BELMONT RESOURCES INC.

Consolidated Financial Statements

Years ended January 31, 2022 and 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Belmont Resources Inc.

Opinion

We have audited the consolidated financial statements of Belmont Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial positions of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events and conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

June 2, 2022

BELMONT RESOURCES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes		January 31, 2022		January 31, 2021
ASSETS					
Current assets					
Cash		$	379,527	$	441,586
Marketable securities	3		239,560		3,985
Receivables			12,749		42,811
Prepaid expenses			8,044		1,933
			639,880		490,315
Non-current assets					
Due from related party	9		-		114,155
Property and equipment	4		15,193		17,107
Exploration and evaluation assets	5		1,917,232		1,512,611
Reclamation bond	5		97,954		79,454
			2,030,379		1,723,327
TOTAL ASSETS		**$**	**2,670,259**	**$**	**2,213,642**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	6	$	309,522	$	87,613
Due to related parties	9		111,500		163,312
Flow-through share premium liability	7		26,605		91,013
			447,627		341,938
TOTAL LIABILIITES			**447,627**		**341,938**
SHAREHOLDERS' EQUITY					
Share capital	8		24,634,307		23,952,749
Reserves	8		1,617,941		1,620,616
Deficit			(24,029,616)		(23,701,661)
TOTAL SHAREHOLDERS' EQUITY			**2,222,632**		**1,871,704**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**2,670,259**	**$**	**2,213,642**

Nature and continuance of operations (Note 1)
Commitments (Note 5)
Subsequent events (Note 5, 14)

Approved on Behalf of the Board:

"George Sookochoff"
Director

"Gary Musil"
Director

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Years ended January 31, 2022	January 31, 2021
Expenses			
Amortization	4	$ 3,055	$ 3,010
Bad debt	9	82,842	11,386
Consulting fees	9	41,440	86,236
Legal and audit		62,879	56,792
Office and miscellaneous		9,328	13,535
Property costs		3,530	1,011
Regulatory fees		23,510	31,185
Rent	9	18,000	23,836
Salaries and administration services	9	195,312	167,416
Shareholder relations		6,882	8,148
Stock based payment	8, 9		
Directors		93,660	138,012
Consultants		4,590	33,603
Telephone and internet		3,573	4,683
Transfer agent fees		11,686	14,590
Travel and promotion		39,824	16,528
		(600,111)	(609,971)
Other items			
Interest expense		-	(17,906)
Foreign exchange gain (loss)		3,735	(91)
Gain (loss) on disposition of equipment		(284)	85
Gain on option payments received	5	163,250	-
Gain on sale of marketable securities		225	-
Recovery of bad debt		-	6,494
Recovery of flow-through premium liability	7	105,230	9,987
		272,156	(1,431)
Net loss for the year		(327,955)	(611,402)
Other comprehensive income (loss)			
Unrealized gains (losses) on financial assets	3	(24,248)	1,822
Total comprehensive loss for the year		**$ (352,203)**	**$ (609,580)**
Loss per share – basic and diluted		**$ (0.01)**	**$ (0.02)**
Weighted average number of shares		**47,718,009**	**30,899,981**

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.
Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Share capital		Reserves			
	Number of shares	**Amount**	**Stock-based reserve**	**Revaluation of financial assets**	**Deficit**	**Total**
Balance at February 1, 2020	**16,615,405**	**$ 22,616,602**	**$ 1,417,612**	**$ (11,686)**	**$ (23,090,259)**	**$ 932,269**
Loss for the year	-	-	-	-	(611,402)	(611,402)
Other comprehensive income	-	-	-	1,822	-	1,822
Total comprehensive loss for the year	-	-	-	1,822	(611,402)	(609,580)
Shares issued for cash						
- private placement (units)	22,630,500	1,303,290	-	-	-	1,303,290
- warrants	875,000	43,750	-	-	-	43,750
Share issue costs	-	(117,499)	41,215	-	-	(76,284)
Shares issued for promissory notes	60,000	2,100	-	-	-	2,100
Shares issued to acquire exploration and evaluation assets	1,720,000	103,100	-	-	-	103,100
Units issued to acquire exploration and evaluation assets	31,250	1,406	38	-	-	1,444
Stock based payment	-	-	171,615	-	-	171,615
	25,316,750	1,336,147	212,868	-	-	1,549,015
Balance at January 31, 2021	**41,932,155**	**$ 23,952,749**	**$ 1,630,480**	**$ (9,864)**	**$ (23,701,661)**	**$ 1,871,704**
Loss for the year	-	-	-	-	(327,955)	(327,955)
Other comprehensive loss	-	-	-	(24,248)	-	(24,248)
Total comprehensive loss for the year	-	-	-	(24,248)	(327,955)	(352,203)
Shares issued for cash						
- private placement (units)	4,393,450	266,720	-	-	-	266,720
- options	1,275,000	161,955	(81,205)	-	-	80,750
- warrants	3,125,000	166,750	-	-	-	166,750
Share issuance costs		(31,304)	4,528	-	-	(26,776)
Shares issued to acquire exploration and evaluation assets	1,319,167	87,437	-	-	-	87,437
Shares issued for finder's fee for earn-in agreements	500,000	30,000	-	-	-	30,000
Stock based payment	-	-	98,250	-	-	98,250
	10,612,617	681,558	21,573	-	-	703,131
Balance at January 31, 2022	**52,544,772**	**$ 24,634,307**	**$ 1,652,053**	**$ (34,112)**	**$ (24,029,616)**	**$ 2,222,632**

