WARRIOR GOLD

EXPERIENCE • EXPLORATION • RESULTS

Audited Consolidated Financial Statements

For the Years Ended March 31, 2022 and 2021

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Independent Auditor's Report

To the Shareholders of Warrior Gold Inc.

Opinion

We have audited the consolidated financial statements of Warrior Gold Inc. (the "Group"), which comprise the consolidated statements of financial position as at March 31, 2022 and March 31, 2021 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Keith L. Gagnon.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada Canada
July 25, 2022

WARRIOR GOLD INC.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	Note	March 31 2022 $	March 31 2021 $
ASSETS			
Current assets			
Cash		251,707	409,534
Receivables		16,838	107,302
Prepaid expenses and deposits		366,936	15,229
Total current assets		635,481	532,065
Non-current assets			
Exploration and evaluation assets	8	5,254,260	5,132,261
Right-of-use asset	6	8,117	15,074
Total non-current assets		5,262,377	5,147,335
Total assets		5,897,858	5,679,400
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	166,677	245,107
Flow-through share premium liabilities	5	197,373	85,362
Lease liability – short term	6	13,138	11,690
Loan payable		2,414	-
Total current liabilities		379,602	342,159
Non-current			
Lease liability – long term	6	2,243	15,484
Total non-current liabilities		2,243	15,484
Total liabilities		381,345	357,643
EQUITY			
Share capital	9	48,814,085	47,394,755
Reserves	9,10	4,891,971	4,648,108
Deficit		(48,190,043)	(46,721,106)
Total equity		5,516,013	5,321,757
Total liabilities and equity		5,897,858	5,679,400

Corporate information and going concern (Note 1)
Subsequent events (Note 18)

The annual consolidated financial statements of the Company for the year ended March 31, 2022 were approved and authorized for issuance by the board of directors on July 25, 2022.

Approved on behalf of the board of directors:

"Steve Burleton"	*"Peter Winnell"*
Steve Burleton, Director	Peter Winnell, Director

See accompanying notes.

WARRIOR GOLD INC.
Consolidated Statements of Comprehensive Loss
Expressed in Canadian Dollars

Year ended March 31	Note	2022 $	2021 $
Operating expenses			
Consulting fees		30,000	39,580
Depreciation	6	6,957	14,988
Exploration costs	8,9	851,555	1,180,092
Insurance		13,394	13,310
Investor relations		82,033	93,416
Management fees and salaries	12	232,522	235,400
Office and miscellaneous		51,090	47,176
Professional fees		50,975	46,596
Share-based compensation	10,12	239,463	18,400
Transfer agent and filing fees		34,131	47,567
Travel		58,036	17,703
Loss before other income (expenses)		(1,650,156)	(1,754,228)
Other income (expenses)			
Foreign exchange gain (loss)		518	(1,900)
Interest expense		(3,659)	(3,852)
Other income	5	181,739	303,542
Recovery of claim deposits		2,621	11,000
		181,219	308,790
Loss and total comprehensive loss for the year		(1,468,937)	(1,445,438)
Basic and diluted loss per common share		(0.01)	(0.02)
Weighted average number of common shares outstanding, basic and diluted		101,691,381	78,038,322

See accompanying notes.

WARRIOR GOLD INC.
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

Year ended March 31	2022 $	2021 $
Operating activities		
Loss for the year	(1,468,937)	(1,445,438)
Adjustments for		
Share-based compensation	239,463	18,400
Depreciation	6,957	14,988
Foreign exchange	-	616
Interest expense on lease payments	2,567	3,849
Other income	(181,739)	(303,542)
Changes in non-cash operating working capital		
Receivables	90,464	67,596
Prepaid expenses and deposits	(338,913)	(296)
Accounts payable and accrued liabilities	(78,430)	72,195
Cash used in operating activities	(1,728,568)	(1,571,632)
Financing activities		
Shares issued in private placements	1,646,250	2,146,633
Share issue costs	(25,020)	(79,263)
Loan repayment	(10,380)	-
Lease payments	(14,360)	(13,991)
Cash provided by financing activities	1,596,490	2,053,379
Investing activities		
Acquisition of resource properties	(25,749)	(141,975)
Cash used in investing activities	(25,749)	(141,975)
Foreign exchange effect on cash	-	(616)
Increase (decrease) in cash	(157,827)	339,156
Cash, beginning of year	409,534	70,378
Cash, end of year	251,707	409,534

