BLACKJACK SILVER CORP.
Annual Audited Financial Statements

For the year ended December 31, 2021 and the period from August 31, 2020 (Date of Incorporation) to December 31, 2020

(Expressed in United States Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Blackjack Silver Corp.

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Blackjack Silver Corp. (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the year ended December 31, 2021 and for the period from August 31, 2020 (date of incorporation) to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and for the period from August 31, 2020 (date of incorporation) to December 31, 2020, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of $1,097,481 for the year ended December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the annual management's discussion and analysis but does not include the financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 scepticism 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 Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
July 28, 2022

BLACKJACK SILVER CORP.

Statement of Financial Position

As at December 31, 2021, and 2020

Expressed in United States dollars

	December 31, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	**$ 1,379,527**	$ 3,180,737
Amounts receivable	**21,366**	3,290
Prepaid expenses	**37,652**	1,964
	1,438,545	3,185,991
Non-current assets		
Investment in and advances to associate *(Note 6)*	**3,507,540**	1,995,538
Advances to associate (Note 6)	**2,354,023**	45,726
	$ 7,300,108	$ 5,227,255
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 25,794**	$ 239,331
	25,794	239,331
Shareholders' equity		
Share capital (Note 5)	**6,470,148**	4,549,013
Warrants (Note 7 and 8)	**3,823,540**	2,360,804
Deficit	**(3,019,374)**	(1,921,893)
	7,274,314	4,987,924
	$ 7,300,108	$ 5,227,255

Nature of Operations and Going Concern *(Note 1)*
Subsequent events *(Note 14)*

The accompanying notes are an integral part of these financial statements.

On behalf of the Board,

"Signed"

Bruce Reid

Bruce Reid
Director

BLACKJACK SILVER CORP.

Statement of Loss and Comprehensive Loss

For the year ended December 31, 2021 and the period from August 31, 2020 (date of incorporation) to December 31, 2020

Expressed in United States dollars

	2021	2020
Expenses		
Consulting fees *(Note 11)*	**$ 261,414**	$ 29,817
Salary and wages *(Note 11)*	**101,346**	---
General and administration	**124,525**	23,464
Advertising and promotion	**65,575**	113,788
Professional fees	**60,039**	10,138
Shareholder communications	**3,305**	1,360
Acquisition payments *(Notes 6 and 7)*	**---**	1,740,000
	616,204	1,918,567
Net loss before undernoted items	**616,204**	1,918,567
Share of loss in associate *(Note 6)*	**487,998**	3,326
Interest income	**(6,721)**	---
Net loss and comprehensive loss	**$ 1,097,481**	$ (1,921,893)
Basic and diluted loss per common share *(Note 12)*	**$ (0.02)**	$ (0.14)
Weighted average number of shares outstanding during the year - basic and diluted *(Note 12)*	**48,938,114**	13,564,705

The accompanying notes are an integral part of these financial statements.

BLACKJACK SILVER CORP.

Statements of Changes in Shareholders' Equity

For the year ended December 31, 2021 and for the period from August 31, 2020 (date of incorporation) to December 31, 2020

Expressed in United States dollars

	Number of Shares Outstanding	Share Capital	Warrants	Deficit	Total
Balance at August 31, 2020, date of incorporation	**---**	**$ ---**	**$ ---**	**$ ---**	**$ ---**
Net loss for the period	**---**	**---**	**---**	**(1,921,893)**	**(1,921,893)**
Issue of share capital - private placements *(Note 7)*	**1,000**	**---**	**---**	**---**	**---**
Issue of share capital - acquisition *(Note 7)*	**15,000,000**	**1,740,000**	**---**	**---**	**1,740,000**
Issue of share capital - private placement *(Note 7)*	**21,667,600**	**5,409,692**	**---**	**---**	**5,409,692**
Fair value of warrants issued *(Note 7)*	**---**	**(2,185,100)**	**2,185,100**	**---**	**---**
Fair value of compensation options issued *(Note 7)*	**---**	**(175,704)**	**175,704**	**---**	**---**
Share issuance cost	**---**	**(239,875)**	**---**	**---**	**(239,875)**
Balance at December 31, 2020	**36,668,600**	**$ 4,549,013**	**$ 2,360,804**	**$ (1,921,893)**	**$ 4,987,924**
Net loss for the period	---	---	---	(1,097,481)	(1,097,481)
Issue of share capital - private placements *(Note 7)*	14,601,916	3,650,479	---	---	3,650,479
Fair value of warrants issued *(Note 7)*	---	(1,322,725)	1,322,725	---	---
Fair value of compensation options issued *(Note 7)*	---	(58,317)	58,317	---	---
Share issuance cost	---	(348,302)	81,694	---	(266,508)
Balance at December 31, 2021	**51,270,516**	**$ 6,470,148**	**$ 3,823,540**	**$ (3,019,374)**	**$ 7,274,314**

