MAYFAIRGOLD

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by management in accordance International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Financial statements include certain amounts based on estimates and judgments. When an alternative method exists under IFRS, management has chosen a policy it deems most appropriate in the circumstances in order to ensure that the financial statements are presented fairly, in all material respects, in accordance with IFRS.

The Company maintains adequate systems of internal controls. Such systems are designed to provide reasonable assurance that transactions are properly authorized and recorded, the Company's assets are appropriately accounted for and adequately safeguarded and that the financial information is relevant and reliable.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements and the accompanying management's discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the financial statements, management's discussion and analysis, the external auditors' reports, examines the fees and expenses for audit services, and considers the engagement or reappointment of the external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to the shareholders.

(signed) *"Patrick Evans"*

Patrick Evans
President & Chief Executive Officer
April 13, 2023

(signed) *"Justin Byrd"*

Justin Byrd
Chief Financial Officer
April 13, 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mayfair Gold Corp.

Opinion

We have audited the accompanying financial statements of Mayfair Gold Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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 IFRS, 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 Glenn Parchomchuk.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 13, 2023

STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian dollars

	Notes	December 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash		**$ 6,791,778**	$ 12,035,601
Amounts receivable		**399,286**	183,266
Prepaid expenses	**3**	**107,562**	606,981
		7,298,626	12,825,848
Non-current assets			
Property, plant and equipment	**4, 5**	**511,092**	544,988
Mineral properties	**6**	**13,997,500**	13,997,500
		14,508,592	14,542,488
Total assets		**$ 21,807,218**	$ 27,368,336
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 1,953,189**	$ 757,963
Lease liability	**5**	**9,966**	58,866
Deferred premium on flow-through shares	**7, 8**	**542,687**	1,207,878
		2,505,842	2,024,707
Non-current liabilities			
Lease liability	**5**	**-**	9,967
		-	9,967
Total liabilities		**2,505,842**	2,034,674
Shareholders' equity:			
Share capital	**8**	**46,277,610**	37,364,565
Share-based payments reserve	**8**	**4,919,581**	1,636,911
Deficit		**(31,895,815)**	(13,667,814)
Shareholders' equity		**19,301,376**	25,333,662
Total liabilities and shareholders' equity		**$ 21,807,218**	$ 27,368,336
Subsequent events	**16**		

The accompanying notes to the financial statements are an integral part to these financial statements.

Approved on behalf of the Board of Directors:

(Signed) "Chris Reynolds"

Chris Reynolds
Director
April 13, 2023

(Signed) "Sean Pi"

Sean Pi
Director
April 13, 2023

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in Canadian dollars

	Notes	Year ended December 31, 2022	2021
Expenses			
Exploration and evaluation expenses	**11**	**$ 15,750,956**	$ 9,787,283
General and administrative expenses	**12**	**2,206,740**	2,469,603
Share-based payment expense	**8**	**3,282,670**	555,611
Depreciation expense	**4**	**150,322**	89,210
Foreign exchange (gain) loss		**(6,365)**	3,105
Interest income		**(85,131)**	(28,643)
Other income	**9**	**(47,000)**	-
Other income - flow through premium	**7**	**(3,024,191)**	(2,592,992)
Loss and comprehensive loss for the year		**$ 18,228,001**	$ 10,283,177
Basic and diluted loss per common share		**$ 0.22**	$ 0.14
Weighted average number of common shares outstanding - basic and diluted		**82,917,308**	75,095,424

The accompanying notes to the financial statements are an integral part to these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Expressed in Canadian dollars

