



**Condensed Interim Consolidated Financial Statements
(Unaudited)**

As at and for the three months ended March 31, 2022 and 2021

(in Canadian dollars)

Talisker Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in Canadian dollars)

As at,	Notes	March 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 12,978,353	\$ 12,571,890
Amounts receivable	5	891,298	763,346
Inventory		100,366	76,026
Prepaid expenses		738,006	608,321
Total current assets		14,708,023	14,019,583
Reclamation deposits	11	1,468,300	1,468,300
Long term receivable	5	319,181	319,181
Property, plant and equipment	6	8,520,261	8,779,795
Exploration and evaluation assets	7	34,866,250	34,820,625
Investment in associate	8	583,193	1,332,266
TOTAL ASSETS		\$ 60,465,208	\$ 60,739,750
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9, 16	\$ 7,125,031	\$ 7,000,088
RSU Liability	15	103,537	159,675
Current portion of lease obligation	10	307,284	301,362
Total current liabilities		7,535,852	7,461,125
Provision for site reclamation and closure	11	23,456,365	23,312,532
Lease payable	10	209,084	288,162
Flow through premium liability	13	1,637,000	6,986,000
Total liabilities		32,838,301	38,047,819
Shareholders' equity			
Issued capital	12	93,523,094	83,302,460
Share-based payment reserve	15	4,084,040	4,152,000
Warrant reserve	14	4,357,200	4,357,200
Accumulated deficit		(74,337,427)	(69,119,729)
Total shareholders' equity		27,626,907	22,691,931
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 60,465,208	\$ 60,739,750

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

Talisker Resources Ltd.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian dollars)

For the three month periods ended March 31,	Notes	2022	2021
Expenses			
Exploration and evaluation expenditures		\$ 8,836,373	\$ 6,429,246
Mine care and maintenance costs		533,481	328,119
Consulting and wages	17	862,153	820,491
Administration		457,321	309,349
Share-based expense	15	48,483	29,587
Public company costs		290,532	488,901
Travel and other		52,323	30,369
Depreciation of property, plant and equipment	6	309,477	165,847
Total expenses		11,390,143	8,601,909
Other income and expense			
Finance expense (income)		10,743	(10,214)
Foreign currency translation (gain) loss		1,887	2,497
Gain on revaluation of RSU liability		(24,021)	-
Loss from investment in associate	8	749,073	19,000
Accretion on site reclamation and closure	11	143,833	65,722
		881,515	77,005
Loss before income taxes		12,271,658	8,678,914
Income tax recovery		(6,986,000)	(5,480,000)
Net loss and comprehensive loss		\$ 5,285,658	\$ 3,198,914
Loss per share - basic and diluted		\$ 0.02	\$ 0.01
Weighted average common shares outstanding		300,522,549	213,471,048

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

Talisker Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(Expressed in Canadian dollars)