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended January 31, 2022	Years ended January 31, 2021
Operating activities:		
Net loss for the year:	$ (327,955)	$ (611,402)
Adjustments for non-cash items:		
Amortization	3,055	3,010
Bad debt expense	82,842	11,386
Foreign exchange gain	(3,335)	-
Loss (gain) on disposal of equipment	284	(85)
Interest on promissory note	-	17,906
Reversal of flow-through share premium liability	(105,230)	(9,987)
Realized gain on sale of marketable securities	(225)	-
Gain on option payments received	(163,250)	-
Share-based payments	98,250	171,615
Changes in non-cash items:		
Receivables	30,062	(40,425)
Prepaid expenses	(6,111)	4,606
Trade payables and accrued liabilities	173,097	(75,257)
Due from/to related parties	(20,499)	(9,231)
Net cash flows used in operating activities	(239,015)	(537,864)
Investing Activities		
Expenditures on exploration and evaluation assets, net of recoveries	(550,278)	(212,223)
Option payments received in cash	215,000	-
Reclamation bond	(18,500)	(14,000)
Acquisition (disposal) of equipment	(1,426)	250
Proceeds from sale of marketable securities	402	-
Advances from (to) related parties	-	(74,180)
Net cash flows used in investing activities	(354,802)	(300,153)
Financing activities		
Shares issued for cash	555,042	1,448,040
Share issuance costs - cash	(26,776)	(76,284)
Promissory notes - repayment	-	(107,211)
Net cash flows from financing activities	528,266	1,264,545
Effect of exchange rate changes on cash	3,492	-
(Decrease) Increase in cash	(65,551)	426,528
Cash, beginning	441,586	15,058
Cash, ending	$ 379,527	$ 441,586

Non-cash transactions (Note 12)

See accompanying notes to the consolidated financial statements

1. Nature and continuance of operations

Belmont Resources Inc. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the USA. The Company's shares are traded on the TSX Venture Exchange ("Exchange") under the symbol "BEA".

The corporate head office and principal place of business of the Company is 800 West Pender Street, Suite 615, Vancouver, British Columbia, Canada, V6C 2V6.

Going concern

The consolidated financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of $24,029,616. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company's requirements on an ongoing basis. However, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

COVID-19

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of new variants. The COVID-19 pandemic, including the recent variant, has also caused, and is likely to continue to cause, severe economic, market, workforce and other disruptions worldwide as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events remain highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. Significant accounting policies and basis of preparation

These consolidated financial statements were authorized for issue on June 2, 2022 by the Board of Directors.

Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2. Significant accounting policies and basis of preparation (continued)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Belmont Resources Inc. and its wholly-owned subsidiary, Belmont Nevada Inc. A subsidiary is an entity which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

The legal subsidiary of the Company is as follows:

			Ownership Interest	
Name of Subsidiary	Place of Incorporation	Functional Currency	January 31, 2022	January 31, 2021
Belmont Nevada Inc.	USA	US dollar	100%	100%

All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The functional currency of the Company's subsidiary is noted above and the financial statement balances and transactions of the subsidiary are measured using that functional currency.

Significant estimates and assumptions

The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, the recoverability of amounts due from related party, the recoverability and measurement of deferred tax assets, and the provisions for restoration and environmental obligations.

2. Significant accounting policies and basis of preparation (continued)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification and allocation of exploration and evaluation expenditures; and
- the determination of functional currency of the Company and its subsidiary.

Exploration and evaluation assets

Exploration and evaluation assets are composed of exploration and evaluation expenditures which include the costs of acquiring rights or licenses for exploration, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore a mineral property are expensed as incurred.

Government tax credits received are recorded as a reduction to the cumulative costs incurred on the related property.

Amounts received from other parties to earn an interest in the Company's exploration and evaluation assets are applied as a reduction of the mineral property and deferred exploration and development costs until all capitalized costs are recovered at which time additional reimbursements are recorded in the consolidated statement of loss and comprehensive loss, except for administrative reimbursements which are credited to operations.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain mineral claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral claims. The Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its claims are in good standing.

2. Significant accounting policies and basis of preparation (continued)

Stock based payments

The Company grants stock options to purchase common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When the stock options are forfeited or expire, the amount previously recognized in the reserve is transferred to deficit.

In situations where stock options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, they are measured at the fair value of goods or services received.

Financial instruments

The Company's financial instruments are classified as follows:

Financial asset/liability	Classification per IFRS 9
Cash	Fair value through profit and loss
Marketable securities	Fair value through other comprehensive income
Due from related party	Amortized cost
Reclamation bond	Amortized cost
Trade payables	Amortized cost
Due to related parties	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

2. Significant accounting policies and basis of preparation (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the year.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity’s financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks. The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

2. Significant accounting policies and basis of preparation (continued)

Income taxes (continued)

Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares

The Company has adopted a policy whereby proceeds from issuance of flow-through shares are allocated between the offering of shares and the sale of tax benefits based on the premium that the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting other income when the Company has made the required expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities

Equipment

Equipment is stated at historical cost less accumulated depreciation and impairment charges.

Amortization is calculated at the following annual rates, on the declining balance basis unless otherwise stated:

Computer equipment	30%
Office equipment	20%
Exploration equipment	30%
Building	10 year straight-line

One-half the normal rate is recorded in the year of acquisition.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

The cost of replacing part of a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

2. Significant accounting policies and basis of preparation (continued)

Foreign currency translation

The consolidated financial statements of the Company are prepared in the currency of the primary economic environment in which the Company operates (its functional currency). The functional and presentation currency of the Company is the Canadian dollar.

In preparing the financial statements, transaction in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, necessary items denominated in foreign currencies are retranslated at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments. The proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market trading price on the date the units are issued and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds, net of any tax impact. Transaction costs directly attributable to derivative instruments are charged to operations as a finance cost.

Reserves

Equity reserves record items recognized as share-based compensation until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

Government grant

A government grant is recognized when there is reasonable assurance it will be received, and all related conditions will be complied with. The Company recognizes government grants in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate. The Company carefully determines whether the grant compensates expenses already incurred or future costs.