	Notes	Number of shares		Share capital		Share-based payments reserve		Deficit		Total
Balance, January 1, 2021		67,511,485	$	18,494,747	$	1,081,300	$	(3,384,637)	$	**16,191,410**
Issuance of common shares - in kind for services	**8 (ii)**	1,622		3,000		-		-		**3,000**
Issuance of common shares - private placements	**8 (ii)**	13,137,900		24,417,985		-		-		**24,417,985**
Flow-through premium - private placements	**8 (ii)**	-		(3,800,870)		-		-		**(3,800,870)**
Share issue costs	**8 (ii)**	-		(1,750,297)		-		-		**(1,750,297)**
Share-based payment expense	**8 (iii)**	-		-		555,611		-		**555,611**
Loss and comprehensive loss for the year		-		-		-		(10,283,177)		**(10,283,177)**
Balance, December 31, 2021		80,651,007		37,364,565		1,636,911		(13,667,814)		**25,333,662**
Issuance of common shares - private placements	**8 (ii)**	7,300,000		11,989,000		-		-		**11,989,000**
Flow-through premium - private placements	**8 (ii)**	-		(2,359,000)		-		-		**(2,359,000)**
Share issue costs	**8 (ii)**	-		(716,955)		-		-		**(716,955)**
Share-based payment expense	**8 (iii)**	-		-		3,282,670		-		**3,282,670**
Loss and comprehensive loss for the year		-		-		-		(18,228,001)		**(18,228,001)**
Balance, December 31, 2022		**87,951,007**	**$**	**46,277,610**	**$**	**4,919,581**	**$**	**(31,895,815)**	**$**	**19,301,376**

The accompanying notes to the financial statements are an integral part to these financial statements.

STATEMENTS OF CASH FLOWS

Expressed in Canadian dollars

	Notes	Year ended December 31, 2022	2021
Operating Activities			
Net loss for the year		**$ (18,228,001)**	$ (10,283,177)
Adjustments:			
Foreign exchange (gain) loss		**(6,365)**	3,105
Depreciation		**150,322**	89,210
Other income - flow-through premium		**(3,024,191)**	(2,592,992)
Share-based payment expense		**3,282,670**	555,611
Changes in non-cash operating working capital:			
Amounts receivable		**(216,020)**	(168,172)
Prepaid expenses		**499,419**	(580,911)
Accounts payable and accrued liabilities		**1,195,226**	421,388
Cash used in operating activities		**(16,346,940)**	(12,555,938)
Investing Activities			
Acquisition of property, plant and equipment	**4**	**(116,426)**	(186,017)
Cash used in investing activities		**(116,426)**	(186,017)
Financing Activities			
Issuance of shares - private placements proceeds, net of costs	**8 (ii)**	**11,272,045**	22,667,688
Payment of lease liability	**5**	**(58,867)**	(19,272)
Cash from financing activities		**11,213,178**	22,648,416
Effect of foreign exchange rate changes on cash		**6,365**	(3,105)
Net (decrease) increase in cash		**(5,243,823)**	9,903,356
Cash, beginning of year		**12,035,601**	2,132,245
Cash, end of year		**$ 6,791,778**	$ 12,035,601

Supplementary cash-flow information

Non-cash transactions:

Common shares with a fair value of $Nil were issued to settle consulting services provided to the Company for the year ended December 31, 2022 (2021 - $3,000).

The accompanying notes to the financial statements are an integral part to these financial statements.

1. NATURE OF OPERATIONS

Mayfair Gold Corp. ("Mayfair Gold" or the "Company") was incorporated on July 30, 2019, under the British Columbia Business Corporation Act. The address of the Company's registered and records office is Suite 700 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5. The Company's principal place of business is 489 MacDougall Street, Matheson, ON, Canada, P0K 1N0. The principal business of the Company is to acquire, explore, evaluate and develop mineral properties.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment; all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk.

Current global financial and economic conditions can be unpredictable. Many industries are impacted by these market conditions and the COVID-19 virus. Some key impacts of the current financial market turmoil arising from the COVID-19 virus include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity and commodity markets, foreign exchange rates, novel fiscal policy and monetary policy and monetary markets and a lack of market liquidity. Additionally, global economic conditions arising from the COVID-19 virus may cause a long-term decrease in asset values. If such global volatility and market turmoil continue, the Company's operations and financial condition could be adversely impacted. The overall severity and duration of COVID-19-related adverse impacts on the Company's business will depend on future developments, which cannot currently be predicted, including directives of the federal and provincial governments and health authorities.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These 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 Interpretations Committee ("IFRIC").