	Shares	Issued Capital (Note 12)	Payment (Note 15)	Reserve (Note 14)	earnings (deficit)	Total
Balance as at December 31, 2020	213,309,069	\$ 61,393,068	\$ 3,422,838	\$ 4,469,300	\$ (31,754,440)	\$ 37,530,766
Issue of shares for acquisition of mineral properties	50,000	15,500	-	-	-	15,500
Exercise of warrants (Note 12)	1,225,000	440,200	-	(72,700)	-	367,500
Exercise of RSU's (Note 12)	58,780	8,229	(8,229)	-	-	-
Expiry of stock options	-	-	(150,609)	-	150,609	-
Net loss for the period	-	-	-	-	(3,198,914)	(3,198,914)
Balance as at March 31, 2021	214,642,849	\$ 61,856,997	\$ 3,264,000	\$ 4,396,600	\$ (34,802,745)	\$ 34,714,852
Issue of shares pursuant to private placement, net of issue costs (Note 12)	42,566,932	20,344,021	-	-	-	20,344,021
Flow through premium liability (Note 12)	-	(6,986,000)	-	-	-	(6,986,000)
Issue of shares for acquisition of mineral properties	5,569,170	1,505,080	-	-	-	1,505,080
Shares and warrants issued on corporate acquisition	18,575,790	5,108,342	56,000	168,000	-	5,332,342
Exercise of warrants (Note 12)	3,443,481	1,215,967	-	(207,400)	-	1,008,567
Exercise of options (Note 12)	892,383	258,053	(83,000)	-	-	175,053
Share-based expense - options	-	-	1,093,000	-	-	1,093,000
Expiry of stock options	-	-	(178,000)	-	178,000	-
Net loss for the period	-	-	-	-	(34,494,984)	(34,494,984)
Balance as at December 31, 2021	285,690,605	\$ 83,302,460	\$ 4,152,000	\$ 4,357,200	\$ (69,119,729)	\$ 22,691,931
Issue of shares pursuant to private placement, net of issue costs (Note 12)	43,593,000	11,756,409	-	-	-	11,756,409
Flow through premium liability (Note 12)	-	(1,637,000)	-	-	-	(1,637,000)
Issue of shares for acquisition of mineral properties (Note 7)	75,000	20,625	-	-	-	20,625
Exercise of RSU's (Note 12)	260,000	80,600	-	-	-	80,600
Expiry of stock options	-	-	(67,960)	-	67,960	-
Net loss for the period	-	-	-	-	(5,285,658)	(5,285,658)
Balance as at March 31, 2022	329,618,605	\$ 93,523,094	\$ 4,084,040	\$ 4,357,200	\$ (74,337,427)	\$ 27,626,907

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

Talisker Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(Expressed in Canadian dollars)

For the three month periods ended March 31,	Notes	2022	2021
Cash provided by (used in):			
Operating activities			
Net loss for the period		\$ (5,285,658)	\$ (3,198,914)
Items not involving cash:			
Income tax recovery	12	(6,986,000)	(5,480,000)
Loss from investment in associate	8	749,073	19,000
Gain on revaluation of RSU liability		(24,021)	-
Share based payments	15	48,483	38,786
Accretion on site reclamation and closure	11	143,833	65,722
Depreciation of property, plant and equipment	6	309,477	165,847
Working capital changes			
Change in amounts receivable		(127,952)	(355,645)
Change in inventory		(24,340)	20,515
Change in prepaid expenses		(129,685)	14,984
Change in long term receivable		-	-
Change in accounts payable and accrued liabilities		124,943	2,732,409
Cash flows used in operating activities		(11,201,847)	(5,977,296)
Investing activities			
Acquisition of exploration and evaluation assets	7	(25,000)	(10,000)
Acquisition of property, plant and equipment	6	(49,943)	(92,875)
Reclamation deposits	11	-	(58,300)
Cash flows used in investing activities		(74,943)	(161,175)
Financing activities			
Issue of shares pursuant to private placement	12	12,535,515	-
Share issue costs	12	(779,106)	-
Issue of shares pursuant to exercise of warrants and options	12	-	367,500
Repayment of lease and equipment loans	10	(73,156)	(78,852)
Cash flows from financing activities		11,683,253	288,648
Net increase (decrease) in cash and cash equivalents for the period		406,463	(5,849,823)
Cash and cash equivalents, beginning of the period		12,571,890	24,974,407
Cash and cash equivalents, end of the period		\$ 12,978,353	\$ 19,124,584
Supplementary cash flow information			
Interest received		\$ 367	\$ 10,214

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

1. NATURE OF OPERATIONS

Talisker Resources Ltd. (“Talisker” or the “Company”) is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration and evaluation of mineral properties in British Columbia. The Company’s shares are traded on the Toronto Stock Exchange (the “TSX”) under the symbol TSK. The head office and registered address of the Company is located at 350 Bay Street, Suite 400, Toronto, Ontario, M5H 2S6.