The accompanying notes are an integral part of these financial statements.

BLACKJACK SILVER CORP.

Statements of Cash Flows

For the year ended December 31, 2021 and for period from August 31, 2020 (date of incorporation) to December 31, 2020

Expressed in United States dollars

	2021	2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	**$(1,097,481)**	$ (1,921,893)
Items not affecting cash:		
Project acquisition costs	**---**	1,740,000
Share of loss in associate	**487,998**	3,326
Net change in non-cash working capital balances:		
Amounts receivable	**(18,076)**	(3,290)
Prepaid expenses	**(35,688)**	(1,964)
Accounts payable and accrued liabilities	**(213,537)**	135,751
Net cash flows used in operating activities	**(876,784)**	(48,070)
INVESTING ACTIVITIES		
Investments in and advances to associate	**(4,308,297)**	(2,044,590)
Net cash flows used in investing activities	**(4,308,297)**	(2,044,590)
FINANCING ACTIVITIES		
Proceeds from issuance of shares and units	**3,650,479**	5,409,692
Share issue costs	**(266,608)**	(136,295)
Net cash flows provided by financing activities	**3,383,871**	5,273,397
Net (decrease) increase in cash	**(1,801,210)**	3,180,737
Cash, beginning of period	**3,180,737**	---
Cash, end of period	**$ 1,379,527**	**$ 3,180,737**

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations and Going Concern

Blackjack Silver Corp., a company incorporated under the laws of Ontario, Canada (the "**Company**" or "**Blackjack**") is engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious and base metals. Its head office is located at 2702 – 401 Bay Street, Toronto, ON, Canada M5H 2Y4.

The Company was incorporated on August 31, 2020.

Mineral exploration projects, even when successful, require large amounts of exploration investment to prove mineable reserves, generally over long periods of time, prior to commencement of production. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, the continued support of its existing shareholders, and the outlining and development of commercial deposits of metals at its project to generate positive cash flows from operations. While the Company has been successful in securing financing and identifying suitable properties to date, there is no assurance that the Company will continue to be successful in achieving these objectives.

The Company incurred a net loss of $1,097,481 for the year ended December 31, 2021 (loss of $1,921,893 for the period ended December 31, 2020), and had working capital of $1,412,751 at December 31, 2021 (December 31, 2020 - $2,946,660). Given the Company's need to raise capital to fund ongoing operations, these conditions indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to realize the costs it has incurred to date on its properties is dependent upon the Company being able to identify economically recoverable reserves, to finance their development costs and to resolve any environmental, regulatory, or other constraints, which may hinder the successful development of the reserves. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

The accompanying annual financial statements have been prepared using International Financial Reporting Standards applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. It would, in this situation, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Financial Statements. Such adjustments could be material.

The financial statements of the Company for the year ended December 31, 2021 and for the period from August 31, 2020 to December 31, 2020 were authorized for issue in accordance with a resolution of the directors dated July 27, 2022.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. While COVID 19 has caused the Company to alter the way it conducts business, and has resulted in travel being curtailed, especially for Canadian-based management, it does not seem to have had any significant adverse effect on operations. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of Presentation

Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC").

The policies applied in these Financial Statements are based on the IFRS issued and outstanding as of July 27, 2022, being the date, the Board of Directors approved the Financial Statements.

Basis of Measurement:

The financial statements have been prepared on a historical cost basis, with the exception of certain financial assets and liabilities which are measured at fair-value, as explained in the accounting policies.