Supplemental Cash Flow Information

Non-cash investing activities		
Shares issued on acquisition of exploration and evaluation assets	$ 96,250	$ -
Fair value of broker warrants	$ 4,400	$ -

See accompanying notes.

WARRIOR GOLD INC.
Consolidated Statements of Changes in Equity
Expressed in Canadian Dollars

	Common shares $	Reserves $	Deficit $	Total equity $
Balance March 31, 2020	45,737,880	4,600,708	(45,275,668)	5,062,920
Shares issued in private placements	2,146,633	-	-	2,146,633
Share issuance costs	(79,263)	-	-	(79,263)
Fair value of broker warrants	(29,000)	29,000	-	-
Flow-through premium	(381,495)	-	-	(381,495)
Share-based compensation	-	18,400	-	18,400
Loss for the year	-	-	(1,445,438)	(1,445,438)
Balance March 31, 2021	47,394,755	4,648,108	(46,721,106)	5,321,757
Private placements	1,646,250	-	-	1,646,250
Share issuance costs	(25,020)	-	-	(25,020)
Fair value of broker warrants	(4,400)	4,400	-	-
Flow-through premium	(293,750)	-	-	(293,750)
Shares issued on acquisition of exploration and evaluation assets	96,250	-	-	96,250
Share-based compensation	-	239,463	-	239,463
Loss for the year	-	-	(1,468,937)	(1,468,937)
Balance March 31, 2022	48,814,085	4,891,971	(48,190,043)	5,516,013

See accompanying notes.

1. Corporate information and going concern

Warrior Gold Inc., (the "Company" or "Warrior Gold") was incorporated under the laws of British Columbia on March 6, 1984. The Company is engaged in the acquisition, exploration and, if warranted, development of mineral resource properties. The Company is listed on the TSX Venture Exchange (the "TSX-V") under the symbol "WAR", as a Tier 2 mining issuer. The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, Toronto, Ontario, Canada, M5C 3A1.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. The Company incurred a loss of $1,468,937 during the year ended March 31, 2022 (March 31, 2021 – $1,445,438) and, as of that date the Company's deficit was $48,190,043 (March 31, 2021 - $46,721,106). The Company had cash of $251,707 at March 31, 2022 (March 31, 2021 - $409,534). As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and pursue the acquisition and exploration of mineral resource properties. Although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared the outbreak of the novel coronavirus, COVID-19, a global pandemic which impacted the global economy due to restrictions on travel and mobility being imposed by numerous countries. The COVID-19 mandates have not had a significant impact on the Company's operations; however, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

2. Basis of Presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Standards Interpretations Committee ("IFRIC").

2. Basis of Presentation (continued)

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. These consolidated financial statements are presented in Canadian dollars.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 7.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

a) *Principles of consolidation*

These consolidated financial statements include the accounts of Warrior Gold Inc. and its controlled subsidiaries. Control is achieved when the Company has the power to govern the financial and operating policies of an investee, so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group until the date on which control ceases.

These consolidated financial statements include the accounts of the following wholly-owned subsidiaries:

	Incorporation	Percentage of Ownership	
		2022	2021
Champagne Resources Limited ("Champagne")	Canada	100%	100%
RD Minerals S.A. de C.V. (owned by Champagne)	Mexico	100%	100%

All significant intercompany transactions have been eliminated.

b) *Foreign currency transactions*

The Company's presentation currency is the Canadian dollar. The functional currency for the Company and its subsidiary Champagne, being the currency of the primary economic environment in which the companies operate, is the Canadian dollar. The functional currency of RD Minerals S.A de C.V. is the Mexican Peso.