The business of acquiring, exploring, and developing precious mineral deposits involves a high degree of risk. Talisker is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital, exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively Talisker’s ability to dispose of its interest on an advantageous basis; as well as global economic and commodity price volatility; all of which are uncertain. There is no assurance that Talisker’s funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of mineral properties and deferred exploration.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 13, 2022.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s December 31, 2021 annual financial statements.

2. BASIS OF PRESENTATION (continued)

Principles of Consolidation

These condensed interim consolidated financial statements for the three month periods ended March 31, 2022 and 2021 include the financial position, financial performance and cash flows of the Company and its subsidiary detailed below:

Subsidiary	Country of Incorporation	Economic Interest	Basis of Accounting
Bralorne Gold Mines Ltd.	Canada	100%	Full consolidation
New Carolin Gold Corp.	Canada	100%	Full consolidation

Subsidiaries - Subsidiaries are entities over which the Company has control, whereby control is defined as the power to direct activities of an entity that significantly affect the entity's returns so as to obtain benefit from its activities. Control is presumed to exist where the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date at which control ceases.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Exploration and Evaluation **Assets' carrying values and impairment charges** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.
- **Share-based payments** – The Company determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- **Provision for site reclamation and closure** – Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 12. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.
- **Impairment of investments in associate** – The Company follows the guidance of IAS 28, Investments in Associates and Joint Ventures to assess whether there are impairment indicators which may lead to the recognition of an impairment loss with respect to its net investment in an associate. This determination requires significant judgement in evaluating if a decline in fair value is significant or prolonged, which triggers a formal impairment test. In making this judgement, the Company's management evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its carrying amount, the volatility of the investment and the financial health and business outlook for the investee, including factors such as the current and expected status of the investee's exploration projects and changes in financing cash flows.
- **COVID-19** - The outbreak of the novel coronavirus ("COVID-19") in December 2019 resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Company in future periods. It is management's assumption that the Company will continue to operate as a going concern. As of March 31, 2022, the Company was to be required to spend approximately \$1,733,000 to be spent by December 31, 2022 in connection with its flow-through offerings (December 31, 2021 - \$897,000).

4. CASH AND CASH EQUIVALENTS

The balance at March 31, 2022 consists of cash on deposit with major Canadian banks in interest bearing accounts totaling \$12,878,353 (December 31, 2021 - \$9,860,732) and guaranteed investment certificates with major Canadian banks of \$100,000 (December 31, 2021 - \$2,711,158) for total cash and cash equivalents of \$12,978,353 (December 31, 2021 - \$12,571,890).

During the three month period ended March 31, 2022, the Company recognized interest income related to the various investments of \$367 (2021 - \$27,307).

Talisker Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) For the three month periods ended March 31, 2022 and 2021

(Expressed in Canadian dollars)



5. AMOUNTS RECEIVABLE

As at,	March 31, 2022	December 31, 2021
HST receivable	\$ 521,735	\$ 416,846
Other receivables	369,563	346,500
	<u>\$ 891,298</u>	<u>\$ 763,346</u>

At March 31, 2022, the Company anticipates full recovery of these amounts and therefore no expected credit loss has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2022 and December 31, 2021.

Long Term Receivable

As at March 31, 2022, the Company recognized a receivable of \$319,181 (December 31, 2021 - \$319,181) related to B.C. tax mining credits. The Company expects to receive the refund pending the standard review process by CRA which is expected to take longer than 12 months.