Functional and presentation currency:

The financial statements are presented in United States dollars, which is also the functional currency of the Company.

Use of Estimates and Judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been adopted for the period ended December 31, 2021 and have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

b) Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues using the effective interest method. Finance income is considered an operating activity for cash flow purposes.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized using the effective interest method. Finance costs are considered an operating activity for cash flow purposes.

c) Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

3. Summary of Significant Accounting Policies (Cont'd)

c) Taxes (Cont'd)

i) Current Income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if where the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

iii) Deferred Tax Liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future;
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes;
- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

d) Loss Per Share

Basic Loss Per Share is calculated by dividing total loss from continuing operations attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of shares) is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted Loss Per Share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential shares. The effects of anti-dilutive potential shares are ignored in calculating diluted Loss Per Share. All options are considered anti-dilutive when the Company is in a loss position.

3. Summary of Significant Accounting Policies (Cont'd)

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

f) Mineral properties

The Company charges to operations all mineral property acquisition costs and exploration and evaluation costs incurred prior to the determination of economically recoverable reserve. These costs would also include periodic fees such as license and maintenance fees. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

g) Share-based compensation transactions

Shared-based compensation transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, such as share-based payments to employees, they are measured at fair

value of the share-based payment. Share-based payments to employees of the subsidiaries are recognized as cash settled share-based compensation transactions.

Equity-settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in "equity settled share-based payments reserve".

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options (if any) is reflected as additional dilution in the computation of loss per share.

3. Summary of Significant Accounting Policies (Cont'd)

h) Financial assets and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment is HST/GST receivable, which is measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due.

3. Summary of Significant Accounting Policies (Cont'd)

An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

h) Financial assets and liabilities (cont'd)

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 –inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The Company's financial instruments consist of the following:

Financial Instrument	Calcification
Cash	FVTPL
Advances to associate	Amortized cost
Trade and other payables	Amortized cost

i) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into US dollar dollars at the current exchange rate. Non-monetary assets and liabilities are translated at historical rates of exchange at the time of the acquisition of assets or obligations incurred. Revenues and expenses are translated at the rate of exchange in effect at the date of the transactions. Foreign exchange translation gains and losses are recorded in operations in the period in which they occur.

j) Investment in associates

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. Investments in associates are carried in the statement of financial position using the equity method.

3. Summary of Significant Accounting Policies (Cont'd)

The equity method is the basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the investor's pro-rata share of post-acquisition earnings and other comprehensive income of the investee. Funding advances to the investee increase the carrying value of the investment and profit distributions from the investment, if any, reduce the carrying value of the investment. Refer to Note 6 for details of investments where the Company exerts significant influence.

4. Critical Judgments and Accounting Estimates

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Valuation of share-based payments

Black-Scholes valuation model is used for the valuation of the share-based payments granted and the assumptions used for the valuation include volatility of the share price, risk free interest rate and the life of the warrant granted. These assumptions are highly subjective and materially affect the calculated fair value.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Significant accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements, are the valuation of common share purchase warrants and stock options using the Black-Scholes pricing model , measure of shares issued for non-cash consideration, determining related parties, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

4. Critical Judgments and Accounting Estimates (Cont'd)

Functional currency

The functional currency for the Company is the currency of the primary economic environment in which it operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its operations if there is a change in events and conditions which determined primary economic environment.

Recoverability of advances to associate

Management is required to estimate the recoverable amount of advances to associate by assessing whether or not there is reasonable assurance of the collection.

Impairment assessment of associate investment

Management's assessment as to whether there is any objective evidence that its net investment in the associate is impairment. Management must determine whether there has been a loss event that has an impact on the estimated future cash flows from the net investment that can be reliably estimated. Objective evidence that the net investment is impaired includes observable data that comes to the attention of the entity.

5. New Accounting Standards

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. Earlier adoption is permitted. The Company will adopt these amendments as of their effective date and is currently assessing the impacts on adoption.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e., a full-cost approach. Such costs include both the incremental costs of the contract (i.e., costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. Earlier adoption is permitted. The Company will adopt these amendments as of their effective date and is currently assessing the impacts on adoption.