2. Significant accounting policies and basis of preparation (continued)

Leases

At inception of a contract, management assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

During the year ended January 31, 2022, the Company has applied the exemption and did not recognize right-of-use assets and lease liabilities for its short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

Accounting standards issued but not yet effective

The accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

(Expressed in Canadian dollars, unless otherwise stated)

3. Marketable securities

		January 31, 2022		January 31, 2021
Balance, beginning	$	3,985	$	2,163
Addition (Note 5)		260,000		-
Disposal		(117)		-
Change in fair value		(24,248)		1,822
Balance, ending	$	239,560	$	3,985

4. Property and equipment

		Computer Equipment		Office Equipment		Exploration Equipment		Building		Total
Cost:										
At January 31, 2020	$	4,054	$	18,681	$	27,309	$	27,507	$	77,551
Disposals		-		(1,365)		-		-		(1,365)
At January 31, 2021		4,054		17,316		27,309		27,507		76,186
Additions		1,426		-		-		-		1,426
Disposals		(4,054)		(15,412)		-		-		(19,466)
At January 31, 2022	$	1,426	$	1,904	$	27,309	$	27,507	$	58,146
Depreciation:										
At January 31, 2020	$	3,811	$	18,286	$	26,920	$	8,252	$	57,269
Charge for the period		72		68		116		2,754		3,010
Eliminated on disposal		-		(1,200)		-		-		(1,200)
At January 31, 2021		3,883		17,154		27,036		11,006		59,079
Charge for the period		213		7		83		2,752		3,055
Eliminated on disposal		(3,883)		(15,298)		-		-		(19,181)
At January 31, 2022	$	213	$	1,863	$	27,119	$	13,758	$	42,953
Net book value:										
At January 31, 2021	$	171	$	162	$	273	$	16,501	$	17,107
At January 31, 2022	$	1,213	$	41	$	190	$	13,749	$	15,193

(Expressed in Canadian dollars, unless otherwise stated)

5. Exploration and evaluation assets

	USA		Canada					
	Kibby Basin Nevada	Lone Star Washington	Pathfinder BC	Athelstan Group BC	Come by Chance BC	Pride of the West/ Black Bear BC	Crackingstone River Saskatchewan	Total
Property acquisition costs								
Balance, January 31, 2021	$ 362,129	$ -	$ 103,893	$ 57,064	$ 12,500	$ 71,500	$ -	$ 607,086
Additions:								
Cash payments	-	31,750	-	31,710	-	-	-	63,460
Claim fees and staking costs	78,452	-	-	-	-	-	-	78,452
Payments with common shares	-	30,000	-	44,437	13,000	-	-	87,437
Balance, January 31, 2022	440,581	61,750	103,893	133,211	25,500	71,500	-	836,435
Exploration and evaluation costs								
Balance, January 31, 2021	718,261	-	12,321	140,786	34,132	25	-	905,525
Costs incurred during year:								
Assays and testing	-	-	-	43,624	2,801	-	-	46,425
Drilling	-	-	-	297,758	-	-	-	297,758
Geological consulting	3,049	-	-	22,335	7,528	-	-	32,912
Magnetic survey	-	-	-	-	64,010	-	-	64,010
Camp office and accommodation	511	-	-	7,879	2,230	-	-	10,620
Licenses, fees, and taxes	-	-	-	297	-	2,000	-	2,297
Reports and adminisration	-	-	-	-	3,000	-	-	3,000
	3,560	-	-	371,893	79,569	2,000	-	457,022
Other items								
Option payments received in cash	(100,000)	(100,000)	(5,000)	-	-	-	(10,000)	(215,000)
Option payments received in marketable securities (Note 3)	(130,000)	(130,000)	-	-	-	-	-	(260,000)
Finder's fee paid in common shares	15,000	15,000	-	-	-	-	-	30,000
Excess recovery reclassified to other income	-	153,250	-	-	-	-	10,000	163,250
	(215,000)	(61,750)	(5,000)	-	-	-	-	(281,750)
Balance, January 31, 2022	506,821	(61,750)	7,321	512,679	113,701	2,025	-	1,080,797
Total	$ 947,402	$ -	$ 111,214	$ 645,890	$ 139,201	$ 73,525	$ -	$ 1,917,232

(Expressed in Canadian dollars, unless otherwise stated)

5. Exploration and evaluation assets (continued)

	USA	Canada				
	Kibby Basin Nevada	Pathfinder BC	Athelstan Group BC	Come by Chance BC	Pride of the West/ Black Bear BC	Total
Property acquisition costs						
Balance, January 31, 2020	$ 333,209	$ 102,449	$ 23,183	$ -	$ 6,500	$ 465,342
Additions						
Cash payments	-	-	-	7,500	-	7,500
Claim fees and staking costs	28,919	-	781	-	-	29,700
Payments with common shares	-	-	33,100	5,000	65,000	103,100
Payments with issuance of units	-	1,444	-	-	-	1,444
Balance, January 31, 2021	362,128	103,893	57,064	12,500	71,500	607,086
Exploration and evaluation costs						
Balance, January 31, 2020	718,261	12,241	-	-	-	730,502
Costs incurred during year:						
Drilling	-	-	36,400	-	-	36,400
Geological consulting	-	-	28,483	-	-	28,483
Magnetic survey	-	-	71,956	28,132	-	100,088
Camp office and accommodation	-	80	1,806	-	-	1,886
Licenses, fees, and taxes	-	-	162	-	25	187
Reports and adminisration	-	-	1,979	6,000	-	7,979
Balance, January 31, 2021	718,261	12,321	140,786	34,132	25	905,525
Total	$ 1,080,389	$ 116,214	$ 197,850	$ 46,632	$ 71,525	$ 1,512,611

a) Kibby Basin Property

On March 29, 2016, the Company entered into a property purchase agreement with Zimtu Capital Corp. ("Zimtu") to acquire 100% interest of the Kibby Basin Property, comprised of 16 mineral claims located in the north of Clayton Valley, Nevada, USA. Pursuant to the agreement, the Company paid a sum of $25,000 and issued 1,000,000 common shares to Zimtu for the acquisition.

