



INTERNATIONAL PROSPECT VENTURES LTD.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

INTERNATIONAL PROSPECT VENTURES LTD.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

INTERNATIONAL PROSPECT VENTURES LTD.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

| Notes | As at March 31, 2022 | As at December 31, 2021 |
|--|-------------------------------------|-------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 6 \$ 289,233 | \$ 445,345 |
| Sales taxes recoverable | 17,820 | 46,737 |
| Prepaid expenses and other | 7 8,945 | 12,760 |
| | 315,998 | 504,842 |
| Non-current assets | | |
| Exploration and evaluation assets | 8 213,884 | 92,978 |
| TOTAL ASSETS | \$ 529,882 | \$ 597,820 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 13,208 | \$ 14,962 |
| Due to related parties | 11 20,440 | 20,574 |
| Total liabilities | 33,648 | 35,536 |
| EQUITY | | |
| Share capital | 9 4,655,205 | 4,571,755 |
| Contributed surplus | 444,062 | 420,816 |
| Warrants | 405,477 | 405,477 |
| Deficit | (5,008,510) | (4,835,764) |
| Total equity | 496,234 | 562,284 |
| TOTAL LIABILITIES AND EQUITY | \$ 529,882 | \$ 597,820 |

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"

(signed Glenn J. Mullan)

Director

"Dr. Robert I. Valliant"

(signed Robert I. Valliant)

Director

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERNATIONAL PROSPECT VENTURES LTD.**Condensed Interim Consolidated Statements of Net loss and Comprehensive loss**

(Unaudited)

(Expressed in Canadian Dollars)

| | | For the three months ended March 31, | |
|---|-------|---|-------------------|
| | Notes | 2022 | 2021 |
| Operating expenses | | | |
| Exploration and evaluation expenses | 11 | \$ 43,987 | \$ 42,522 |
| Consulting fees | 11 | 30,000 | 30,000 |
| Professional fees | 11 | 35,436 | 18,062 |
| Share-based payments | 9 | 23,246 | - |
| Investor and media relations | | 13,850 | 4,500 |
| Regulatory and transfer agent fees | | 10,942 | 6,876 |
| Office expenses | | 6,515 | 4,765 |
| Director fees | 11 | 6,275 | 3,250 |
| Travel and entertainment | | 1,972 | - |
| Operating loss | | 172,223 | 109,975 |
| Other expenses (income) | | | |
| Finance expense | | 805 | 402 |
| Foreign exchange loss | | (243) | 1,858 |
| Finance income | | (39) | (212) |
| | | 523 | 2,048 |
| Net loss and total comprehensive loss for the period | | \$ 172,746 | \$ 112,023 |
| Basic and diluted net loss per common share | 10 | \$ 0.004 | \$ 0.003 |
| Weighted average number of common shares outstanding | 10 | 39,492,256 | 33,264,237 |

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERNATIONAL PROSPECT VENTURES LTD.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)

(Expressed in Canadian Dollars)

| | Notes | Share capital | | Contributed Surplus | | Warrants | Deficit | Total | |
|---|-------|-------------------|---------------------|---------------------|----------------|-----------|----------------|-----------------------|-------------------|
| | | Number | | | | | | | |
| Balance on January 1, 2022 | | 39,040,236 | \$ 4,571,755 | \$ | 420,816 | \$ | 405,477 | \$ (4,835,764) | \$ 562,284 |
| Issuance of shares on acquisition of mineral property and royalty interests | 8 | 500,000 | 80,000 | | - | | - | | 80,000 |
| Issuance of shares on payment of finders' fees | 8 | 21,562 | 3,450 | | - | | - | | 3,450 |
| Share-based payment | | - | - | | 23,246 | | - | | 23,246 |
| Net loss and comprehensive loss for the period | | - | - | | - | | (172,746) | | (172,746) |
| Balance on March 31, 2022 | | 39,561,798 | \$ 4,655,205 | \$ | 444,062 | \$ | 405,477 | \$ (5,008,510) | \$ 496,234 |

| | | Share capital | | Contributed Surplus | | Warrants | Deficit | Total | |
|--|--|-------------------|---------------------|---------------------|----------------|-----------|----------------|-----------------------|---------------------|
| | | Number | | | | | | | |
| Balance on January 1, 2021 | | 33,264,237 | \$ 3,929,898 | \$ | 353,764 | \$ | 214,908 | \$ (3,483,525) | \$ 1,015,045 |
| Net loss and comprehensive loss for the period | | - | - | | - | | (112,023) | | (112,023) |
| Balance on March 31, 2021 | | 33,264,237 | \$ 3,929,898 | \$ | 353,764 | \$ | 214,908 | \$ (3,595,548) | \$ 903,022 |