6. Investment in Associate

On October 30, 2020, the Company entered into an agreement with ISLV Partners, LLC ("ISLV") to form a special purpose vehicle, Butte Blackjack Operating, LLC, ("Butte Operating") to hold the interests in the Butte properties, located in Butte, Montana. The Company paid US$2 million on October 30, 2020 to acquire a 25% interest in Butte Operating. To maintain its 25% interest, the Company was required to ISLV an additional US$2 million by December 15, 2021, failing which its interest would have been reduced to 12.5%. On December 14, 2021, the Company paid another instalment of US$2million per the agreement, and thus the Company held a 25% interest in Butte Operating as at December 31, 2021.

During Phase 1 of the agreement, by making certain expenditures totaling US$5 million by November 14, 2022, the Company's interest in Butte Operating increases to 50%.

Expressed in United States dollars unless otherwise indicated

6. Investment in Associate (Cont'd)

During Phase 2 of the agreement, by spending an additional US$5.8 million on certain activities by June 14, 2024, the ownership interest increases to 75%. At any time on or after the commencement of Phase 2, ISLV has a put option, where it can force the Company to acquire the remaining 25% interest at 85% of fair market value which is to be calculated at that time.

As at December 31, 2021 the Company had advanced $2,354,023 (December 31, 2020, $44,590 to Butte Operating. These advances are treated as related party advances and are non-interest bearing.

The following is a summary of the financial information of Butte Operating on a 100% basis as at the specified date and for the period then ended, as disclosed in the table below, which is the most recent available information. The information is pursuant to Butte Operating's management prepared (unaudited) financial statements for the year ended December 31, 2021 and period ended December 31, 2020.

As at	**December 31, 2021** **$**	**December 31, 2020** **$**
Total current assets	**136,534**	**27,991**
Total current liabilities	**100,278**	**45,838**
Net Loss	**1,951,994**	**(17,848)**
Proportionate share of net loss	**487,998**	**(3,326)**

7. Share Capital

Authorized

Unlimited number of common shares

Common Shares Issued:

	Number of Shares	**Amount**
Balance, August 31, 2020, date of incorporation	1,000	**$ ---**
Issued on project acquisition	15,000,000	1,740,000
Issued on private placements	21,667,600	5,409,692
Share issue costs	---	(239,875)
Value of warrants and compensation options issued	---	(2,360,804)
Balance, December 31, 2020	**36,668,600**	**$ 4,549,013**
Issued on private placements	14,601,916	3,650,479
Share issue costs	---	(348,302)
Value of warrants and compensation options issued	---	(1,381,042)
Balance, December 31, 2021	**51,270,516**	**$ 6,470,148**

On August 31, 2020, the Company was incorporated, and 1,000 shares were issued for a nominal value of $0.10.

On September 10, 2020, the Company issued 15,000,000 common shares to various shareholders as founders for finding and securing the Butte project in Montana. These shares were valued at $0.116 per common share and recorded as $1,740,000 in acquisition payments.

On September 28, 2020, the Company closed a private placement with its Chairman and CEO totaling $22,793 (C$30,000) who subscribed for 120,000 units at a price of CDN$0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of CDN$0.25 per share for a period of three years.

7. Share Capital (Cont'd)

These warrants were assigned a value of $8,681 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.27%; expected life of 3 years; expected volatility 100%; and estimated share price $0.25.

On October 26, 2020, the Company closed a private placement with its Chairman and CEO subscribed for 8,000,000 units at a price of $0.25 per unit for gross proceeds of $2,000,000. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of $0.25 per share for a period of three years. These warrants were assigned a value of $761,411 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.21%; expected life of 3 years; expected volatility 100%; and estimated share price $0.25.

On December 4, 2020, the Company closed a non-brokered private placement totaling $768,100 by issuing 3,072,400 units priced at $0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of $0.50 per share for a period of five years. These warrants were assigned a value of $299,881 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.43%; expected life of 5 years; expected volatility 100%; and estimated share price $0.25.