Talisker Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three month periods ended March 31, 2022 and 2021

(Expressed in Canadian dollars)



6. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment \$	Buildings \$	Land \$	Water Treatment Facility \$	Vehicles \$	Right-of-Use Asset \$	Total \$
Balance at December 31, 2020	1,148,053	689,509	315,000	977,000	177,060	1,270,039	4,576,661
Additions	275,907	5,137,662	-	15,121	-	226,437	5,655,127
Disposals	(94,608)	(13,776)	-	(50,800)	(2,500)	-	(161,684)
Balance at December 31, 2021	1,329,352	5,813,395	315,000	941,321	174,560	1,496,476	10,070,104
Additions	-	52,918	-	-	-	-	52,918
Disposals	-	(2,975)	-	-	-	-	(2,975)
Balance at March 31, 2022	1,329,352	5,863,338	315,000	941,321	174,560	1,496,476	10,120,047

ACCUMULATED DEPRECIATION

Balance at December 31, 2020	145,411	56,490	-	68,661	20,501	230,360	521,423
Additions	279,452	76,950	-	86,464	23,725	339,415	806,006
Disposals	(28,147)	(2,065)	-	(6,341)	(567)	-	(37,120)
Balance at December 31, 2021	396,716	131,375	-	148,784	43,659	569,775	1,290,309
Additions	91,361	108,766	-	15,515	5,921	87,914	309,477
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2022	488,077	240,141	-	164,299	49,580	657,689	1,599,786

NET BOOK VALUE

At December 31, 2021	932,636	5,682,020	315,000	792,537	130,901	926,701	8,779,795
At March 31, 2022	841,275	5,623,197	315,000	777,022	124,980	838,787	8,520,261

As at March 31, 2022, included under buildings is \$70,000 (December 31, 2021 - \$5,123,886) in construction in process related to construction of a camp, which is not being amortized until ready for its intended use. The camp came into use during the current period and started to be depreciated.

7. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets for the Company are summarized as follows:

Three month period ended March 31, 2022

Project	January 1, 2022	Additions	Disposals	March 31, 2022
Bralorne Gold Camp				
Bralorne Gold Project	15,211,923	\$ -	\$ -	15,211,923
Royalle Property	243,000	-	-	243,000
NaiKun Wind Crown Grant	36,000	-	-	36,000
Congress Property	295,000	-	-	295,000
Big Sheep Property	120,000	-	-	120,000
Southern BC Properties				
Spences Bridge	5,701,823	-	-	5,701,823
Blustry Mountain Property	30,000	-	-	30,000
Tulox Property	405,963	-	-	405,963
Merritt Property	96,650	-	-	96,650
WCGG Properties ⁽¹⁾	109,338	-	-	109,338
Golden Hornet Property	-	45,625	-	45,625
SC Property	78,750	-	-	78,750
Ladner Gold Project	12,492,178	-	-	12,492,178
	34,820,625	\$ 45,625	\$ -	34,866,250

¹ WCGG Properties included the Tulameen South, Bluejay and Sauchi Creek properties.

During the three month period ended March 31, 2022, the Company issued 75,000 shares with a value of \$20,625 and made cash payments of \$25,000 for property acquisitions on the Golden Hornet property.

8. INVESTMENT IN ASSOCIATE

On December 11, 2020, The Company sold several properties to TDG Gold resulting in the issuance to Talisker 18,973,699 TDG Gold Shares.

Due to these shareholdings and the director it has appointed to the board of TDG Gold, the Company has determined that it has significant influence over TDG Gold and has accounted for its continuing investment as an Investment in Associate using the equity basis of accounting.

Fair value of one TDG Gold share as at March 31, 2022 was \$0.485. The shares are subject to release based on the following schedule:

	# of TDG Gold Shares	Cumulative Releases
April 12, 2021	1,897,370	1,897,370
June 14, 2021	2,846,055	4,743,425
December 14, 2021	2,846,055	7,589,480
June 14, 2022	2,846,055	10,435,535
December 14, 2022	2,846,055	13,281,591
June 14, 2023	2,846,055	16,127,647
December 14, 2023	2,846,051	18,973,699

Changes in the investment in associate for the three month period ended March 31, 2022 and year ended December 31, 2021 were as follows:

Balance – December 31, 2020	\$ 4,508,688
Shares sold	(1,138,422)
Proportionate share of net loss	(2,038,000)
Balance – December 31, 2021	\$ 1,332,266
Proportionate share of net loss	(749,073)
Balance – March 31, 2022	\$ 583,193

During the year ended December 31, 2021, the Company sold 4,743,425 shares of TDG Gold for proceeds of \$2,301,830 resulting in a realized gain on disposal of investment in associate of \$1,163,408 for the year ended December 31, 2021, leaving 14,230,274 shares (representing 17% interest) of TDG Gold held as at March 31, 2022 (December 31, 2021 – 14,230,274 shares representing 18%).