(i) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). All amounts on the financial statements are presented in Canadian dollars. The significant accounting policies adopted in the preparation of these financial statements are set out below.

(ii) Going concern

The recoverability of the costs incurred for the exploration and development of mineral properties is dependent on the ability of the Company to obtain the necessary financing to advance the projects to production, upon future profitable production or from proceeds from sale of properties or production royalties. The Company will continue to incur losses and have negative cash flows from operating activities and as such, will require additional capital to fund exploration and development programs, future property acquisitions and for general corporate purposes. If the Company is unable to obtain additional funding, operations may not be able to continue, and amounts realized for assets may be less than amounts reflected in these financial statements. These financial statements have been prepared on the accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management considers all available information for at least twelve months. Management has carried out an assessment of the going concern assumption and, after considering subsequent events, has concluded that the cash position of the Company is sufficient to finance continued operations for over at least a twelve-month period.

(iii) Functional currency

The functional currency of the Company is the Canadian dollar. In preparing the financial statements, transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the period in which they arise in the statements of loss and comprehensive loss.

(iv) Interest income

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on the basis of time that has passed by reference to the principal outstanding and at the effective interest rate.

(v) Other income

Other income is recognized when services such as technical advisory, strategic planning services, assistance with due diligence reviews and other incidental services have been rendered to the customer and performance obligation is satisfied.

(vi) Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Measurement

<u>Financial assets at FVTOCI</u>

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income.

<u>Financial assets and liabilities at amortized cost</u>

Financial assets and liabilities at amortized cost are initially recognized at fair value, plus transaction costs, and subsequently carried at amortized cost less any impairment. Financial liabilities carried at amortized cost utilize the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

<u>Financial assets and liabilities at FVTPL</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Financial assets

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 the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI are reclassified to retained earnings (deficit) as a reclassification within equity.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has classified its financial instruments as follows:

Asset / Liability	Classification
Cash	FVTPL
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset at the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

The Company's cash consists of balances with banks. The fair values of the Company's amounts receivable, and accounts payable and accrued liabilities approximate their carrying values because of the immediate or short-term to maturity of these financial instruments.

(vii) Mineral property and exploration and evaluation costs

Exploration and evaluation ("E&E") costs are those costs required to find a mineral property and determine commercial viability and technical feasibility. E&E costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves.

Exploration and evaluation costs consist of:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting and refining engineering, marketing and financial studies.

Costs in relation to these activities are expensed as incurred until such time that technical feasibility and commercial viability are demonstrable. At such time, mineral properties are assessed for impairment, and an impairment loss, if any, is recognized. Capitalized acquisition costs included in mineral properties are transferred to capitalized costs within property, plant and equipment, or intangible assets, as appropriate. Determination of technical feasibility and commercial viability require management's judgment and include assessment of legal, environmental, social and governmental factors.

The Company recognizes E&E costs as assets when acquired as part of a business combination, or asset purchase, or as a result of rights acquired relating to a mineral property. These assets are recognized at fair value or relative fair value if applicable. Capitalized E&E consists of:

- acquired interest in exploration properties;
- amounts paid for acquired rights associated with exploration properties; and
- changes in decommissioning and restoration amounts capitalized during the period.

Management reviews its mineral property at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition costs are written off to profit or loss.

(viii) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit of production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs of restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses.

(ix) Impairment of non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the cash generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

(x) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and the associated lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of cost to remove the underlying asset, less any lease incentives received. Lease payments included in the measurement of the lease liability are comprised of amounts expected to be payable by the Company under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. The assets are depreciated using the lower of the useful life of the right-of-use asset or the lease term, using the straight-line method.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Company's incremental borrowing rate. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net income over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Company recognizes the lease payments as an expense in net earnings on a straight-line basis over the term of the lease.

(xi) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

(xii) Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the flow-through shares. A deferred premium liability is recognized for this difference. The Company renounces the deductions for tax purposes related to the eligible exploration and evaluation expenditures on the date the flow-through shares are issued. The premium liability is reduced on a pro-rata basis and recorded in other income based on the corresponding eligible expenditures that have been incurred.