The property is subject to a 1.5% net smelter returns ("NSR") of which the Company has the right to purchase half of the NSR from Zimtu at any time for $1,000,000. As at January 31, 2022, a reclamation bond of $65,454 (January 31, 2021 - $65,454) was held in trust for the Company at the Bureau of Land Management.

On November 1, 2021, the Company entered into an Earn-In Agreement with Marquee Resources Limited ("Marquee"), whereby Marquee would earn up to an 80% interest in the property. Pursuant to the agreement, Marque can earn the following interest in Kibby Basin Property by:

a) paying $100,000 in cash to the Company (received) and issuing 1,000,000 shares of Marquee to the Company (received) to earn a 10% interest in the property;
b) issuing 1,000,000 shares of Marquee to the Company and expending $1,000,000 on the property within 6 months from the date of the agreement to earn an additional 41% interest in the property; and
c) issuing 1,000,000 shares of Marquee to the Company and expending $1,500,000 on the property within 15 months from the date of the agreement to earn a further 29% interest in the property.

A finder's fee of 250,000 common shares valued at $15,000 was paid to a consultant in connection with the agreement.

5. Exploration and evaluation assets (continued)

b) Lone Star Property

On July 26, 2021, the Company entered into a Share Purchase Agreement with Advanced Mineral Technology Inc. ("Advanced"), whose wholly-owned subsidiary BGP Resources Inc. ("BGP") holds 100% interest in the mineral right associated with the Lone Star properties (the "Lone Star Property"). Pursuant to the agreement, the Company has the right to purchase 100% of the issued and common shares of BGP by:

a) paying USD$25,000 in cash (*paid*, equivalent to $31,750) and issuing 500,000 common shares of the Company to Advanced *(issued)* upon the acceptance of the agreement by the Exchange;
b) paying USD$75,000 in cash and issuing another 500,000 common shares of the Company to Advanced upon the first anniversary from the agreement date.

The Lone Star Property is subject to an underlying 2.5% NSR owned by a third party.

On November 1, 2021 the Company entered into an Earn-In Agreement with Marquee whereby Marquee would earn up to an 80% interest in the Lone Star Property. Pursuant to the agreement, Marque can earn the following interest in the property by:

a) completing the following payments to earn a 10% interest in the property:
    (i) paying $100,000 in cash to the Company *(received)*;
    (ii) issuing 1,000,000 shares of Marquee to the Company *(received)*;
    (iii) transferring USD$75,000 in cash to the Company to be applied solely towards the cash payment to Advanced to complete the acquisition of BGP *(received and recorded as other payable (Note 6))*;
    (iv) transferring USD$130,000 in cash to the Company to be applied solely towards payments to the original land owners of the Lone Star Property to complete the transfer of ownership of land title *(received and recorded as other payable (Note 6))*;
b) transferring $50,000 in cash to the Company and expending $550,000 on the property within 6 months from the date of the agreement to earn an additional 20% interest in the property;
c) transferring $50,000 in cash to the Company, issuing additional 1,000,000 shares of Marquee to the Company and expending further $1,000,000 on the property within 15 months from the date of the agreement to earn an additional 20% interest in the property; and
d) transferring $50,000 in cash to the Company, issuing additional 1,000,000 shares of Marquee to the Company and expending further $1,000,000 on the property within two years from the date of the agreement to earn a further 30% interest in the property.

A finder's fee of 250,000 common shares valued at $15,000 was paid to a consultant in connection with the agreement.

c) Pathfinder Property

On March 27, 2019 the Company entered into an acquisition agreement with David Heyman and Clive Brookes (the "Vendors") to acquire 253.34 hectares of mineral claims which is part of the former Pathfinder Property located in southern British Columbia, approximately 18 km north of Grand Forks in the Greenwood Mining Division.

5. Exploration and evaluation assets (continued)

c) Pathfinder Property (continued)

Pursuant to the acquisition agreement, the Company has made the following payments to the Vendors:

(a) $25,000 in cash ($12,500 to each vendor) *(paid)* on the date of the agreement;
(b) total 187,500 common shares and 187,500 warrants of the Company (93,750 common shares and 93,750 transferable warrants to each vendor) exercisable at a price of $0.80 per share for a period of two years from the approval date as follows:
  (i) issuing 156,250 common shares and 156,250 warrants (78,125 shares and 78,125 warrants to each vendor) on the approval date *(issued)*; and
  (ii) 31,250 common shares and 31,250 warrants (15,625 shares and 15,625 warrants to each vendor) on the one year anniversary of the date of the agreement *(issued)*.

In addition, the property is subject to a 1.5% NSR is payable to the Vendor, at 0.75% to each Vendor. The Company may acquire one-half of the NSR for $1,000,000 upon commencement of commercial production on the property.

On August 26, 2021 the Company entered into an option agreement with Highrock Resources Ltd. (“Highrock”), a related mineral exploration company with common directors and a common senior officer, to earn up to a 75% interest in the Pathfinder property. Pursuant to the agreement, Highrock had the right and option to acquire a 51% interest in the property by completing:

(a) the payment of $5,000 in cash upon the execution of the agreement *(received)*; and
(b) the issuance of 100,000 shares of Highrock to the Company upon the execution of the agreement *(received)*.