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERNATIONAL PROSPECT VENTURES LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

| | | For the three months ended March 31, | |
|---|-------|---|---------------------|
| | Notes | 2022 | 2021 |
| OPERATING ACTIVITIES | | | |
| Net loss for the period | | \$ (172,746) | \$ (112,023) |
| Adjustments: | | | |
| Share-based payments | | 23,246 | - |
| | | (149,500) | (112,023) |
| Change in non-cash working capital items | | | |
| Sales taxes recoverable | | 28,917 | (503) |
| Prepaid expenses and other | | 3,815 | 2,862 |
| Accounts payable and accrued liabilities | | (1,754) | (15,176) |
| Due to related parties | | (134) | (363) |
| | | 30,844 | (13,180) |
| Cashflows used by operating activities | | (118,656) | (125,203) |
| INVESTING ACTIVITIES | | | |
| Acquisition of mineral property and royalty interests | 8 | (35,000) | - |
| Additions to exploration and evaluation assets | | (2,456) | (36,850) |
| Cashflows used by investing activities | | (37,456) | (36,850) |
| FINANCING ACTIVITIES | | | |
| Acquisition of mineral property and royalty interests | 16 | - | - |
| Cashflows from financing activities | | - | - |
| Decrease in cash | | \$ (156,112) | \$ (162,053) |
| Cash and cash equivalents, beginning of period | | 445,345 | 468,143 |
| Cash and cash equivalents, end of period | | \$ 289,233 | \$ 306,090 |

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERNATIONAL PROSPECT VENTURES LTD.
Notes to Condensed Interim Consolidated Financial Statements
March 31, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)



1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

International Prospect Ventures Ltd. (the "Company" or "International Prospect"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9. The Company's common shares are trading on the TSX Venture Exchange under the trading symbol "IZZ".

The Board of Directors approved the unaudited condensed interim consolidated financial statements for issue on May 24, 2022.

2) GOING CONCERN

These condensed interim consolidated financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospecting operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any revenues or cash flows from its operations and there is no assurance that the business will be profitable in the future.

These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the condensed interim consolidated financial statements and the classification used in the consolidated financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

INTERNATIONAL PROSPECT VENTURES LTD.
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3) BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements, approved by the Board of Directors on May 24, 2022, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting”. These condensed interim consolidated financial statements as well as the related notes should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2021.

Subsidiaries

These condensed interim consolidated financial statements include the accounts of International Prospect and its wholly-owned subsidiary, Valroc Ventures Pty Ltd. (“Valroc”), a New South Wales company, located in Australia. Subsidiaries are consolidated where the Company has the ability to exercise control. Control of an investee exists when the Company is exposed to variable returns from the Company’s involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation.

4) ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these condensed interim consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company’s accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company’s consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company’s consolidated financial statements.

The Company has considered the amendments to IAS 16, Property Plant and Equipment, IAS 37, Provisions, Contingent Liabilities and Contingent Assets and IFRS 3 Business Combinations which are effective for annual periods beginning on or after January 1, 2022 and has concluded that these amendments have no impact on the Company’s financial statements.

INTERNATIONAL PROSPECT VENTURES LTD.
Notes to Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian dollars unless otherwise noted)



5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing consolidated financial statements, management undertakes a number of estimates, judgments and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgments are continuously evaluated and are based on management’s experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2021.

6) CASH AND CASH EQUIVALENTS

| | As at March 31 2022 | As at December 31, 2021 |
|----------------|------------------------|----------------------------|
| Cash | \$ 239,233 | \$ 395,345 |
| Demand deposit | 50,000 | 50,000 |
| | \$ 289,233 | \$ 445,345 |

The deposit is due on demand, bears interest at 0.35% per annum and maturing on October 26, 2022.

