forward on previously planned timelines. As of the filing date of these interim condensed consolidated financial statements for the three and six months ended June 30, 2022, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to these consolidated financial statements.

### (d) Going concern

The accompanying consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

As at June 30, 2022, the Company had working capital deficiency of $30,942 (December 31, 2021 - $305,135) and had an accumulated deficit of $19,185,325 (December 31, 2021 - $18,929,218). Net comprehensive loss for the three and six months ended June 30, 2022, was $256,107 (June 2021- $956,682). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests.

The Company anticipates it will have sufficient working capital on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months.In order to continue active operations, the Company will need to (i) arrange further financing that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. The unknown economic impact, continued duration and severity of the COVID-19 pandemic that has developed since March 2020 will most likely affect the Company's ability to access capital markets and secure sufficient financing for future exploration. These factors create material uncertainties that cast significant doubt as to the propriety of the use of the going concern assumption upon which these consolidated financial statements have been prepared.

## 3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements have been prepared following the same accounting policies used in the preparation of the audited consolidated financial statements of the Company for the year ended December 31, 2021 with the exception of the following new accounting policies below:

### a) Warrants

The Company uses the Black-Scholes model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value of warrants: risk-free interest rate, exercise price, market price at the date of issuance, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrants or higher volatility number used would result in an increase in the warrant value.

The preparation of these unaudited interim condensed consolidated financial statements requires management to make estimates and judgements about the future that affect the amounts recorded in the consolidated financial statements. These estimates and judgements are based on the Company's experience and management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and judgements.

## 4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As at the date of authorization of these condensed consolidated financial statements, the IASB hasissued the following new or revised standards as detailed below.

(a) **IAS 12 "Income taxes":** This standard has been amended to require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company has not yet assessed the impact of the amendment on the unaudited interim condensed consolidated financial statements

## 5. ACCOUNTS RECEIVABLE

The accounts receivable represents the refundable HST ITC claims for the period of April 1, 2022, to June 30, 2022.

## 6. MARKETABLE SECURITIES

| | June 30, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| | Shares | $ | Shares | $ |
| MacDonald Mines Exploration Ltd. | 2,650,000 | $ 53,000 | 2,650,000 | $ 79,500 |
| | **2,650,000** | **$ 53,000** | **2,650,000** | **$ 79,500** |

As part of the sale of its in interest in the Scadding property in 2019, the Company received 8,000,000 shares of MacDonald Mines Exploration Ltd. The fair value of remaining 2,650,000 common shares held of MacDonald Mines Exploration Ltd. remained unchanged from December 31, 2021 to June 30, 2022.

## 7. RESOURCE PROPERTIES

| | Opening | Acquisition Costs | Geological and technical | Professional fees | Travel and admin costs | Writedown | Closing |
|---|---|---|---|---|---|---|---|
| Rossland, Canada | $ 1,315,783 | $ 109,405 | $ 14,109 | $ 12,709 | $ 16,438 | $ (1,468,444) | $ - |
| Golden 8, B.C. Canada | 32,000 | - | - | - | - | (32,000) | - |
| Jubilee Reef, Tanzania | 1 | - | - | - | - | - | 1 |
| Mabale Hills, Tanzania | 1 | - | - | - | - | - | 1 |
| **Balance, December 31, 2021** | **1,347,785** | **109,405** | **14,109** | **12,709** | **16,438** | **(1,500,444)** | **2** |
| Rossland, Canada | - | - | - | - | - | - | - |
| Golden 8, B.C. Canada | - | - | - | - | - | - | - |
| Queensland, Australia | - | - | | | | | - |
| Jubilee Reef, Tanzania | 1 | - | - | - | - | - | 1 |
| Mabale Hills, Tanzania | 1 | - | - | - | - | - | 1 |
| **Balance, June 30, 2022** | **$ 2** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 2** |

### (a) Carrying values

The carrying values of the Company's resources properties, namely the Rossland Project in British Columbia, at June 30, 2022 and December 31, 2021, were $nil. On April 14, 2021, the Company gave the required 10 days' Notice of Termination to 0811662 BC Ltd., one of the two option holders of the Rossland Project. As a result, the Company has recorded a write- off of $701,850, or 50% of the carrying value of the Rossland Project, as of that date.