Further, Highrock has the right and option to acquire a further 24% in the property by:

(a) paying $10,000 in cash to the Company on the first anniversary from the date of the agreement;
(b) issuing 100,000 shares of Highrock to the Company on or before six months from the date of the initial listing of the Highrock shares on the Canadian Securities Exchange;
(c) expend $75,000 *(completed)* on the property on or before the first anniversary from the date of the agreement; and
(d) expend $125,000 on the property on or before first anniversary from the initial listing of the Highrock shares.

d) Athelstan Group Property

On October 29, 2019 the Company entered into an acquisition agreement with David Heyman, Clive Brookes and Zimtu Capital Corp. (the “Vendors”) to acquire two mineral claims containing 127 hectares of mineral claims known as the Glenora and Bay Horse claims located in southern British Columbia in the Greenwood Mining Division.

Pursuant to the agreement, the Company agree to acquire the 100% interest in the property by:

(a) issuing 420,000 units of the Company to the Vendors *(issued)*. Each unit is composed of one common share and one transferable warrant exercisable at a price of $0.08 per share until May 14, 2021, subject to an accelerated exercise clause; and
(b) issuing 420,000 common shares of the Company to the Vendors on the one-year anniversary of the date of the agreement *(issued)*.

In addition, the property is subject to a 1.5% NSR is payable to the Vendors. The Company may acquire one-half of the NSR for $500,000 within five years from the commencement of commercial production on the property.

5. Exploration and evaluation assets (continued)

d) Athelstan Group Property (continued)

On May 7, 2020 the Company entered into a property acquisition agreement to acquire a 100% interest in the Crown mineral grant claims known as the Athelstan-Jackpot located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to pay the following considerations:

(a) 200,000 common shares of the Company upon Exchange approval *(issued)*;
(b) 200,000 additional common shares on the one year anniversary of the agreement date *(issued)*;
(c) USD$50,000 cash payment on the one year anniversary of the agreement date. The Company had the option to issue common shares for half of the cash payment (USD$25,000) *(paid and issued)*;

In addition, the property is subject to a 2% NSR is payable to the vendor. The Company may acquire one-half of the NSR for USD$500,000 within five years from the commencement of commercial production on the property.

In November 2020, the Company remitted a $14,000 bond to the Government of British Columbia to acquire a Mines Act Permit which is valid until November 26, 2025.

e) Come by Chance Property

On May 27, 2020, the Company entered into a property acquisition agreement to acquire 21 mineral claims and 15 reverted claims containing 527 hectares known as the Come by Chance located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

(a) $7,500 in cash *(paid)*;
(b) issuing 100,000 common shares of the Company upon the Exchange approval *(issued)*;
(c) 200,000 additional common shares of the Company on the one-year anniversary of the date of the agreement *(issued)*; and
(d) 200,000 additional common shares of the Company on the two-year anniversary of the date of the agreement.

In January 2022, the Company remitted a $18,500 bond to the Government of British Columbia to acquire a Mines Act Permit, which was subsequently issued in February 2022.

f) Pride of the West and Black Bear Claims

On November 21, 2019, the Company entered into a property acquisition agreement with a director of the Company to acquire a Crown mineral grant claim containing 20 hectares known as the Pride of the West Fraction located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

(a) issuing a total of 100,000 common shares upon the Exchange approval (*issued*); and
(b) paying $25,000 in cash, which was amended to issuance of 500,000 common shares of the Company to the vendor *(issued)*.

(Expressed in Canadian dollars, unless otherwise stated)

5. Exploration and evaluation assets (continued)

f) Pride of the West and Black Bear Claims (continued)

On November 30, 2019, the Company entered into a property acquisition agreement to acquire a reverted Crown mineral grant claim containing 250 hectares known as the Black Bear located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

(a) issuing 100,000 common shares of the Company to the vendor upon the Exchange approval *(issued)*; and
(b) paying $25,000 in cash, which was amended to issuance of 500,000 common shares of the Company to the vendor *(issued)*.

g) Crackingstone River Property

Pursuant to an agreement in April 2006, the Company acquired 50% interest in one mineral claim in the Northern Mining District, Crackingstone River Area, Saskatchewan. The other 50% interest was held by Marvel Discovery Corp. ("Marvel"), a company with common directors and officers.

On June 3, 2021, the Company entered into a debt settlement agreement with Marvel to settle the outstanding amount of $131,733 that Marvel owed to the Company. Pursuant to the agreement, Marvel paid $30,000 in cash and transferred its 50% interest in the Crackingstone River Property to the Company, subject to Marvel retaining its 1% NSR.

In December 2021, the Company received $10,000 option payment in cash from XS Minerals Limited ("XS") in connection with the binding term sheet for XS to earn in an interest in the property. The binding term sheet was terminated in April 2022. The option payment received was recognized in other income for the year ended January 31, 2022.

6. Trade payables and accrued liabilities

	January 31, 2022	January 31, 2021
Trade payables	$ 33,272	$ 64,571
Other payable (Note 5)	256,250	-
Accrued liabilities	20,000	23,042
	$ 309,522	$ 87,613

7. Flow-through share premium liability

	January 31, 2022	January 31, 2021
Balance, beginning	$ 91,013	$ -
Liability recognized on flow-through shares issued	40,822	101,000
Settlement of flow-through share liability	(105,230)	(9,987)
Balance, ending	$ 26,605	$ 91,013

In December 2020, the Company issued 5,050,000 flow-through units for gross proceeds of $404,000. The units were issued at a premium to the market price in recognition of the tax benefits accruing to subscriber. The Company recognized a flow-through premium liability of $101,000 in relation to this issuance.

7. Flow-through share premium liability (continued)

The premium liability is derecognized through income as the qualifying expenditures are incurred. During the year ended January 31, 2022, the Company fulfilled the remaining commitment of $91,013 by incurring qualifying expenditures of $364,050.