7) PREPAIDS EXPENSES AND OTHER

| | As at March 31 2022 | As at December 31, 2021 |
|------------------|------------------------|----------------------------|
| Prepaid expenses | \$ 3,815 | \$ 7,630 |
| Other | 5,130 | 5,130 |
| | \$ 8,945 | \$ 12,760 |

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Notes to Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian dollars unless otherwise noted)

8) EXPLORATION AND EVALUATION ASSETS

The following table presents the additions to exploration and evaluation assets by categories for the three months ended March 31, 2022 and for the year ended December 31, 2021:

| | As at | | | | As at |
|-----------------------------|--------------------|-----------|---------|------------|-------------------|
| | January 1, 2022 | Additions | Credits | Impairment | March 31, 2022 |
| Claim and claim maintenance | \$ 44,062 | \$ 22 | \$ - | - | \$ 44,084 |
| Acquisition | 32,818 | 118,450 | - | - | 151,268 |
| Program management | 11,570 | 2,434 | - | - | 14,004 |
| Geophysics | - | - | - | - | - |
| Geology | 4,290 | - | - | - | 4,290 |
| Other | 238 | - | - | - | 238 |
| Royalty advances | - | - | - | - | - |
| | \$ 92,978 | 120,906 | - | - | \$ 213,884 |

| | As at | | | | As at |
|-----------------------------|--------------------|------------|----------|------------|----------------------|
| | January 1, 2021 | Additions | Credits | Impairment | December 31, 2021 |
| Claim and claim maintenance | \$ 189,246 | \$ 150,065 | \$ (131) | (295,118) | \$ 44,062 |
| Acquisition | 200,000 | 59,500 | - | (226,682) | 32,818 |
| Program management | 125,374 | - | - | (113,804) | 11,570 |
| Geophysics | 51,926 | - | - | (51,926) | - |
| Geology | 54,726 | - | - | (50,436) | 4,290 |
| Other | 4,436 | - | - | (4,198) | 238 |
| Royalty advances | - | 10,000 | - | (10,000) | - |
| | \$ 625,708 | 219,565 | (131) | (752,164) | \$ 92,978 |

INTERNATIONAL PROSPECT VENTURES LTD.
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(Expressed in Canadian dollars unless otherwise noted)



8) EXPLORATION AND EVALUATION ASSETS (continued)

The following table presents exploration and evaluation assets by properties:

| | As at March 31 2022 | As at December 31, 2021 |
|-----------------|------------------------|----------------------------|
| Pilbara Region | \$ 95,434 | \$ 92,978 |
| West Stewardson | 118,450 | - |
| Total | \$ 213,884 | \$ 92,978 |

Pilbara Region – Western Australia

In 2017, the Company and Valroc made an application for eight tenements in the Marble Bar and Nullagine areas of the Pilbara Region, Western Australia (Fortescue Basin). Granting of the exploration licences for all eight properties, which totalled 1,026 square kilometres, was completed in January 2019. In 2021, four tenements were surrendered, leaving the Company with four tenements located at the eastern end of the Mosquito Creek Basin (Formation) and covering gold-bearing rocks of the Mosquito Creek and Hardey formations.

During the quarter, the Company increased its property package in the Pilbara Region - Western Australia with the addition of two (2) new tenements, acquired 100% by staking. The additional tenements were granted to the Company’s wholly owned subsidiary, Valroc, bringing its total land holdings to 14,073 hectares.

West Stewardson Uranium Project - Athabasca Basin, Saskatchewan

On January 7, 2022, the Company entered into an agreement with Uravan Minerals Inc. (“Uravan”) to acquire a 1.0% net smelter return royalty (the “NSR”) that covers five mineral dispositions (17,795 ha) held by Cameco Corporation (“Cameco”) and a 100% interest in the West Stewardson Uranium Project (5,251 ha), both located in the Athabasca Basin of northern Saskatchewan (together, the “Property”).

In consideration for the Property, the Company paid Uravan cash of \$35,000 and issued to Uravan 500,000 common shares, fair valued at \$80,000, of the Company. The Company paid a finder’s fee to an independent arms-length third party consisting of 21,562 common shares, fair valued at \$3,450, of the Company. Cameco is the holder of the five mineral dispositions that are subject to the NSR and Cameco has an exclusive option to purchase 100% of the NSR for \$500,000.