On July 2, 2021, the Company gave the required 10 days' Notice of Termination to 0704723 BC Ltd., the second of the two 3rd party option holders of the Rossland Project, under Section 11.01 of the option agreement dated April 12, 2018. As a result of this termination., 100% of the aggregate mining costs re the Rossland Project as well the Company has written off the original acquisition costs of $32,000 related to its 100% owned Golden 8 Project (that formed part of the Rossland Gold Project) during the second half of 2021.

Management's review of the remaining carrying value indicated that, at as December 31, 2021, the property was not impaired. Included in these balances are nominal carrying values with respect to a 2% NSR on any future production from each of its prior Jubilee Reef and Mabale Hills projects in Tanzania.

**(b) Termination of agreement with Accelerate**

On April 27, 2021, the end of the eight month due diligence period, Accelerate gave written notice that they have declined their option to acquire 51% of the Rossland Project and will, subject to regulatory approval, convert their cumulative advances of $500,000 into 8,333,334 common shares of the Company at the previously agreed upon price of $0.06 per share. Such approval was granted by the TSX Venture Exchange on July 23, 2021.

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | | June 30, 2022 | | December 31, 2021 |
|---|---|---|---|---|
| Accounts payable | $ | 253,661 | $ | 443,822 |
| Accrued Liabilities | | 15,500 | | 22,000 |
| | **$** | **269,161** | **$** | **465,822** |

Trade accounts payable as at June 30, 2022, includes $230,000 (December 31, 2021 - $358,358) of unpaid management fees owing to the related parties disclosed in note 12.

On October 22, 2021, the Company issued 4,000,000 common shares to the related party after receiving TSX Venture Exchange approval to retire $200,000 outstanding accounts payable due to the related party for unpaid management fees, which resulted in gain on debt settlement of $60,000 (see Note 9).

## 9. SHARE CAPITAL

Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the interim condensed consolidated statements of changes in shareholders' equity for the period from January 1, 2021, to June 30, 2022. Descriptions of the significant changes in each component are as follows:

**(a) Common shares issued re Rossland Project - July 2021**

On April 27, 2021, the end of the eight month due diligence period (see note 7), Accelerate gave written notice that they have declined their option to acquire 51% of the Rossland Project and will, subject to regulatory approval, convert their cumulative advances of $500,000 into 8,333,334 common shares of the Company at the previously agreed upon price of $0.06 per share. Such approval was granted by the TSX Venture Exchange on July 23, 2021.

**(b) Common shares issued on settlement of unpaid management fees - October 2021**

On October 22, 2021, the Company issued 4,000,000 in exchange for retiring $200,000 of unpaid management fees to a related party once the Company received TSX Venture Exchange approval. The fair value of the Company shares on date of debt settlement was $0.035 per common share resulting in a gain on debt settlement of $60,000.

**(c) Completion of private placement on January 14, 2022**

On January 14, 2022, the Company completed the first tranche of a non-brokered private placement (the "Offering"), issuing 10,900,000 units for total gross proceeds of $545,000. Each unit consists of one Common Share of the Company and one common share purchase warrant (each, a "Warrant"). Each Warrant entitle the holder to purchase one Common Share of the Company at a price of C$0.10 for a period of 24 months following the closing date of the Offering. Each Warrant is subject to an acceleration clause under certain conditions.

The securities issued under the first closing of this Offering, are subject to a hold period expiring four months and one day from the date of issue. In connection with the closing, the Company paid compensation of $14,700 and issuance of 344,000 Broker Warrants to various eligible Finders. Each Broker Warrant is exchangeable for one Common Share at a purchase price of $0.05 per share and will expire two (2) years from the closing date.