Foreign currency accounts are translated into the functional currency as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the functional currency by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income/loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into the functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into the functional currency by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income/loss or other comprehensive income/loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

3. Summary of Significant Accounting Policies (continued)

b) *Foreign currency transactions (continued)*

Parent and Subsidiary Companies

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at monthly average exchange rates during the year.

Exchange differences arising on translation of foreign operations are transferred directly to exchange difference on translating foreign operations on the statement of comprehensive loss and are reported as a separate component of equity titled “Cumulative Translation Differences”. These differences are recognized in profit or loss in the year in which the operation is disposed of.

c) *Mineral exploration and evaluation expenditures*

Exploration and evaluation expenditures

Exploration and evaluation costs include the costs associated with exploration and evaluation activity (e.g. geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset purchase. The Company follows the practice of capitalizing all costs related to the acquisition of mineral claims, expensing all costs related to the exploration and evaluation of mineral claims, and crediting all revenue received against the acquisition cost of the claims, with any excess included in profit or loss.

The Company may occasionally enter into farm-out arrangements whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment at least annually and when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploration, or alternatively, sale of the respective areas of interest.

3. Summary of Significant Accounting Policies (continued)

d) *Financial instruments*

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

- Financial assets at FVTPL

  Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

- Financial assets at FVTOCI

  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. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

- Financial assets at amortized cost

  Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

- Impairment of financial assets at amortized cost

  The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

  Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

3. Summary of Significant Accounting Policies (continued)

d) *Financial instruments (continued)*

- Derecognition of financial assets

  Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized costs are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities

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

e) *Provisions*

Decommissioning provision

The Company is subject to various government laws or regulations relating to environmental disturbances caused by exploration and evaluation activities. If applicable or warranted, the Company records the present value of the estimated costs of legal or constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

f) *Income taxes*

Income tax expense comprises current and deferred tax. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

3. Summary of Significant Accounting Policies (continued)

f) *Income taxes (continued)*

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

g) *Share capital*

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, options, and share warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Warrants that are part of units are valued using a residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share and any residual amount is assigned to the warrant.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in reserves.

h) *Flow-through shares*

The proceeds from the offering of flow-through shares are allocated between the shares and the sale of tax benefits when the shares are offered. The allocation is made based on the difference between the market value of the shares and the amount the investors pay for the flow-through shares. A liability is recognized for the premium when the shares are issued, and is extinguished when the tax effect of the temporary differences, resulting from the renunciation of the tax deduction to the flow-through shareholders, is recorded - with the difference between the liability and the value of the tax assets renounced being recorded as a deferred tax expense. The tax effect of the renunciation is recorded at the time the Company makes the renunciation to its subscribers – which may differ from the effective date of renunciation. If the flow-through shares are not issued at a premium, a liability is not established, and on renunciation the full value of the tax assets renounced is recorded as a deferred tax expense.

i) *Loss per share*

Basic loss per share is computed by dividing the loss to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per common share is computed by dividing the loss to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Stock options and warrants are not included in the computation of loss per share for the years ended March 31, 2022 and 2021 as such inclusion would be anti-dilutive.

At March 31, 2022, the Company had stock options and warrants outstanding that could result in the issuance of up to 22,867,635 additional common shares (2021 – 19,992,387).

3. Summary of Significant Accounting Policies (continued)

j) *Share-based payments*

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance-vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. If the options expire unexercised, there is no adjustment made to the share-based payment reserve. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3. Summary of Significant Accounting Policies (continued)

k) *Leases*

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- estimated restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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

4. Adoption of New Accounting Pronouncements and Recent Developments

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

The Company is not aware of any other new or upcoming accounting pronouncements anticipated to have a material impact on the consolidated financial statements.