(xiii) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured at grant date at the fair value of instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised the consideration received is recorded as share capital and the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled or expires, the initial recorded value is reversed from contributed surplus and credited to deficit.

(xiv) Loss per share

Basic loss or earnings per share is calculated by dividing loss or earnings attributable to common shares by the weighted average number of shares outstanding during the period. Diluted loss or earnings per share is calculated using the denominator of the basic loss or earnings calculation described above adjusted to include the potentially dilutive effect of outstanding stock options.

(xv) Income taxes and deferred taxes

The income tax expense is comprised of current and deferred income taxes. Current and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity instruments.

Current income tax is the expected tax payable or receivable on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(xvi) Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

(a) Significant Judgments in Applying Accounting Policies

The areas which require management to make significant judgments in applying the Company's accounting policies in determining carrying values include, but are not limited to:

i) Impairment analysis – Mineral Properties

The Company reviews its mineral properties for impairment based on results to date and when events and changes in circumstances indicate that the carrying value of the assets may not be recoverable. IFRS 6 *Exploration for and Evaluation of Mineral Resources* requires the Company to make certain judgments in respect of such events and changes in circumstances, and in assessing their impact on the valuations of the affected assets. The Company's assessment is that as at December 31, 2022 and 2021, no indicators of an impairment in the carrying value of its mineral properties had occurred.

(b) Significant Accounting Estimates and Assumptions

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

i) Impairment analysis – Mineral Properties

The Company reviews its mineral properties for impairment based on results to date and when events and changes in circumstances indicate that the carrying value of the assets may not be recoverable. If indicators of impairment are identified, management will perform an impairment test. The impairment test requires the Company to make certain judgments, assumptions, and estimates in determining the estimate of the net recoverable amount. Impairments are recognized when the carrying values exceed management's estimate of the net recoverable amounts associated with the affected assets. The values shown on the statement of financial position for Mineral Properties represents the Company's assumption that the amounts are recoverable. As a result of the numerous variables associated with the Company's judgments and assumptions, the precision and accuracy of estimates of the recoverable amount is subject to significant uncertainties, and may change significantly as additional information becomes known.

ii) Stock options

The stock option pricing model requires the input of highly subjective assumptions including the expected life and volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

Expressed in Canadian Dollars

iii) Provision for decommissioning and restoration

The decommissioning and restoration liability and the accretion recorded are based on estimates of future cash flows, discount rates, and assumptions regarding timing. The estimates are subject to change and the actual costs for the decommissioning and restoration liability may change significantly.

iv) Deferred taxes

Deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and on unused losses carried forward, and are measured using the substantively enacted tax rates that are expected to be in effect when the differences are expected to reverse or losses are expected to be utilized. Deferred tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, including forecasts, it is probable that they will be realized. The Company has not recorded the benefit of tax losses or deductible temporary differences.

(xvii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. These standards are still being assessed and are not expected to have a material impact on the Company's financial statements upon adoption.

3. PREPAID EXPENSES

The Company's prepaid expenses consist of deposits for drilling related expenses, insurance policy prepayments, software, and other expenses.

	December 31, 2022	December 31, 2021
Prepaid expenses	**$ 92,218**	$ 100,833
Deposits with suppliers	**15,344**	506,148
	$ 107,562	$ 606,981

Expressed in Canadian Dollars

4. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as at December 31, 2022 and 2021, is as follows:

	Computers	Furniture and Fixtures	Building Exploration Office	Land Exploration Office	Machinery and Equipment	Vehicles	Right-of-Use Lease Assets	Total
Cost								
At January 1, 2021	$ 57,624	$ 3,843	$ 227,962	$ 69,000	$ 8,374	$ -	$ -	$ 366,803
Additions	6,550	9,367	12,400	-	27,650	130,050	88,105	274,122
At December 31, 2021	64,174	13,210	240,362	69,000	36,024	130,050	88,105	640,925
Additions	3,608	-	103,268	-	9,550	-	-	116,426
At December 31, 2022	**$ 67,782**	**$ 13,210**	**$ 343,630**	**$ 69,000**	**$ 45,574**	**$ 130,050**	**$ 88,105**	**$ 757,351**
Accumulated depreciation								
At January 1, 2021	$ (4,939)	$ -	$ (1,648)	$ -	$ (140)	$ -	$ -	$ (6,727)
Depreciation	(31,348)	(1,960)	(9,355)	-	(5,216)	(21,752)	(19,579)	(89,210)
At December 31, 2021	(36,287)	(1,960)	(11,003)	-	(5,356)	(21,752)	(19,579)	(95,937)
Depreciation	(28,962)	(2,642)	(11,851)	-	(9,115)	(39,016)	(58,736)	(150,322)
At December 31, 2022	**$ (65,249)**	**$ (4,602)**	**$ (22,854)**	**$ -**	**$ (14,471)**	**$ (60,768)**	**$ (78,315)**	**$ (246,259)**
Carrying amounts								
At December 31, 2021	$ 27,887	$ 11,250	$ 229,359	$ 69,000	$ 30,668	$ 108,298	$ 68,526	$ 544,988
At December 31, 2022	**$ 2,533**	**$ 8,608**	**$ 320,776**	**$ 69,000**	**$ 31,103**	**$ 69,282**	**$ 9,790**	**$ 511,092**

5. LEASES

The Company is party to contracts that contain a lease for the rental of storage facilities. With the exception of short-term leases, leases with low-value, and leases with variable payments proportional to the rate of use of the underlying asset, which are included in expenses in the statements of loss and comprehensive loss, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 4).

The Company makes certain judgements and estimations in regards to the calculation of an appropriate discount rate for lease accounting. For the rental contracts of storage facilities without implicit discount rates, the Company determined the incremental rate of borrowing to be 2.7% per annum based upon quotes from lenders for loans of similar value and duration.

	December 31, 2022	December 31, 2021
Lease liabilities	$ 68,833	$ 88,105
Lease payments made	(60,000)	(20,000)
Interest expense on lease liabilities	1,133	728
Lease liability remaining	**$ 9,966**	**$ 68,833**
Lease liability, Current	$ 9,966	$ 58,866
Lease liability, Non-current	$ -	$ 9,967

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease are $10,000 to be made between January 1, 2023, and February 28, 2023.

6. MINERAL PROPERTIES

On June 8, 2020, the Company entered into a binding asset purchase agreement (the "Asset Purchase Agreement") with Lake Shore Gold Corp. ("Lake Shore"). Pursuant to the terms of the Asset Purchase Agreement, the Company agreed to acquire 21 fee simple patented properties, 153 unpatented mining claims, and 144 patented leasehold mining claims located in the Guibord, Munro, Michaud and McCool Townships in northeast Ontario, Canada (collectively, the “Fenn-Gib Property”). As consideration for the acquisition of the Fenn-Gib Property (the “Acquisition”), the Company agreed to: (i) pay Lake Shore a cash payment of US$11,000,000; and (ii) grant Lake Shore a 1.0% net smelter returns royalty derived from the future production of minerals from the Fenn-Gib Property. On December 31, 2020, the transaction closed and $13,997,500 (US$11,000,000) was paid and recorded as mineral properties on the financial statements. The continuity of the Mineral Properties is as follows:

Expressed in Canadian Dollars

	December 31, 2022	December 31, 2021
Balance, beginning of year	**$ 13,997,500**	$ 13,997,500
Acquired mineral rights and claims	**-**	-
Balance, end of year	**$ 13,997,500**	$ 13,997,500

7. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the fair value of common shares is initially recognized as a liability. The liability is reduced on a pro-rata basis and recorded in other income based on the corresponding eligible expenditures that have been incurred.