**(d) Subscription receipts**

The Company received $235,000 in gross proceeds in connection with second tranche of the non-brokered private placement. As at June 30, 2022, the Company had yet to close on the second tranche and are holding the funds as restricted cash. As the terms of the conversion of the subscription receipts into common shares had not been met at June 30, 2022 the funds received have been shown as a liability. Subsequent to June 30, 2022 the Company closed on the second tranche of the non-brokered private placement (see Note 18).

**(e) Loss per share**

Basic loss per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the three and six months ended June 30, 2022, was 65,064,338 and 64,281,465 respectively ((June 30, 2021 – 41,831,004).

The potentially dilutive equity instruments outstanding were (i) 2,390,000 stock options (June 31, 2021 – 2,850,000), and (ii) 11,244,000 common share purchase warrants for the six months ended June 30, 2022. The fully diluted weighted average number of common shares outstanding for the three and six months ended June 30, 2022, was 72,175,576 and 71,392,703 respectively (June 30, 2021 – 44,681,004).

## 10. WARRANTS RESERVE

The following tables reflect the continuity of warrants for the period ended June 30, 2022, and December 31, 2021, as follows:

| | Number of Warrants | Weighted Average Exercise Price | Fair Value |
|---|---|---|---|
| **Balance outstanding, January 1, 20201** | **400,000** | **$ 0.100** | **$ 8,000** |
| Warrants expired(i) | (400,000) | (0.100) | (8,000) |
| **Balance outstanding, December 31, 2021** | **-** | **-** | **-** |
| Warrants issued | 11,244,000 | 0.100 | 206,523 |
| **Balance outstanding, June 30, 2022** | **11,244,000** | **$ 0.100** | **206,523** |

The following table reflects the Black-Scholes pricing model assumptions:

| | June 30, 2022 |
|---|---|
| Average exercise price ($) | $ 0.10 |
| Fair value of the award | $ 206,523 |
| Risk free interest rate | 1.13% |
| Expected dividend yield | 0.00% |
| Expected volatility | 161% |
| Expected life of the warrants | 2.00 |

The remaining life on the outstanding warrants is 1.54 years.

## 11. STOCK OPTIONS

The Company has a stock option plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted. TSX Venture Exchange has accepted for filing the Company's stock option plan which was approved by the Company's shareholders at the Annual General Meeting held on June 14, 2018. The plan hasbeen converted to a rolling plan whereby a maximum of 10% of the issued shares will be reservedfor issuance under the plan from a previous fixed maximum.

The stock option plan indicates that options vest at time of granting, except options granted to consultants performing investor relation activities, which must vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

Stock option activity for the period ended June 30, 2022 and December 31, 2021 was as follows:

| | Stock Options | | Weighted Average Exercise Price |
|---|---|---|---|
| **Options outstanding, January 1, 2021** | **2,850,000** | **$** | **0.089** |
| Issued | - | | - |
| Exercised | - | | - |
| Forfeited | - | | - |
| Options outstanding, December 31, 2021 | 2,850,000 | | 0.089 |
| Expired | (460,000) | | (0.125) |
| **Options outstanding, June 30, 2022** | **2,390,000** | **$** | **0.082** |
| Exercisable options | 2,390,000 | $ | 0.082 |

| Option price (CAD$) | Options Outstanding | | Weighted Average Exercise Price | Weighted Ang Remaining Contractual Life (Yrs.) | Options Exercisable |
|---|---|---|---|---|---|
| At $0.075 | 2,050,000 | $ | 0.075 | 1.60 | 2,050,000 |
| At $0.125 | 340,000 | $ | 0.125 | 3.90 | 340,000 |
| | 2,390,000 | $ | 0.082 | 2.10 | 2,390,000 |

## 12. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES

a. Key management personnel and directors' compensation:

During the three and six months ended June 30, 2022, and 2021, the Company had the following related party transactions with key management personnel and directors, and entities related to them, as follows:

| | For the three months ended June 30, | | | | For the six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | | 2022 | | 2021 | | 2022 | | 2021 |
| Management fees | $ | 48,000 | $ | 48,000 | $ | 96,000 | $ | 96,000 |
| | **$** | **48,000** | **$** | **48,000** | **$** | **96,000** | **$** | **96,000** |

b. Accounts payable and accrued liabilities as at June 30, 2022, includes $230,000 (December 31, 2021 -$358,358) with respect to balances owing to related parties for the transactions disclosed above. On October 22, 2021, the Company issued 4,000,000 in exchange for retiring $200,000 of unpaid management fees to a related party once the Company received TSX Venture Exchange approval. The fair value of the Company shares on date of debt settlement was $0.035 per common share resulting in a gain on debt settlement of $60,000.

c. Management fees expensed during the three and six months ended June 30, 2022, consist of $30,000 and $60,000 respectively (June 30, 2021 - $30,000 and $60,000 respectively) billed by an entity controlled by the CEO (for his services as CEO) and $18,000 and $36,000 respectively (June 30, 2021 - $18,000 and $36,000, respectively) billed by an entity related to adirector:

   i. Effective July 1, 2017, the CEO entered into a revised contract for management services ata rate of $10,000 per month compared to the prior rate of $2,200 per month. The contract is for a 2 year term expiring on June 30, 2019, automatically renewing for a further 3 years upon expiry (unless terminated previously).

      The contract also includes a provision for an extraordinary bonus shall be paid to (i) in the amount of 500,000 shares in the capital of the Company in the event one of the Company's projects is verified by an independent engineer's report to NI 43-101 orequivalent standard, confirming the Company's gold reserves plus resources exceeds 1,000,000 ounces of gold or gold equivalent; and (ii) in the amount of 1,000,000 shares in the capital of the Company in the event two of the Company's projects are verified by an independent engineer's report to NI 43-101 or equivalent standard, confirming the Company's gold reserves plus resources exceeds 2,000,000 ounces of gold or gold equivalent.

   ii. On July 1, 2017, the Company entered into a new contract for management and administrative services that replaced the pre-existing management services agreement described above. The contract is billed on a monthly basis at a rate of $6,000 and includes the services of the CFO and corporate secretary, office rent and regular administrative functions. The contract, with a company related to a recently appointed director, has a three-month notice period and renews annually.

## 13. COMMITMENTS

As at June 30, 2022, the Company has no outstanding commitments other than those listed in Note 12 above.

## 14. SEGMENTED INFORMATION

With the disposition of its various resource property interests outside of Canada over the lastnumber of years, the Company conducts its business in a single operating segment while it explores other resource property interests.

## 15. FINANCIAL INSTRUMENTS AND RISK FACTORS

### Fair value of financial instruments

The carrying values of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities, and advance from Accelerate approximate their fair values due to the short-term or demand nature of these balances.

### a. Fair value hierarchy

A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value. Level 1 includes quoted prices in active markets for identical assets or liabilities. Level2 includes inputs that are observable other than quoted prices included in level one. Level 3 includes inputs that are not based on observable market data.

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| **Level 1** | | |
| Cash | $ 178,945 | $ 65,886 |
| Restricted cash | 235,000 | - |
| Marketable securities | 53,000 | 79,500 |
| **Level 3** | | |
| Accounts receivable | 6,274 | 10,272 |
| Accounts payable | 269,161 | 465,822 |

### b. Classification of financial instruments

| | | June 30, 2022 | | December 31, 2021 | |
|---|---|---|---|---|---|
| Asset/Liabilities | Measurement | **Cost** | **Fair value** | **Cost** | **Fair value** |
| Cash | Fair value | $ 178,945 | $ 178,945 | $ 65,886 | $ 65,886 |
| Restricted cash | Fair value | 235,000 | 235,000 | - | - |
| Accounts receivable | Amortized cost | 6,274 | 6,274 | 10,272 | 10,272 |
| Marketable securities | Fair value | 300,906 | 53,000 | 300,906 | 53,000 |
| Accounts payable and accrued liabilities | Amortized cost | 269,161 | 269,161 | 465,822 | 465,822 |

### (c) Credit risk

The Company's credit risk is attributable to accounts receivable, which is comprised of refundable HST ITC's. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which have been invested with a Canadian chartered bank, from which management believes the risk of lossto be remote. Management believes that credit risk with respect to accounts receivable is minimal. There has been no change in this risk exposure or how it is managed since the prior reporting period.