Subsequent to the period end on April 7, 2022, TDG Gold completed an equity private placement diluting the Company’s investment. As such, the Company no longer retains significant influence from this date and will account for its investment in TDG Gold as a marketable security in the second quarter of 2022.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at,	March 31, 2022	December 31, 2021
Accounts payable	\$ 3,084,438	\$ 2,474,255
Accrued liabilities	4,040,593	4,525,833
	\$ 7,125,031	\$ 7,000,088

10. LEASES PAYABLE

The Company has entered into equipment leases expiring between 2021 and 2023, with interest rates ranging from 4.95% to 5.90% per annum. The Company has the option to purchase the equipment at the end of the lease term for a nominal amount. The Company's obligations under finance leases are secured by the lessor's title to the leased assets.

The contractual maturities and interest charges in respect of the Company's finance lease obligations are as follows:

	March 31, 2022	December 31, 2021
Not later than one year	\$ 337,063	\$ 337,063
Later than one year and not later than five years	215,909	300,175
Less: Future interest charges	(36,605)	(47,714)
Present value of lease payments	516,367	589,524
Less: current portion	(307,283)	(301,362)
Non-current portion	\$ 209,084	\$ 288,162

Reconciliation of debt arising from lease liabilities:

	March 31, 2022	December 31, 2021
Lease liability at beginning of year	\$ 589,524	\$ 692,181
Principal payments on lease liabilities	(73,157)	(329,094)
Additions to lease liabilities	-	226,437
	\$ 516,367	\$ 589,524

11. PROVISION FOR SITE RECLAMATION AND CLOSURE

Provincial laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

The breakdown of the provision for site reclamation and closure is as per below:

	March 31, 2022			December 31, 2021		
	Bralorne	New Carolin	Total	Bralorne	New Carolin	Total
Balance, beginning of period/year	15,784,000	7,528,532	23,312,532	14,592,950	-	14,592,950
Acquisition of properties	-	-	-	-	220,000	220,000
Change in estimate	-	-	-	924,511	7,308,532	8,233,043
Accretion	98,977	44,856	143,833	266,539	-	266,539
Balance, end of period/year	15,882,977	7,573,388	23,456,365	15,784,000	7,528,532	23,312,532

11. PROVISION FOR SITE RECLAMATION AND CLOSURE (continued)

The present value of the obligation for Bralorne of \$15,882,977 (December 31, 2021 – \$15,784,000) is based on an undiscounted obligation of \$54,575,381, out of which \$8,688,132 is expected to be incurred in 2027 with the remaining \$45,887,249 to be incurred on water treatment and quality monitoring throughout 2126. The provision was calculated using a weighted average risk-free interest rate of 2.2% (December 31, 2021 – 2.2%) and a weighted average inflation rate of 2.25% (December 31, 2021 – 2.25%). Reclamation activities are estimated to begin in 2027 and are expected to be incurred over a period of 100 years.

The present value of the obligation for Ladner Lake of \$7,537,388 (December 31, 2021 – \$7,528,532). The provision was calculated using a weighted average risk-free interest rate of 2.2% and a weighted average inflation rate of 2.25%.