Otish/Mistassini Project - North Central Québec

The Company owns a 100% interest in the Otish/Mistassini Project which comprises 46 claims covering an area of 2,447 hectares, within four (4) separate claim blocks located in the Province of Québec.

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8) EXPLORATION AND EVALUATION ASSETS (continued)

Beartooth Island Project - Athabasca Basin, Saskatchewan

On May 6, 2021, the Company announced that it entered into a mining property purchase agreement (the “Agreement”) for the acquisition of the remaining 60% undivided interest in the Beartooth Island Uranium Project (the “Project”). In accordance with the terms of the Agreement, the Company issued 300,000 of its common shares and made a cash payment of \$10,000 to the vendor. With the Company already holding 40% interest, the Company now owns 100% of the Beartooth Island Uranium Project.

The Project, focused on uranium exploration, consists of one mineral claim covering an area of 5,940 hectares located in the northwest portion of the Athabasca Basin in Saskatchewan. Separately, the Company has staked four additional mineral claims that were originally associated with the Project. The four additional mineral claims, and the Project together form the Beartooth Island Uranium Project covering Beartooth Island in Lake Athabasca, and totalling 22,581 hectares.

Elliot Lake Uranium Project – Ontario, Canada

The Company, through staking, increased its 100% owned land package in the Elliot Lake Uranium Camp, Ontario, Canada. The new properties bring the total area held by the Company in the Elliot Lake Uranium Camp to nearly 13 square kilometres.

Porcupine Miracle Project - Langmuir Township, Ontario

The Company owns a 100% interest in the Porcupine Miracle Project which comprises nine (9) claim cells located in Langmuir Township in the Province of Ontario, Canada. The Property is subject to a royalty in favor of 2973090 Canada Inc, a company controlled by the President, equal to 3% of net smelter returns. In addition, advance royalty payments of \$10,000 per annum is payable by the Company, which commenced on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

9) EQUITY

a) Share Capital

Authorized

Unlimited number of voting common shares without par value.

INTERNATIONAL PROSPECT VENTURES LTD.
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(Expressed in Canadian dollars unless otherwise noted)



9) EQUITY (continued)

Issue share capital

The change in issued share capital for the three months ended March 31, 2022 and for the year ended December 31, 2021 was as follows:

| | For the three months ended March 31, 2022 | | For the year ended December 31, 2021 | |
|--|--|---------------------|---|--------------|
| | Number of shares | Stated Value | Number of shares | Stated Value |
| Outstanding, beginning of period | 39,040,236 | \$ 4,571,755 | 33,264,237 | \$ 3,929,898 |
| Issuance of shares on acquisition of mineral property and royalty interest (a) | 500,000 | 80,000 | 300,000 | 49,500 |
| Issuance of shares on payment of finders' fees (a) | 21,562 | 3,450 | 91,000 | 13,650 |
| Issuance of units under a private placement | - | - | 5,334,999 | 607,506 |
| Issuance of shares on exercise of warrants | - | - | 50,000 | 8,675 |
| Share issue expenses | - | - | - | (37,474) |
| Outstanding, end of period | 39,561,798 | \$ 4,655,205 | 39,040,236 | \$ 4,571,755 |

2022 transaction on share capital

a) Issuance of shares on acquisition of mineral property and royalty interest

As described in note 8, the Company issued 500,000 of its common shares, with a fair value of \$80,000, relating to the acquisition of a 1.0% NSR that covers five mineral dispositions held by Cameco and a 100% interest in the West Stewardson Uranium Property from Uravan. The Company paid a finder's fee, with a fair value of \$3,450, to an independent arms-length third party consisting of 21,562 common shares of the Company.

2021 transactions on share capital

a) Issuance of Units under a private placement

On June 15, 2021, the Company completed a non-brokered private placement pursuant to which it issued 5,334,999 Units at a per Unit price of \$0.15 for gross proceeds of \$800,250. Each Unit consisted of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share at a per share price of \$0.20 until June 15, 2024, subject to accelerated expiry in certain circumstances.