On December 14, 2020, the Company closed a non-brokered private placement totaling $1,873,250 by issuing 7,493,000 units priced at $0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of US$0.50 per share for a period of five years. These warrants were assigned a value of $ 731,353 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.43%; expected life of 5 years; expected volatility 100%; and estimated share price $0.25. The Company also granted finder warrants valued at $70,716 with the private placement.

On December 30, 2020, the Company closed a non-brokered private placement totaling $745,550 by issuing 2,982,200 units priced at $0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of $0.50 per share for a period of five years. These warrants were assigned a value of $291,077 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.43%; expected life of 5 years; expected volatility 100%; and estimated share price $0.25. The Company also granted finder warrants valued at $21,987 with the private placement.

In relation to these non-brokered financings closed in December 2020, the Company accrued $239,875 in share issue costs and issued 949,712 compensation share options. The value of the compensation options of $175,703 were estimated on the date of the grant using the Black-Scholes option-pricing model. Each compensation option is exercisable at $0.25 per option to acquire one unit, with each unit comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of $0.25 per share for a period of five years.

On January 29, 2021, the Company completed a private placement offering for gross proceeds of $1,506,750. The Company issued 6,027,000 units at a price of $0.25 per unit. The unit comprised of a common share and warrant. The warrant has an exercise price of $0.50 per warrant for a period of five years. These warrants were assigned a value of $546,657 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.43%; expected life of 5 years; expected volatility 100%; and estimated share price $0.25. The Company also granted finder warrants valued at $42,499 with the private placement.

Expressed in United States dollars unless otherwise indicated

7. Share Capital (Cont'd)

On February 24, 2021, the Company completed a private placement offering for gross proceeds of $1,158,500. The Company issued 4,634,000 units at a price of $0.25 per unit. The unit comprised of a common share and warrant. The warrant has an exercise price of $0.50 per warrant for a period of five years. These warrants were assigned a value of $422,218 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.73%; expected life of 5 years; expected volatility 100%; and estimated share price $0.25. The Company also granted finder warrants valued at $10,963 with the private placement.

On March 24, 2021, the Company completed a private placement offering for gross proceeds of $527,000. The Company issued 2,108,000 units at a price of $0.25 per unit. The unit comprised of a common share and warrant. The warrant has an exercise price of $0.50 per warrant for a period of five years. These warrants were assigned a value of $192,581 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.92%; expected life of 5 years; expected volatility 100%; and estimated share price $0.25. The Company also granted finder warrants valued at $7,309 with the private placement.

On March 29, 2021, the Company completed a private placement offering for gross proceeds of $278,229. The Company issued 1,112,916 units at a price of $0.25 per unit. The unit comprised of a common share and warrant. The warrant has an exercise price of $0.50 per warrant for a period of five years. These warrants were assigned a value of $101,744 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 0.97%; expected life of 5 years; expected volatility 100%; and estimated share price $0.25. The Company also granted finder warrants valued at $20,924 with the private placement.

On August 3, 2021, the Company completed a private placement offering for gross proceeds of $180,000 by issuing 720,000 units at a price of $0.25 per unit. The unit comprised of a common share and warrant. The warrant has an exercise price of $0.50 per warrant for a period of five years. These warrants were assigned a value of $65,620 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follow: risk free rate of 0.75%; expected life of 5 years; expected volatility 100%; and estimated share price $0.1593.

In relation to these non-brokered financings closed in 2021, the Company incurred $348,302 in share issue costs and issued 576,080 compensation share options. The value of the compensation options of $58,317 were estimated on the date of the grant using the Black-Scholes option-pricing model. Each compensation option is exercisable at $0.25 per option to acquire one unit, with each unit comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of $0.25 per share for a period of five years.