Reclamation Deposits

The Company is required to make reclamation deposits in respect of its expected site reclamation and closure obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

	March 31, 2022				December 31, 2021			
	Talisker	Bralorne	New	Total	Talisker	Bralorne	New	Total
Balance, beginning of	58,300	1,190,000	220,000	1,468,300	-	1,190,000	-	1,190,000
Additions	-	-	-	-	58,300	-	220,000	278,300
Disposals	-	-	-	-	-	-	-	-
Balance, end of period/year	58,300	1,190,000	220,000	1,468,300	58,300	1,190,000	220,000	1,468,300

Under the Ministry of Energy, Mines and Petroleum Resources (“MEM”), the Company is required to hold reclamation bonds that cover the estimated future cost to reclaim the ground disturbed. Bralorne is required to pay \$250,000 every six months until a cumulative security equal to \$12,300,000. At March 31, 2022, the surety amounted to \$2,400,000 and the Company has placed \$1,190,000 in cash (December 31, 2021 - \$1,190,000), totalling \$3,590,000 to cover estimated future costs related to the ground disturbance at the Company’s Bralorne Gold Project. As at March 31, 2022 the Company is current with all its obligations with the MEM.

In connection with the Ladner Gold Project, under New Carolin, the Company has a total of \$220,000 placed with the Province of British Columbia in environmental and mining bonds.

12. ISSUED CAPITAL

Authorized Unlimited common shares without par value

	March 31, 2022	December 31, 2021
Issued capital	\$ 93,523,094	\$ 83,302,460
Fully paid common shares ⁽¹⁾	329,618,605	285,690,605

(1) As at March 31, 2022 and December 31, 2021, there are 250,000 shares awaiting issuance, the proceeds for which were received in 2008 and are included in share capital.

Common Shares Issued

	Shares	Value of shares
Balance as at December 31, 2020	213,309,069	\$ 61,393,068
Issue of shares pursuant to private placement, net of issue costs	42,566,932	20,344,021
Flow through premium liability	-	(6,986,000)
Exercise of warrants	4,668,481	1,656,167
Exercise of options	892,383	258,053
Exercise of RSU's	58,780	8,229
Issue of shares for acquisition of mineral properties	5,619,170	1,520,580
Shares and warrants issued on corporate acquisition	18,575,790	5,108,342
Balance as at December 31, 2021	285,690,605	\$ 83,302,460
Issue of shares pursuant to private placement, net of issue costs	43,593,000	11,756,409
Flow through premium liability	-	(1,637,000)
Issue of shares for acquisition of mineral properties (Note 8)	75,000	20,625
Exercise of RSU's	260,000	80,600
Balance as at March 31, 2022	329,618,605	\$ 93,523,094

Financings

For the three month period ended March 31, 2022:

On March 2, 2022, the Company closed a bought deal private placement for gross proceeds of \$12,535,515. In connection with the offering, the Company issued an aggregate of 28,000,000 common shares at a price of \$0.25 for gross proceeds of \$7,000,000 and 15,593,000 charity flow-through shares at a price of \$0.355 for gross proceeds of \$5,535,515.

In consideration for their services, the Company has paid the agents a cash commission and incurred other closing costs totalling \$799,106.

12. ISSUED CAPITAL (continued)

Diluted Weighted Average Number of Shares Outstanding

	March 31, 2022	March 31, 2021
Basic weighted average shares outstanding:	300,522,549	213,471,048
Effect of outstanding securities	-	-
Diluted weighted average shares outstanding	300,522,549	213,471,048

During the three month period ended March 31, 2022 and 2021, the Company had a net income (2021 – loss), as such, the diluted loss per share calculation includes (2021 – excludes) any potential conversion of options and warrants that would decrease loss per share.

13. FLOW-THROUGH PREMIUM LIABILITY

For the purposes of calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed the share price of the Company’s common shares and compared it to determine if there was a premium paid on the shares.

Three months ended March 31, 2022

For the three month period ended March 31, 2022, the Company recognized a \$1,637,000 as a flow-through premium liability on issuance in connection with private placements closed during the three month period ended March 31, 2022. The amount will be reduced upon filing of renunciation documents with the Canada Revenue Agency.