In July 2021, the Company issued 2,721,450 flow-through units for gross proceeds of $190,502. The units were issued at a premium to the market price in recognition of the tax benefits accruing to subscriber. The Company recognized a flow-through premium liability of $40,822 in relation to this issuance.

During the year ended January 31, 2022, the Company fulfilled $14,217 of the commitment by incurring qualifying expenditures of $78,976. The Company is committed to incur further qualifying expenditures of $111,526 by December 31, 2022.

8. Share capital

Authorized

Unlimited number of common shares without par value are authorized for issue.

Share issuances

During the year ended January 31, 2022

During the year ended January 31, 2022, the Company issued a total of 1,275,000 common shares pursuant to the exercise of stock options at prices between $0.06 and $.0.07 per share for proceeds of $80,750. The value of the stock options $81,205 was transferred from stock-based reserve to share capital. The weighted average trading price on the dates of exercise was $0.07.

During the year ended January 31, 2022, the Company issued a total of 3,125,000 common shares pursuant to the exercise of warrants at prices between $0.05 to $0.08 per share for proceeds of $166,750.

On January 17, 2022 the Company issued 500,000 common shares with a fair value of $30,000 for finder's fee incurred in connection with the earn-in agreements (Note 5).

On September 6, 2021, the Company issued 500,000 common shares with a fair value of $30,000 in connection with a property acquisition agreement (Note 5).

On July 23, 2021, the Company issued 2,721,450 flow-through units at $0.07 per unit for gross proceeds of $190,502. Each unit comprises one flow-through common share and one share purchase warrant expiring July 23, 2023. Each warrant entitles the holder to acquire one non-flow-through common share at a price of $0.12 per share. The Company paid a finder's fee of $11,200 in cash and 160,002 brokers' warrants. Each brokers' warrant entitles the holder to acquire one common share at a price of $0.12 per share until July 23, 2023. The brokers' warrants were valued at $4,528 using the Black-Scholes Option Pricing Model with a volatility of 133.76%, expected life of 2 years, risk-free interest rate of 0.45%, and a dividend rate of nil.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $40,822 (Note 7).

8. Share capital (continued)

Share issuances (continued)

During the year ended January 31, 2022 (continued)

On May 27, 2021 the Company issued 200,000 common shares with a fair value of $13,000 in connection with a property acquisition agreement (Note 5).

On May 7, 2021 the Company issued 200,000 common shares with a fair value of $13,000 in connection with a property acquisition agreement (Note 5).

On April 27, 2021 the Company issued 419,167 common shares with a fair value of $31,437 in connection with a property acquisition agreement (Note 5).

On February 10, 2021 the Company issued 1,672,000 units at $0.07 per unit for proceeds of $117,040. Each unit comprises one common share and one share purchase warrant expiring February 10, 2023. Each warrant entitles the holder to acquire one additional common share at a price of $0.10 per share. The warrant term may be accelerated in the event that the issuer's shares trade at or above a price of $0.15 per share for a period of 10 consecutive days.

During the year ended January 31, 2021

On January 6, 2021 the Company issued 1,250,000 units at $0.07 per unit for proceeds of $87,500. Each unit comprises one common share and one warrant expiring January 6, 2023. Each warrant entitles the holder to acquire one additional common share at a price of $0.10 per share. The warrant term may be accelerated in the event that the issuer's shares trade at or above a price of $0.15 per share for a period of 10 consecutive days.

On December 23, 2020 the Company issued 5,050,000 flow-through units at $0.08 per unit for gross proceeds of $404,000. Each unit comprises one flow-through common share and one warrant expiring December 23, 2022. Each warrant entitles the holder to acquire one additional common share at a price of $0.12 per share. The Company paid a finder's fee of $30,784 cash and 384,800 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of $0.12 until December 23, 2022. The brokers' warrants were valued at $13,360 using the Black-Scholes option pricing model with a volatility of 153.41%, expected life of 1 year, discount rate of 0.20%, and a dividend rate of 0%. The warrant term may be accelerated in the event that the issuer's shares trade at or above a price of $0.15 per share for a period of 10 consecutive days.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $101,000 (Note 7).

On October 29, 2020 the Company issued 420,000 common shares with a fair value of $23,100 in connection with a property acquisition agreement (Note 5).

On October 14, 2020 the Company issued 1,000,000 units at $0.12 in connection with a private placement. This private placement was cancelled and the shares returned to treasury on November 6, 2020. The Company incurred $1,200 in legal fees in connection with the issuance.

On September 29, 2020 the Company issued 875,000 common shares pursuant to the exercise of warrants at $0.05 for proceeds of $43,750.

8. Share capital (continued)

Share issuances (continued)

During the year ended January 31, 2021 (continued)

On August 27, 2020 the Company issued 9,175,000 units at $0.075 per unit for gross proceeds of $688,125. Each unit comprises one common share and one transferable share purchase warrant expiring August 27, 2023. Each warrant entitles the holder to acquire one additional common share at a price of $0.10 per share. The Company paid a finder's fee of $26,850 cash, $10,500 in legal fees, and 358,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of $0.10 until August 28, 2023. The brokers' warrants were valued at $21,469 using the Black-Scholes option pricing model with a volatility of 139.96%, expected life of 3 years, discount rate of 0.30%, and a dividend rate of 0%.

On August 13, 2020 the Company issued 500,000 common shares with a fair value of $40,000 in connection with a property acquisition agreement (Note 5).

On July 6, 2020 the Company issued 500,000 units at $0.05 per unit for gross proceeds of $25,000. Each unit comprises one common share and one transferable share purchase warrant expiring July 6, 2021. Each warrant entitles the holder to acquire one additional common share at a price of $0.08 per share. The warrant term may be accelerated in the event that the issuer's shares trade at or above a price of $0.15 per share for a period of 10 consecutive days.

On June 22, 2020 the Company issued 500,000 common shares with a fair value of $25,000 in connection with a property acquisition agreement (Note 5).