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9) EQUITY (continued)

2021 transactions on share capital (continued)

The related fair value method, using the Black Scholes options pricing model, was retained to estimate the fair value of the 2,667,499 warrants with the following assumptions: an expected volatility of 113%, a risk-free interest rate of 0.54%, an expected unit life of 3 years, no expected dividend yield and a share price at date of grant of \$0.16. As a result, the warrants were valued at \$192,744 and deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

In connection with the non-brokered private placement, the Company issued 91,000 common shares at a per share price of \$0.15 to various arm's length parties in satisfaction of \$13,650 in finder's fees representing 5% of the purchase proceeds received from subscribers introduced to the Company by the finders. The Company also incurred legal fees and regulatory fees of \$23,824 in relation with the private placement.

b) Issuance of shares for grant of mining option

As described in note 8, the Company issued 300,000 of its common shares, with a fair value of \$49,500, relating to the acquisition of the remaining 60% undivided interest in the Beartooth Island Uranium Project.

c) Issuance of shares from exercise of share purchase warrants

For the year ended December 31, 2021, the Company issued 50,000 of its common shares pursuant to the exercise of 50,000 share purchase warrants for a total consideration of \$6,500.

Share-based payments

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the TSX Venture Exchange (the "Exchange"); if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

INTERNATIONAL PROSPECT VENTURES LTD.
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9) EQUITY (continued)

Share-based payments(continued)

A summary of changes in the number of incentive stock option for the three months ended March 31, 2022 and for the year ended December 31, 2021 is presented as follows:

| | For the three months ended March 31, 2022 | | For the year ended December 31, 2021 | |
|----------------------------------|--|---------------------------------------|---|---------------------------------------|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Outstanding, beginning of period | 3,815,312 | \$ 0.13 | 3,325,312 | \$ 0.12 |
| Granted | - | - | 900,000 | 0.16 |
| Forfeited | - | - | (410,000) | 0.12 |
| Outstanding, end of period | 3,815,312 | \$ 0.13 | 3,815,312 | \$ 0.13 |
| Exercisable, end of period | 3,540,312 | \$ 0.12 | 3,315,312 | \$ 0.12 |

Incentive stock options granted in 2021

On September 28, 2021, the Company granted to directors and consultants incentive stock options entitling the purchase 700,000 common shares at an exercise price of \$0.15 per share. The options are exercisable for a period of 3 years until September 28, 2024. The options vest as to 25% immediately and then 25% every three months thereafter. The fair value of the 700,000 stock options has been estimated on the date of issue at \$79,133, of which to date \$72,647 has been expensed, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.15; expected dividend yield: nil; expected volatility:117.6% risk-free interest rate: 0.96% expected life: 3 years and exercise price at the date of grant: \$0.15 per share. For the three months ended March 31, 2022, share-based payments of \$15,995 (2021- \$nil) has been recognized relating to this grant.

On November 15, 2021, the Company granted to a consultant incentive stock options entitling the purchase 200,000 common shares at an exercise price of \$0.18 per share. The options are exercisable for a period of 3 years until November 15, 2024. The options vest as to 25% immediately and then 25% every three months thereafter. The fair value of the 200,000 stock options has been estimated on the date of issue at \$21,635, of which to date \$17,651 has been expensed, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.18; expected dividend yield: nil; expected volatility:117.34%; risk-free interest rate: 1.38%; expected life: 3 years and exercise price at the date of grant: \$0.18 per share. For the three months ended March 31, 2022, share-based payments of \$7,251 (2021- \$nil) has been recognized relating to this grant.

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9) EQUITY (continued)

Share-based payments(continued)

The table below summarizes the information related to outstanding incentive stock options as at March 31, 2022:

| Expiry date | Number of stock options outstanding | Weighted Average Exercise price | Weighted Average remaining contractual life | Exercisable Options |
|--------------------|--|--|--|----------------------------|
| February 28, 2024 | 50,000 | \$ 0.170 | 1.92 | 50,000 |
| June 17, 2024 | 390,312 | \$ 0.160 | 2.22 | 390,312 |
| September 28, 2024 | 700,000 | \$ 0.150 | 2.50 | 525,000 |
| November 15, 2024 | 200,000 | \$ 0.180 | 2.63 | 100,000 |
| June 26, 2025 | 665,000 | \$ 0.115 | 3.24 | 665,000 |
| July 10, 2027 | 1,315,000 | \$ 0.050 | 5.28 | 1,315,000 |
| December 12, 2027 | 495,000 | \$ 0.265 | 5.70 | 495,000 |
| | 3,815,312 | | | 3,540,312 |