During the three month period ended March 31, 2022, the Company recognized an amount of \$6,986,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the three month period ended March 31, 2022.

Three months ended March 31, 2021

During the three month period ended March 31, 2021, the Company recognized an amount of \$5,480,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the three month period ended March 31, 2021.

14. WARRANTS RESERVE

The following is a summary of changes in warrants from January 1, 2021 to March 31, 2022:

	Number of Warrants	Weighted average exercise price per warrant	Amount
Balance, December 31, 2020	33,117,144	\$ 0.56	\$ 4,469,300
Exercise of warrants	(4,515,500)	0.30	(268,000)
Expiry of warrants	(27,837,935)	0.62	-
Exercise of broker warrants	(152,981)	0.14	(12,100)
Issue of New Carolin replacement warrants	7,111,748	0.42	168,000
Balance, December 31, 2021	7,722,476	\$ 0.42	\$ 4,357,200
Expiry of warrants	(610,728)	0.33	-
Balance, March 31, 2022	7,111,748	\$ 0.42	\$ 4,357,200

As at March 31, 2022, the Company had outstanding warrants as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
May 8, 2022 – New Carolin replacement warrants *	\$0.31	2,110,446
August 27, 2022 – New Carolin replacement warrants *	\$0.47	5,001,302
Balance, March 31, 2022		7,111,748

* The New Carolin warrants are warrants issued as replacement warrants to New Carolin warrant holders as part of the transaction as described in Note 9. The warrants were ascribed a fair value of \$168,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.43%; volatility 50%-61% and an expected life of 8-11 months.

During the three month period ended March 31, 2022, 610,728 warrants expiring February 4, 2022, expired unexercised.

15. SHARE-BASED PAYMENT RESERVE

Stock Option Plan

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company's common shares before the date of grant or in accordance with regulatory requirements.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

15. SHARE-BASED PAYMENT RESERVE (continued)

The following options were outstanding as at March 31, 2022:

Number of options outstanding	Number of exercisable options	Grant date	Expiry date	Exercise price	Fair value at grant date
50,000	50,000	August 22, 2018	August 22, 2023	\$ 0.24	5,000
3,100,000	3,100,000	June 18, 2019	June 18, 2024	\$ 0.20	303,000
4,850,000	4,850,000	December 27, 2019	December 27, 2024	\$ 0.295	1,069,000
1,100,000	1,100,000	February 14, 2020	February 14, 2025	\$ 0.390	367,000
950,000	950,000	August 20, 2020	August 20, 2025	\$ 0.460	293,040
3,905,000	3,905,000	December 11, 2020	December 11, 2025	\$ 0.330	954,000
5,000,000	5,000,000	December 7, 2021	December 7, 2026	\$ 0.315	1,093,000
18,955,000	18,955,000				4,084,040

The share options outstanding as at March 31, 2022 had a weighted exercise price of \$0.30 (December 31, 2021: \$0.31) and a weighted average remaining contractual life of 3.4 years (December 31, 2021: 3.65 years).

All options vested on their date of issue and expire within five years of their issue, or 90 days after the resignation of the director, officer, employee or consultant.

Movements in Share Options During the Period

The following reconciles the share options outstanding for the three month period ended March 31, 2022 and year ended December 31, 2021:

	Number of options	Weighted average exercise price
Balance as at December 31, 2020	15,568,750	\$ 0.31
Granted	5,000,000	\$ 0.315
Exercised	(350,000)	\$ 0.21
Expired	(1,023,750)	\$ 0.41
Granted as replacement options to New Carolin holders	976,378	\$ 0.53
Replacement options exercised	(542,383)	\$ 0.19
Replacement options expired	(433,995)	\$ 0.95
Balance as at December 31, 2021	19,195,000	\$ 0.31
Expired	(240,000)	\$ 0.41
Balance as at March 31, 2022	18,955,000	\$ 0.30

15. SHARE-BASED PAYMENT RESERVE (continued)

Restricted Share Units

The Restricted Share Unit Plan (RSU Plan) provides for the grant of restricted share units (each, an “RSU”) convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common Share or payment in cash for the equivalent thereof based on the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals. Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the liability.