8. Warrants

A summary of the status of the Company's outstanding warrants at December 31, 2021 and changes from August 31, 2020 (date of incorporation) to December 31, 2021 are as follows:

	Number	Weighted average exercise price
Balance, August 31, 2020	**---**	**$** NIL
Granted	23,567,024	0.38
Balance, December 31, 2020	**23,567,024**	**$ 0.38**
Granted	16,075,748	0.50
Balance, December 31, 2021	**39,642,772**	**$ 0.44**

Expressed in United States dollars unless otherwise indicated

8. Warrants (cont'd)

At December 31, 2021, there were 39,642,772 warrants outstanding, with each warrant entitling the holder to acquire one common share of the Company at the prices noted below:

Number	Exercise Currency	Exercise Price	Remaining Contractual Life In Years	Expiry Date
120,000	CDN$	$0.25	1.70	September 10, 2023
8,000,000	US$	$0.25	1.82	October 26, 2023
3,072,400	US$	$0.50	3.93	December 4, 2025
7,493,000	US$	$0.50	3.96	December 16, 2025
724,512	US$	$0.50	3.96	December 16, 2025
724,512	US$	$0.25	3.96	December 16, 2025 (1)
2,982,200	US$	$0.50	4.00	December 30, 2025
225,200	US$	$0.50	4.00	December 30, 2025
225,200	US$	$0.25	4.00	December 30, 2025 (1)
6,027,000	US$	$0.50	4.08	January 29, 2026
468,560	US$	$0.25	4.08	January 29, 2026 (2)
468,560	US$	$0.50	4.08	January 29, 2026
4,634,000	US$	$0.50	4.15	February 24, 2026
107,520	US$	$0.25	4.15	February 24, 2026 (2)
107,520	US$	$0.50	4.15	February 24, 2026
12,800	US$	$0.50	4.15	February 24, 2026
2,108,000	US$	$0.50	4.23	March 24, 2026
80,000	US$	$0.50	4.23	March 24, 2026
1,112,916,	US$	$0.50	4.24	March 24, 2026
228,872	US$	$0.50	4.24	March 24, 2026
720,000	US$	$0.50	4.59	August 3, 2026
39,642,772	US$	**0.40**	**3.60**	

(1) These compensation options entitle the holder to acquire a unit at a price of $0.25 per unit. Each unit is comprised of one common share and one warrant which can be exercised to acquire one additional common share at a price of $0.50 for a period of 60 months.

(2) These compensation options entitle the holder to acquire a unit at a price of $0.25 per unit. Each unit is comprised of one common share and one warrant which can be exercised to acquire one additional common share at a price of $0.50 for a period of 60 months.

9. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital. The Company is not subject to externally imposed capital requirements.

10. Financial Instruments and Risk Management

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Categories of Financial Instruments

Financial Assets

	Level 1	**Level 2**	**Level 3**	**Total**
Cash	$ 1,383,471	-	-	$1,383,471

The fair values of all the Company's financial instruments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer is unable to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company's primary credit risk is in connect with the advances to associate.

Expressed in United States dollars unless otherwise indicated

10. Financial Instruments and Risk Management (Cont'd)

Foreign exchange risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the United States dollar, the Company's functional and presentation currency. The Company's financial instruments denominated in currencies that are not the United States dollar as at December 31, 2021 are as follows:

Cost	Canadian Dollar $	US dollar Equivalent
Cash	15,676	12,365
Accounts payable and accrued liabilities	32,701	25,794

As at December 31, 2021, Canadian dollar amounts have been translated at a rate of CDN$1.2678 per US dollar (December 31, 2020 - at a rate of CDN$1.2732 per US dollar). The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would have resulted in an approximate $633 decrease or increase in the Company's loss and comprehensive loss.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company's industry is very capital intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers.

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates and commodity and equity prices will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metal prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

11. Related Party Transactions

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Included in 2021 consulting fees/salary and wages on the statement of operations is $71,820 paid to the Company's Chairman (2020 - Nil), $103,740 paid to the Company's CEO (2020 - $3,727) and $35,910 paid to the Company's CFO (2020 - $3,727)

Expressed in United States dollars unless otherwise indicated

11. Related Party Transactions (Cont'd)

At December 31, 2021, the Company's Chairman was owed expenses totaling $8,216, which amount was included in accounts payable.

On September 10, 2020, the Company issued 15,000,000 common shares to various shareholders as founders for finding and securing the Butte project in Montana. These shares were valued at $0.116 per common share and recorded as $1,740,000 in share capital.

On September 10, 2020, the Company closed a private placement with its Chairman and CEO who subscribed for 120,000 units at a price of CDN$0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of CDN$0.25 per share for a period of three years.