On June 5, 2020 the Company issued 100,000 common shares with a fair value of $5,000 in connection with a property acquisition agreement (Note 5).

On May 14, 2020 the Company issued 200,000 common shares with a fair value of $10,000 in connection with a property acquisition agreement (Note 5).

On May 7, 2020 the Company issued 2,200,000 units at $0.03 per unit for gross proceeds of $66,000. Each unit comprises one common share and one transferable share purchase warrant expiring May 7, 2022. Each warrant entitles the holder to acquire one additional common share at a price of $0.05 per share. The Company paid a finder's fee of $1,680 cash and 136,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of $0.05 until May 7, 2022. The brokers' warrants were valued at $3,936 using the Black-Scholes option pricing model with a volatility of 134.99%, expected life of 2 years, discount rate of 0.32%, and a dividend rate of 0%.

On April 29, 2020 the Company issued 4,455,500 units at $0.03 per unit for gross proceeds of $133,665. Each unit comprises one common share and one transferable share purchase warrant expiring April 29, 2021. Each warrant entitles the holder to acquire one additional common share at a price of $0.05 per share. The Company paid legal fees of $3,600 and finder's fee of 180,000 brokers' warrants.

Each brokers' warrant entitles the holder to acquire one additional share at a price of $0.05 until April 29, 2022. The brokers' warrants were valued at $2,450 using the Black-Scholes option pricing model with a volatility of 126.71%, expected life of 2 years, discount rate of 0.32%, and a dividend rate of 0%.

(Expressed in Canadian dollars, unless otherwise stated)

8. Share capital (continued)

Share issuances (continued)

During the year ended January 31, 2021 (continued)

On April 6, 2020 the Company issued 31,250 units valued at $1,406 to acquire an exploration asset. Each unit comprises one common share and one transferable share purchase warrant expiring April 6, 2021. Each warrant entitles the holder to acquire one additional common share at a price of $0.80 per share. The warrants were valued at $38 using the Black-Scholes option pricing model with a volatility of 133.93%, expected life of 1 year, discount rate of 0.32% and a dividend rate of 0%.

On February 11, 2020 the Company issued 60,000 common shares with a fair value of $2,100 as bonus shares in consideration of a promissory note issued.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. The options vest at the discretion of the Board of Directors.

The changes in stock options during the year are as follows:

	Number of options	Weighted average exercise price
Balance, January 31, 2020	1,378,125	$ 0.275
Granted	2,670,000	0.06
Expired	(150,000)	0.17
Exercised	(100,000)	0.40
Balance, January 31, 2021	3,898,125	$ 0.12
Granted	2,000,000	0.10
Expired	(378,125)	0.48
Exercised	(1,275,000)	0.06
Balance, January 31, 2022	4,245,000	$ 0.10
Exercisable, January 31, 2022	4,245,000	$ 0.10

(Expressed in Canadian dollars, unless otherwise stated)

8. Share capital (continued)

Stock options (continued)

As at January 31, 2022, stock options were outstanding as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
250,000	$0.40	February 22, 2022	0.06
450,000	$0.06	August 22, 2022	0.56
200,000	$0.05	February 24, 2023	1.06
895,000	$0.06	August 28, 2025	3.58
450,000	$0.07	January 29, 2026	4.00
1,400,000	$0.10	October 21, 2026	4.72
600,000	$0.10	November 9, 2026	4.78
4,245,000			

During the year ended January 31, 2022, there were $98,250 (January 31, 2021 - $171,615) stock-based payments recognized on stock options vested. The fair value of the stock options granted was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	January 31, 2022	January 31, 2021
Expected life	5.00 years	4.85 years
Annualized volatility	117.91%	134.13%
Risk-free interest rate	1.48%	0.40%
Dividend rate	0%	0%

Warrants

In September 2021, the Company offered a warrant exercise incentive program in which the holders of a total of 5,780,500 outstanding warrants would receive one additional incentive warrant in consideration of the early exercise. The incentive warrant would be one warrant exercisable at a price of $0.10 until November 4, 2022. A total of 2,600,000 incentive warrants were issued.

(Expressed in Canadian dollars, unless otherwise stated)

8. Share capital (continued)

Warrants (continued)

Changes in warrants during the year are as follows:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2020	8,140,536	$ 0.91
Issued	23,644,550	0.09
Exercised	(875,000)	0.05
Cancelled	(1,276,786)	1.58
Expired/terminated	(1,907,500)	0.62
Balance, January 31, 2021	27,725,800	$ 0.09
Issued	7,153,452	0.11
Exercised	(3,125,000)	0.05
Expired	(5,137,500)	0.11
Balance, January 31, 2022	26,616,752	$ 0.10

The warrants outstanding at January 31, 2022 are as follows:

Number outstanding	Weighted average exercise price	Weighted average remaining life (years)	Expiry date
1,409,500	$ 0.05	0.24	April 29, 2022
1,836,000	$ 0.05	0.26	May 7, 2022
2,600,000	$ 0.10	0.76	November 4, 2022
5,434,800	$ 0.12	0.89	December 23, 2022
1,250,000	$ 0.10	0.93	January 6, 2023
1,672,000	$ 0.10	1.47	February 10, 2023
2,881,452	$ 0.12	1.47	July 23, 2023
9,533,000	$ 0.10	1.57	August 27, 2023
26,616,752	$ 0.19	1.12	

(Expressed in Canadian dollars, unless otherwise stated)

9. Related party balances and transactions

Related party balances

The following balances are due from related parties:

		January 31, 2022		January 31, 2021
Company with directors and officers in common	$	-	$	114,155

In connection with the debt settlement with Marvel (Note 5), the Company recorded a bad debt expense of $82,842 (2021 - $11,386) for the impairment on the remaining balance due from Marvel.