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU’s	Weighted average fair value
Balance, December 31, 2020	838,780	\$ 0.33
Granted	650,000	\$ 0.31
Exercised	(58,780)	\$ 0.14
Balance, December 31, 2021	1,430,000	\$ 0.32
Exercised	(260,000)	\$ 0.31
Balance, March 31, 2022	1,170,000	\$ 0.32

RSU liability:

As at March 31, 2022 a liability of \$103,537 (December 31, 2021 - \$159,675) has been recorded for RSUs.

15. SHARE-BASED PAYMENT RESERVE (continued)

The following table summarizes information about share-based payment reserve:

Balance as at December 31, 2020	\$	3,422,838
Share-based expense - options		1,093,000
Exercise of stock options		(35,000)
Exercise of RSU's		(8,229)
Expiry of stock options		(320,609)
Value of replacement options issued to New Carolin holders		56,000
Exercise of replacement stock options		(48,000)
Expiry of replacement stock options		(8,000)
Balance as at December 31, 2021	\$	4,152,000
Expiry of stock options		(67,960)
Balance as at March 31, 2022	\$	4,084,040

16. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at March 31, 2022 and December 31, 2021 were as follows:

	Fair value through profit of loss	Amortized cost	Other financial liabilities	Total
As at March 31, 2022				
Cash and cash equivalents	\$ -	\$ 12,978,353	\$ -	\$ 12,978,353
Amounts receivable	-	369,563	-	369,563
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	7,125,031	7,125,031
RSU liability	103,537	-	-	103,537
Leases payable	-	-	516,368	516,368
As at December 31, 2021				
Cash and cash equivalents	\$ -	\$ 12,571,890	\$ -	\$ 12,571,890
Amounts receivable	-	346,500	-	346,500
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	7,000,088	7,000,088
RSU liability	159,675	-	-	159,675
Leases payable	-	-	589,524	589,524

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

16. FINANCIAL INSTRUMENTS (continued)

The carrying value of cash and cash equivalents, amounts receivable, reclamation deposits, accounts payable and accrued liabilities and leases and loan payables approximate fair value because of the limited terms of these instruments.

17. RELATED PARTY DISCLOSURES

The following is a summary of the Company’s related party transactions during the three month periods ended March 31, 2022 and 2021:

The Company incurred rent costs in the amount of \$4,500 for the three month period ended March 31, 2022 (2021 - \$nil) paid to Millennial Precious Metals Corp., a company with certain common directors and officers.

The Company incurred operations costs in the amount of \$26,388 for the three month period ended March 31, 2022 (2021 - \$21,408) paid to JDS Energy & Mining Inc., a company with certain common directors.

Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the three month periods ended March 31, 2022 and 2021 were as follows:

	March 31, 2022	March 31, 2021
Short term employee benefits, director fees	\$ 505,900	\$ 423,110
Share based payments	49,815	38,786
	\$ 555,715	\$ 461,896

As at March 31, 2022, an amount of \$160,152 (December 31, 2021 - \$155,534) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

18. COMMITMENTS AND CONTINGENCIES

Flow-Through Shares

As at March 31, 2022, the Company was committed to spending approximately \$1,733,000 to be spent by December 31, 2022 in connection with its flow-through offerings (December 31, 2021 - \$897,000). On July 7, 2020, the Department of Finance proposed to extend the flow-through funds spend period and the look-back rule by one year, including extending the filing requirement for the Part XII.6 tax for the same period. The amendments to enact these proposals were enacted on June 29, 2021.

Due to the size, complexity and nature of the Company’s operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.