	December 31, 2022	December 31, 2021
Balance, beginning of year	**$ 1,207,878**	$ -
Deferred premium liability recognized on flow-through issuances	**2,359,000**	3,800,870
Income recognized based on corresponding eligible expenditures	**(3,024,191)**	(2,592,992)
Balance, end of year	**$ 542,687**	$ 1,207,878

8. SHARE CAPITAL

(i) Authorized share capital

Unlimited common shares, without par value. Each common share entitles the holder to one shareholder vote. There is no other class of shares in the Company.

(ii) Share capital

The number of shares issued and fully paid as at December 31, 2022 is 87,951,007. No preferred shares are issued or outstanding. Transactions for the issue of share capital during the years ended December 31, 2022 and 2021 are as follows:

(a) On March 11, 2021, the Company closed its initial public offering of flow-through and non-flow-through common shares, at a fair value of $2.62 and $1.85 per share, respectively. The Company issued 3,731,000 flow-through common shares for total consideration of $9,775,220 and 5,406,900 non-flow-through common shares for total consideration of $10,002,765. An amount of $2,872,870 was recognized as the premium paid for the flow-through shares in excess of the fair value of the common shares, and was initially recognized as a liability. Share issuance costs of $1,531,672 were incurred in connection with the offering.

(b) On March 24, 2021, the Company issued 1,622 common shares at a fair value of $1.85 per share for total consideration of $3,000. These shares were issued in connection with consulting services provided to the Company.

(c) On December 13, 2021, the Company completed a flow-through private placement consisting of the issue of 4,000,000 common shares at a price of $1.16 per share for total consideration of $4,640,000. An amount of $928,000 was recognized as the premium paid for the flow-through shares in excess of the fair value of the common shares, and was initially recognized as a liability. Share issuance costs of $218,625 were incurred in connection with the offering.

(d) On June 30, 2022, the Company completed a flow-through private placement consisting of the issue of 4,300,000 common shares at a price of $1.63 per share for total consideration of $7,009,000. An amount of $1,849,000 was recognized as the premium paid for the flow-through shares in excess of the fair value of the common shares, and was initially recognized as a liability. Share issuance costs of $401,436 were incurred in connection with the offering.

Expressed in Canadian Dollars

(e) On December 31, 2022, the Company completed a flow-through private placement consisting of the issue of 3,000,000 common shares at a price of $1.66 per share for total consideration of $4,980,000. An amount of $510,000 was recognized as the premium paid for the flow-through shares in excess of the fair value of the common shares, and was initially recognized as a liability. Share issuance costs of $315,519 were incurred in connection with the offering.

(iii) Stock options

The Company, through its Board of Directors and shareholders, adopted a long-term equity incentive plan (the "Plan") which, among other things, allows for the maximum number of shares that may be reserved for issuance under the Plan to be 10% of the Company's issued and outstanding shares at the time of the grant. The Board of Directors has the authority and discretion to grant stock options as identified in the Plan, which includes provisions limiting the issuance of options to qualified persons and employees of the Company to maximums identified in the Plan and the vesting terms.

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2022 and 2021:

	December 31, 2022		December 31, 2021	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at beginning of year	**3,850,000**	**$ 0.54**	3,650,000	$ 0.47
Granted during the year	**4,185,000**	**$ 1.12**	200,000	$ 1.75
Balance at end of the year	**8,035,000**	**$ 0.84**	3,850,000	$ 0.54
Options exercisable at the end of the year	**7,320,000**	**$ 0.81**	3,400,000	$ 0.55

The fair value of the 2,330,000 stock options with an exercise price of $1.29 granted on December 6, 2022 has been estimated on the date of grant using the Black-Scholes option pricing model, using the assumptions below, and totaled $2,357,494 or $1.01 per options. Of the stock options granted, 1,857,500 vested immediately and 472,500 vest 1/3 on June 6, 2023, 1/3 on December 6, 2023 and 1/3 on June 6, 2024.

The fair value of the 1,855,000 stock options with an exercise price of $0.90 granted on January 6, 2022 has been estimated on the date of grant using the Black-Scholes option pricing model, using the assumptions below, and totaled $1,350,997 or $0.73 per option. Of the stock options granted, 1,370,000 vested immediately, 242,500 vested upon the completion of the 80,000-meter drill program, and 242,500 shall vest on the first anniversary of the aforementioned.