The table below summarizes the information related to outstanding incentive stock options as at December 31, 2021:

| Expiry date | Number of stock options outstanding | Weighted Average Exercise price | Weighted Average remaining contractual life | Exercisable Options |
|--------------------|--|--|--|----------------------------|
| February 28, 2024 | 50,000 | \$ 0.170 | 2.16 | 50,000 |
| June 17, 2024 | 390,312 | \$ 0.160 | 2.46 | 390,312 |
| September 28, 2024 | 700,000 | \$ 0.150 | 2.75 | 350,000 |
| November 15, 2024 | 200,000 | \$ 0.180 | 2.88 | 50,000 |
| June 26, 2025 | 665,000 | \$ 0.115 | 3.49 | 665,000 |
| July 10, 2027 | 1,315,000 | \$ 0.050 | 5.53 | 1,315,000 |
| December 12, 2027 | 495,000 | \$ 0.265 | 5.95 | 495,000 |
| | 3,815,312 | | | 3,315,312 |

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9) EQUITY (continued)

Warrants

A summary of changes in the number of share purchase warrants is presented as follows:

| | For the three months ended March 31, 2022 | | For the year ended December 31, 2021 | |
|----------------------------------|--|---------------------------------------|---|---------------------------------------|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Outstanding, beginning of period | 8,866,769 | \$ 0.15 | 6,249,270 | \$ 0.13 |
| Granted | - | - | 2,667,499 | 0.20 |
| Exercised | - | - | (50,000) | 0.13 |
| Outstanding, end of period | 8,866,769 | \$ 0.15 | 8,866,769 | \$ 0.15 |

The table below summarizes the information related to outstanding warrants as at March 31, 2022 and as at December 31, 2021:

| Expiry Date | Exercise Price | Number of warrants outstanding | Exercisable Warrants |
|----------------|-------------------|-----------------------------------|-------------------------|
| June 17, 2022 | \$ 0.13 | 6,199,270 | 6,199,270 |
| June 15, 2024 | \$ 0.20 | 2,667,499 | 2,667,499 |
| | | 8,866,769 | 8,866,769 |

10) LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding as follows:

| | For the three months ended March 31, | |
|--|--------------------------------------|------------|
| | 2022 | 2021 |
| Net loss for the period | \$ 172,746 | \$ 112,023 |
| Weighted average number of common shares - Basic | 39,492,256 | 33,264,237 |
| Dilutive effect of stock options/warrants | - | - |
| Weighted average number of common shares - Diluted | 39,492,256 | 33,264,237 |
| Basic loss per share | \$ 0.004 | \$ 0.003 |
| Diluted loss per share | 0.004 | 0.003 |

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10) LOSS PER SHARE (continued)

For the three months ended March 31, 2022 and 2021, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

11) RELATED PARTY BALANCES AND TRANSACTIONS

a) Transactions with a shareholder

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Golden Valley Mines and Royalties Ltd ("Golden Valley"), a significant shareholder of the Company, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis.

For the three months ended March 31, 2022, the Company reimbursed Golden Valley the amount of \$1,814 (2021 - \$1,814) relating to this Sharing Arrangement.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at March 31, 2022, the Company had indebtedness of \$2,086 (December 31, 2021 - \$nil) to Golden Valley, which is included in due to related parties.

b) *Transactions with key management*

Key management personnel of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer, Chief Operating Officer, Vice President Exploration, and the Chief Financial Officer. The compensation paid to key management is presented below:

- For the three months ended March 31, 2022, consultant fees of \$10,500 (2021 - \$10,500) were paid by the Company to 2973090 Canada Inc. ("2973090") a company controlled by a director of the Company, relating to the services of the Company's Chairman of the Board. These fees are recorded under exploration and evaluation expense in the condensed interim consolidated statements of net loss and comprehensive loss. As at March 31, 2022, the Company had no indebtedness (December 31, 2021 - \$4,024, included in due to related parties) to 2973090.