### (d) Liquidity risk

The business of the Company necessitates the management of liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital. The Company's objective is to mitigate short-term liquidity risk by maintaining adequate working capital reserves and its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. The Company achieves these objectives by obtaining financing through private placements and issuing shares as payment for resource property costs. There has been no change in this risk exposure or how it is managed since the prior reporting period.

### (e) Market risk

The Company is exposed to market risk on its marketable securities due to normal stock market fluctuations. Management also regularly monitors market activities to assess the recoverability of this investment.

### (f) Foreign currency risk

As at June 30, 2022, the Company's holds foreign currency of US$13,014. The Company objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting with third parties in United States dollars. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not sufficient at this point in time.

## 16. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure that there are adequate resources to sustain operations and to continue as a going concern, to maintain adequate funding to support acquisition obligations and exploration of mineral claims, and to maintain investor confidence, all with a view to providing a return on shareholders' investment. Funds are primarily obtained through the issuance of common shares as equity capital. Such issuance of common shares is usually done as private placements.

The Company considers the items included in the consolidated statements of shareholders' equity to be capital and it manages the capital structure and adjusts it with an awareness of changes in economic conditions, the risk nature of the underlying assets and the future capital requirements to maintain those assets. The Company is not subject to any externally imposed capital requirements.

## 17. PROPOSED TRANSACTION

On October 27, 2021, the Company announced subject to regulatory approval, the 100% interest in two brown field Vanadium (Battery Metal) Projects (the "Project") located in North Queensland, Australia. The Project includes the historic Cambridge Vanadium deposit which is an easterly continuation of the Lilyvale Vanadium deposit that contains an indicated and inferred resource of 560Mt at 0.48 V205%. The Project also includes a package 1,240 km2 close to infrastructure and enroute to Townsville Port.

On August 5, 2022 the Company announced the closing of the acquisition of the Project.

The Company issued 25,000,000 common shares to Liontown Resources Limited and Chalice Mining Limited. In addition, the Company issued 8,000,000 share purchase warrants at $0.10 with a 2-year expiry. The Company will also pay a 2% net gross revenue royalty with the Company holding the right to purchase 50% of either Royalty by making a payment to the Royalty holders of $1,000,000, in cash.

## 18. SUBSEQUENT EVENTS

On August 5, 2022, the Company announced that it has closed the second and final tranche of the previously announced non-brokered private placement and issued an aggregate of 5,460,894 Units at a price of $0.05 per Unit for aggregate gross proceeds of $273,045. Each Unit consists of one share in the capital of the Company (each a "Common Share") and one Common Share purchase warrant (each a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Common Share at a price of $0.10 per Common Share at any time prior to August 5, 2024. If the volume-weighted average price of the common shares of the Company on the TSX Venture Exchange over the preceding 20 trading days is greater than $0.25, the Company can elect to accelerate the term of the Warrants to 30 calendar days following the date a press release announcing the notice of acceleration is provided.

In connection with the closing, the Company will pay compensation of $4,500 and issue 90,000 finders warrants to Paloma Investments Inc. (the "Finders Warrants"). Each Finder Warrant entitles the holder to acquire one Common Share at a price of $0.05 per share any time prior to August 5, 2024.

All securities issued under the Offering are subject to a hold period of four months and a day from the date of issue. The net proceeds of the Offering will be utilized for the further development of the Project.