During the year ended January 31, 2022 the Company has recovered nil (2021 - $6,494) of the bad debt previously recorded.

The following amounts are due to related parties:

		January 31, 2022		January 31, 2021
Companies with directors and officers in common	$	51,500	$	83,312
Directors		60,000		80,000
	$	111,500	$	163,312

Amounts due to and from related parties are unsecured, non-interest bearing and with no specific terms of repayment.

Related party transactions

The Company recovered the following amounts from companies with common directors.

	Years ended January 31,			
		2022		2021
Rent recoveries	$	-	$	14,054
Administration services recoveries		-		6,840
	$	-	$	20,894

Key management personnel compensation

	Years ended January 31,			
		2022		2021
Management fees	$	120,000	$	110,000
Salaries and benefits		60,000		60,000
Consulting fees		1,000		-
Stock-based payments		93,660		138,012
	$	274,660	$	308,012

9. Related party balances and transactions (continued)

Key management personnel compensation (continued)

On November 15, 2019, the Company entered into a Management Services Agreement with Cankor Capital Inc, ("Canfor") a company owned by the Company's new Chief Executive Officer for a term of six months. The monthly fee will be $5,000 for the first three months and $7,500 thereafter. On June 15, 2020, the Company entered into a Management Consulting Agreement with Cankor for an indefinite period with compensation of $10,000 monthly.

During the year ended January 31, 2022, the Company has paid $1,000 (2021 - $nil) to a director of the Company for geological consulting services.

During the year ended January 31, 2022, the Company entered into a property option agreement with Highrock Resources Ltd. (Note 5). The Company and Highrock share common directors and a senior officer.

10. Financial instruments, risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and related party receivable. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality financial institutions as determined by rating agencies.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to exchange risk as a mineral property interest is located in the United States and transactions are conducted in the US dollar.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this risk by careful management of its working capital. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There is no assurance of continued access to significant equity funding. As discussed in Note 1 *Going Concern*, the Company requires additional funding to continue with its ongoing operations and exploration commitments.

10. Financial instruments, risk and capital management (continued)

Capital Management

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, reserves, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes in the Company's approach to capital management during the year.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's cash and marketable securities are measured at level 1 fair value. The carrying value of the Company's receivables, trade payables and amounts due to and due from related parties approximate their corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

11. Government grant

The Government of Canada introduced the Canadian Emergency Commercial Rent Assistance ("CECRA") program in May 2020 which provides relief for eligible small business experiencing financial hardship due to COVID-19. Under the CECRA program, the Company must abate 75% of gross rents due for April to September for CECRA eligible tenants. In exchange of the abatements granted, the Company is eligible for forgivable interest free loans from the Government of Canada amounting to 50% of gross rents abated during the eligible timeframe, for a net rebatement of 25%. The Company considered it met all the criteria under the CECRA program for the loans to be forgiven. Therefore as at January 31, 2021, the Company recorded $35,417 in government assistance receivable through the CECRA program from the federal government. The full amount was received in May 2021.

(Expressed in Canadian dollars, unless otherwise stated)

12. Non-cash transactions

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Years ended January 31, 2022	Years ended January 31, 2021
Exploration and evaluation expenditures recognized in trade payables and accrued liabilities	$ 49,015	$ -
Fair value of brokers' warrants issued	4,528	41,215
Fair value of bonus shares issued in connection with the issuance of promissory notes	-	2,100
Fair value of shares issued on acquisition of exploration and evaluation assets	87,437	103,100
Fair value of shares issued for finder's fee related to the earn-in agreements for certain exploration and evaluation assets	30,000	-
Fair value of marketable securities received related to the earn-in agreements for certain exploration and evaluation assets	260,000	-
Fair value of units issued on acquisition of exploration and evaluation assets	$ -	$ 1,444

13. Income taxes

A reconciliation of the effective income tax rate to the statutory federal and provincial rate is as follows:

	Years ended January 31, 2022	Years ended January 31, 2021
		$
Net loss for the year before income taxes	$ (327,955)	(611,402)
Statutory corporate tax rate	27%	27%
Expected tax recovery at statutory rates	(88,548)	(187,252)
Non-deductible items	26,644	46,497
Impact of flow through shares	(119,617)	(11,000)
Share issuance costs	8,452	8,566
Change in prior year versus statutory return, and other	58,759	103,138
Change in unrecognized deferred income tax assets	114,309	40,051
Income tax recovery	$ -	$ -

(Expressed in Canadian dollars, unless otherwise stated)

13. Income taxes (continued)

The Company's tax-effected deferred tax assets are estimated as follows:

	January 31, 2022	January 31, 2021
Net capital losses	$ 1,382,964	$ 1,382,964
Non-capital losses	1,712,501	1,630,535
Resource deduction pools available and other	676,139	598,265
Marketable securities	1,334	1,334
Share issuance costs	27,838	73,775
Equipment	13,077	12,671
Deferred tax assets	3,813,853	3,699,544
Unrecognized deferred tax assets	(3,813,853)	(3,699,544
	$ -	$ -

The Company has available non-capital losses of approximately $6,342,600 that expire between 2027 and 2042, and may be carried forward and applied against income for tax purposes.

14. Subsequent events

Subsequent to the year end, a total of 2,943,500 warrants were exercised at $0.05 per share for gross proceeds of $147,175.

Subsequent to the year end, a total of 302,000 warrants exercisable at $0.05 per share expired unexercised.

On February 24, 2022, a total of 250,000 options exercisable at $0.40 per share expired unexercised.

On March 18, 2022, the Company issued 7,470,000 units at $0.07 per unit for gross proceeds of $522,900. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant is exercisable at a price of $0.10 per share in the first year and $0.15 in the second year. A finder's fee of $3,360 in cash and 48,000 broker's warrants was paid.