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11) RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with key management (continued)

- For the three months ended March 31, 2022, consultant fees of \$30,000 (2021 - \$30,000) were incurred by the Company to Ironbark International Limited (“Ironbark”) relating to the services of the Company’s President and CEO. These fees are recorded under consulting fees in the condensed interim consolidated statements of net loss and comprehensive loss. As at March 31, 2022, the Company had no indebtedness (December 31, 2021 - \$11,300, included in due to related parties) to Ironbark.
- For the three months ended March 31, 2022, consultant fees of \$15,000 (2021 - \$15,000) were incurred by the Company to Caracle Creek International Consulting Inc. (“Caracle”) relating to the services of the Company’s VP Exploration. These fees are recorded under exploration and evaluation expenses in the condensed interim consolidated statement of net loss and comprehensive loss. As at March 31, 2022, the Company had indebtedness of \$5,250 (December 31, 2021 - \$5,250) to the Company’s VP Exploration, which is included in due to related parties.
- For the three months ended March 31, 2022, consultant fees of \$15,000 (2021 - \$15,000) were incurred by the Company to a company controlled by the Chief Operating Officer of the Company for technical services. These fees are recorded under exploration and evaluation expenses in the condensed interim consolidated statements of net loss and comprehensive loss. As at March 31, 2022, the Company had indebtedness of \$5,749 (December 31, 2021 - \$nil) to the Company’s Chief Operating Officer, which is included in due to related parties.
- For the three months ended March 31, 2022, consultant fees of \$6,000 (2021 - \$nil) were incurred by the Company relating to the services of the Company’s Chief Financial Officer. These fees are recorded under Professional fees in the condensed interim consolidated statements of net loss and comprehensive loss. As at March 31, 2022, the Company had indebtedness of \$7,355 (December 31, 2021 - \$nil) to the Company’s Chief Financial Officer, which is included in due to related parties.
- For the three months ended March 31, 2022, director fees of \$6,000 (2021 - \$3,000) were incurred by the Company.

c) Transactions with related party

For the three months ended March 31, 2022, the Company incurred fees of \$4,500 (2021 - \$nil) with an individual, the spouse of the Chief Operating Officer, as part of a consulting agreement for accounting services. These fees were recorded under Professional fees in the condensed interim consolidated statements of net loss and comprehensive loss.

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12) FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

The carrying amounts and fair values of financial instruments presented in the consolidated statements of financial position are as follows:

| | As at March 31, 2022 | | As at December 31, 2021 | |
|---------------------------|-------------------------|---------------|----------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Cash and cash equivalents | \$ 289,233 | 289,233 | \$ 445,345 | 445,345 |
| | \$ 289,233 | \$ 289,233 | \$ 445,345 | \$ 445,345 |

| | As at March 31, 2022 | | As at December 31, 2021 | |
|--|-------------------------|---------------|----------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 13,208 | \$ 13,208 | \$ 14,962 | \$ 14,962 |
| Due to related parties | 20,440 | 20,440 | 20,574 | 20,574 |
| | \$ 33,648 | \$ 33,648 | \$ 35,536 | \$ 35,536 |

The carrying value of cash and cash equivalents, due to related parties and accounts payable and accrued liabilities is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. Financial assets and liabilities measured at amortized cost for which a fair value is provided in the consolidated statements of financial position are presented in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- 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 assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There have been no significant transfers between Level 1, 2 and 3 in the reporting periods. The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

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13) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in managing capital is to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 9 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

14) FINANCIAL RISKS

The Company is exposed to various financial risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk.

The Company focuses on actively securing short to medium-term cash flow by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash of \$289,233 as at March 31, 2022 and \$445,345 as at December 31, 2021. The risk related to cash is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent.

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14) FINANCIAL RISKS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has potential financing sources. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations.

Accounts payable and accrued liabilities are due within less than 90 days. The Company's cash significantly exceed the current cash outflow requirements.

15) COMMITMENTS

Exploration Expenditure Commitment

In order to maintain the Company's interest in mining tenements in Australia, the Company is committed to meet the annual minimum expenditure of approximately \$94,000 (or AUD\$100,000) under which the tenements were granted.

16) ADDITIONAL CASH FLOW INFORMATION

The following significant non-cash transactions have been excluded from the condensed interim consolidated Statements of Cash Flows:

| | For the three months ended March 31, | |
|--|---|------|
| | 2022 | 2021 |
| Issuance of shares on payment of finders' fees | \$ 3,450 | - |
| Issuance of shares on acquisition of property and royalty interest | 80,000 | - |