The fair value of the 200,000 stock options with an exercise price of $1.75 granted during the year ended December 31, 2021, has been estimated on the date of grant using the Black-Scholes option pricing model, using the assumptions below, totaled $290,200 or $1.45 per option and vested immediately.

Expressed in Canadian Dollars

	December 31, 2022	December 31, 2021
Exercise price	$0.90 - $1.29	$1.75
Expected volatility	73% - 80%	84%
Expected option life	10 years	10 years
Expected forfeiture	-	-
Expected dividend yield	0%	0%
Risk-free interest rate	1.73% - 2.75%	1.51%
Fair value per option	$0.73 - $1.01	$1.45

The following tables reflect the Black-Scholes values, the number of stock options outstanding, and the exercise price of stock options outstanding at December 31, 2022:

Expiry Date	**Black-Scholes Value**	**Number of Options**	**Exercise Price**
December 31, 2030	$ 1,435,180	3,650,000	$ 0.47
May 3, 2031	$ 290,200	200,000	$ 1.75
January 6, 2032	$ 1,350,997	1,855,000	$ 0.90
December 6, 2032	$ 2,357,494	2,330,000	$ 1.29

The weighted average remaining contractual life of the options outstanding at December 31, 2022, is 8.8 years. The share-based payments recognized as an expense for the years ended December 31, 2022 and 2021, are as follows:

	Year ended December 31,	
	2022	2021
Expense recognized in the year for share-based payments	**$ 3,282,670**	$ 555,611

9. RELATED PARTIES

The Company's related parties include key management personnel and their close family members, the Company's Board of Directors and their close family members, and HC Alternative Investments I, Ltd, ("HC Alternative") a corporation partially owned by a director of the Company. Related party transactions are recorded at their exchange amount, being the amount agreed to by the parties. The Company incurred remuneration expense for key management personnel and paid fees to members of the Board of Directors. The Company also recognized revenue in the current and comparative year related to services it provided to HC Alternative in the nature of strategic planning services, technical advisory, and other consulting services. The transactions for the years ended December 31, 2022 and 2021 were as follows:

	Year ended December 31,	
	2022	2021
Remuneration paid to key management personnel and Directors' Fees	**$ 3,375,424**	$ 1,152,600
Consulting income charged to HC Alternative	**$ 47,000**	$ -

Expressed in Canadian Dollars

The renumeration of key management personnel for the years ended December 31, 2022 and 2021 were as follows:

	Year ended December 31, 2022	2021
Consulting fees and Director's fees	**$ 947,349**	$ 862,400
Share-based payment expense	**2,428,075**	290,200
	$ 3,375,424	$ 1,152,600

The amounts receivable from HC Alternative were included in accounts receivable at December 31, 2022 as follows. The amounts payable to key management personnel at December 31, 2022 and 2021 were included in accounts payable and accrued liabilities as follows:

	December 31, 2022	December 31, 2021
Receivable from HC Alternative for consulting services rendered	**$ 52,640**	$ -
Payable to key management personnel	**$ 298,350**	$ 265,104

10. FINANCIAL INSTRUMENTS

Fair value measurement

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3 inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The fair values of cash approximate the carrying value due to the relatively short-term maturity of this financial instrument and is classified as Level 1 measurement.

Financial instruments risks

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk.

Credit risk

The Company is exposed to credit risk by holding cash. This risk is minimized by holding the funds in Canadian Schedule 1 banks. The Company has minimal accounts receivable exposure as its refundable credits are due from the Canadian Government.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. The Company's ability to fund its operations and capital expenditures and other obligations as they become due is dependent on market conditions.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates will affect the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

Foreign currency

The Company is exposed to market risk related to foreign exchange rates. The Company operates in Canada and has foreign currency exposure to transactions in U.S. dollars. The majority of the ongoing operational costs are in Canadian dollars and are funded through operating and financing cash flows.