On October 26, 2020, the Company closed a private placement with its Chairman and CEO who subscribed for 8,000,000 units at a price of $0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of $0.25 per share for a period of three years.

12. Loss Per Share

The calculation of basic loss per share for the year ended December 31, 2021 was based on total loss attributable to common shareholders of $1,097,481 and a weighted average number of common shares outstanding of 48,938,114 (period ended December 31, 2020 was based on total loss attributable to common shareholders of $1,921,893 and a weighted average number of common shares outstanding of 13,564,705).

Diluted loss per share equals basic loss per share as all outstanding compensation options and warrants were anti-dilutive for all periods presented.

13. Income Taxes

a) Provision for income tax

The following table reconciles the amount of reported income taxes in the statement of comprehensive loss with income taxes calculated at statutory income tax rates of 26.50%. The statutory income tax rate is the combined Canadian rates applicable in the jurisdictions in which the Company does business. The tax rate for deferred income taxes is 26.5%.

	Year ended December 31, 2021	**For the period from incorporation (August 31, 2020) to December 31, 2020**
Loss before income taxes	**(1,097,481)**	(1,921,893)
Expected Income tax recovery based on statuary rate	**(290,832)**	(509,302)
Adjustments to expected income tax benefit:		
Share issue costs charged directly to equity	**(89,644)**	(63,567)
Benefit of tax loses not recognized	**534,646**	573,122
Other differences	**(154,170)**	(254)
Deferred income tax recovery	**---**	---

Expressed in United States dollars unless otherwise indicated

13. Income Taxes (Cont'd)

b) Deferred income taxes

The primary differences that give rise to the deferred income tax balances are as follows:

	Year ended December 31, 2021	For the period from incorporation (August 31, 2020 to December 31, 2020
Non-capital loss carry-forwards	**229,385**	59,986
Exploration & evaluation expenditures	**618,566**	461,100
Share issue costs and other	**259,815**	52,036
	1,107,766	573,122
Less: valuation allowance	**(1,107,766)**	(573,122)
Total unrecognized deferred tax assets	**---**	---

At December 31, 2021, the Company had recorded a 100% valuation allowance against its deferred income balances due to the uncertainty surrounding their realization.

c) Tax loss carry forward balances

At December 31, 2021, the Company has non-capital losses, available to offset future taxable income for income tax purposes, of $865,605, which expire between 2040 and 2041.

14. Subsequent Events

In January 2022, the Company completed the first tranche of a private placement offering for gross proceeds of US$1,386,000. The Company issued 2,772,000 units at a price of US$0.50 per unit. Each unit is comprised of one common share and one warrant entitling the holder to acquire one additional common share of the Company at a price of US$0.75 per share for 24 months from closing.

In February 2022, the Company closed the second tranche of a private placement offering for gross proceeds of US$750,000. The Company issued 1,500,000 units at a price of US$0.50 per unit. Each unit is comprised of one common share and one warrant entitling the holder to acquire one additional common share of the Company at a price of US$0.75 per share for 24 months from closing.

On February 7, 2022, the Company extended the term of warrants issued on September 28, 2020 and October 26, 2020 from 36 months from the date of issuance to 60 months from the date of the go public event.

On March 7, 2022, the Company issued 5,200,000 incentive stock options and 5,200,000 restricted share units ("RSUs") to officers, directors, consultants, and employees of Blackjack. The incentive stock options vested immediately have a 5-year term and an exercise price of US$0.25.

Of the 5,200,000 RSUs issued, 4,600,000 RSUs vested immediately, and 600,000 RSUs will vest on March 7, 2025, expiring on December 31, 2025. On March 10, 2022, certain holders exercised 4,600,000 RSUs.

On March 15, 2022, the Company closed an additional tranche of a private placement offering for gross proceeds of US$800,000. The Company issued 1,600,000 units at a price of US$0.50 per unit. Each unit is comprised of one common share and one warrant entitling the holder to acquire one additional common share of the Company at a price of US$0.75 per share for 24 months from closing.

14. Subsequent Events (Cont'd)

On July 27, 2022, the Company issued 150,000 incentive stock options to a consultant and an employee of Blackjack. The incentive stock options vested immediately, have a 5-year term and an exercise price of US$0.25.