As at December 31, 2022 and 2021, the Company had cash, accounts payable and accrued liabilities that are in U.S. dollars. The Canadian dollar equivalent is as follows:

	December 31, 2022	December 31, 2021
Cash	**$ 105,898**	$ 334,899
Accounts payable and accrued liabilities	**(28,350)**	(185)
Total	**$ 77,548**	$ 334,714

A 10% appreciation or depreciation of the Canadian dollar relative to the U.S. dollar at December 31, 2022, would have resulted in an increase or decrease to net loss for the period of approximately $7,800 (2021 - $33,500).

11. EXPLORATION AND EVALUATION EXPENSES

	Year ended December 31,	
	2022	2021
Exploration personnel and program support	**$ 1,730,753**	$ 1,728,480
Camp maintenance, supplies, mobilization, general costs	**1,719,048**	1,005,347
Survey	**60,583**	116,562
Drilling	**6,995,607**	5,722,943
Exploration contractors	**2,941,177**	-
Laboratory analysis	**1,326,695**	706,025
Other exploration and evaluation	**977,093**	507,926
	$ 15,750,956	$ 9,787,283

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31,	
	2022	2021
Management fees	**$ 1,099,239**	$ 971,747
Professional fees	**230,926**	501,112
Transfer agent & regulatory fees	**113,848**	234,262
Marketing & public relations	**207,956**	229,735
Other general and administrative	**554,771**	532,747
	$ 2,206,740	$ 2,469,603

Expressed in Canadian Dollars

13. INCOME TAXES

A reconciliation of income taxes at statutory rate with the reported taxes is as follows:

	December 31, 2022	December 31, 2021
Loss for the year	$ (18,228,001)	$ (10,283,177)
Expected income tax (recovery)	(4,922,000)	(2,776,000)
Change in statutory, foreign tax, foreign exchange rates and other	3,000	5,000
Permanent differences	70,000	(546,000)
Impact of flow through shares	3,369,000	2,382,000
Share issue costs	(194,000)	(477,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(69,000)	64,000
Change in unrecognized deductible temporary differences	1,743,000	1,348,000
Total income tax expense recovery	$ -	$ -
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2022	2021
Deferred tax assets		
Exploration and evaluation assets	$ 1,295,000	$ 435,000
Property and equipment	45,000	21,000
Share issue costs	497,000	418,000
Non-capital losses available for future period	1,938,000	1,158,000
	3,775,000	2,032,000
Unrecognized deferred tax assets	(3,775,000)	(2,032,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	December 31, 2022	Expiry Date Range	December 31, 2021	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	$ 4,797,000	No expiry date	$ 1,609,000	No expiry date
Property and equipment	168,000	No expiry date	76,000	No expiry date
Share issue costs	1,842,000	2042 to 2047	1,550,000	2041 to 2045
Canadian non-capital losses available for future periods	7,178,000	2039 to 2042	4,287,000	2039 to 2041

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Expressed in Canadian Dollars

14. CAPITAL MANAGEMENT

The capital of the Company consists of its shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue to pursue the exploration and evaluation of its mineral properties and to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in order to have the funds available to support the acquisition and exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

	December 31, 2022	December 31, 2021
Share capital	$ 46,277,610	$ 37,364,565
Share-based payments reserve	4,919,581	1,636,911
Deficit	(31,895,815)	(13,667,814)
	$ 19,301,376	$ 25,333,662

In order to carry out the planned management of the Company and to pay for administrative costs, the Company will utilize its existing working capital and as required, raise additional funds through equity financings. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during year ended December 31, 2022.

15. SEGMENTED REPORTING

The Company has determined that it has only one operating segment, which is defined as an exploration and development unit in Canada.

16. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2022, the Company completed a non-flow-through private placement consisting of the issue of 3,000,000 common shares at a price of $1.15 per share for total consideration of $3,450,000. Share issuance costs of $15,294 were incurred in connection with the offering.

On February 3, 2023, the Company granted 100,000 stock options with an exercise price of $1.50 to a consultant, all of which vested immediately, and had a fair value of $0.81 per stock option.