Expressed in Canadian Dollars

5. Flow-through share premium liabilities

	March 31, 2022 $	March 31, 2021 $
Balance, beginning of year	85,362	7,409
Premium liabilities recognized on flow-through units issued	293,750	381,495
Settlement of flow-through unit premium liabilities	(181,739)	(303,542)
Balance, end of year	197,373	85,362

In December 2021, the Company closed a private placement with the issuance of 2,500,000 flow-through common shares for gross proceeds of $200,000. These flow-through and charity flow-through units were issued in a non-brokered private placement at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be $37,500. As of March 31, 2022, the Company is committed to incurring approximately $200,000 of qualifying expenditures by December 2023.

In September 2021, the Company issued 5,000,000 flow-through units and 6,250,000 charity flow-through units for gross proceeds of $1,156,250. These flow-through and charity flow-through units were issued in a non-brokered private placement at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be $256,250. The flow-through premium is derecognized through income as the qualifying expenditures are incurred. During the year ended March 31, 2022, the Company satisfied some of the commitment by incurring qualifying expenditures of $722,000. As of March 31, 2022, the Company is committed to incurring approximately $634,000 of qualifying expenditures by December 2023.

In December 2020, the Company issued 1,809,000 flow-through units and 3,106,001 charity flow-through units for gross proceeds of $605,330. These flow-through and charity flow-through units were issued in a non-brokered private placement at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be $156,495. The flow-through premium is derecognized through income as the qualifying expenditures are incurred. During the year ended March 31, 2022, the Company incurred qualifying expenditures of $308,263 (2021 – $297,067).

In June 2020, the Company issued 8,333,334 flow-through units for gross proceeds of $725,000. These flow-through shares issued in a non-brokered private placement were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be $225,000. The flow-through premium is derecognized through income as the qualifying expenditures are incurred. During the year ended March 31, 2021, the Company satisfied all of the commitment by incurring qualifying expenditures of $725,000.

Expressed in Canadian Dollars

6. Right-of-use assets & lease liability

As at March 31, 2022, the Company had one operating lease for office premises. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The weighted average incremental borrowing rate applied to the lease liability in the year ended March 31, 2022 was 9.9% per annum. The lease term remaining as at March 31, 2022 is approximately 1.17 years.

Right-of-use assets

The following is the continuity of the cost and accumulated depreciation of right-of-use assets (office premises) as at and for the year ended March 31, 2022 and 2021:

Cost	$
Balance, March 31, 2020, 2021, 2022	45,092
Accumulated depreciation	
Balance, March 31, 2020	15,030
Depreciation	14,988
Balance, March 31, 2021	30,018
Depreciation	6,957
Balance, March 31, 2022	36,975
Carrying amount as at March 31, 2022	8,117
Carrying amount as at March 31, 2021	15,074

Expressed in Canadian Dollars

6. Right of use assets & lease liability (continued)

Lease liability

The following is the continuity of lease liability as at and for the year ended March 31, 2022 and 2021:

Cost	$
Balance March 31, 2020	37,316
Lease payments	(13,991)
Interest expense on lease payments	3,849
Balance, March 31, 2021	27,174
Lease payments	(14,360)
Interest expense on lease payments	2,567
Balance, March 31, 2022	15,381
Less: current portion	(13,138)
Lease liabilities – non current	2,243

7. Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Critical Judgments

Going concern of operations

Management has made the determination that the Company will continue as a going concern for the next year.

Evaluation and exploration expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is written off in the profit and loss in the period the new information becomes available.

7. Critical Accounting Estimates and Judgments (continued)

Critical Judgments (continued)

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

The Company did not have any significant estimates in applying accounting policies that would have significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year.

8. Exploration and Evaluation Assets

The Goodfish-Kirana Project

On February 9, 2018, the Company completed the amalgamation with Champagne, through a "three-cornered amalgamation" whereby Champagne merged with Andromeda Resources Inc. and became a subsidiary of War. In that amalgamation, the Company acquired the Goodfish property. The property is wholly owned by the Company subject to various net smelter royalty ("NSR") arrangements.

During the year ended March 31, 2019, the Company acquired eight additional patented claims contiguous to the Goodfish-Kirana property for $161,728. There is a 1.5% NSR on the claims, 1% of which can be purchased by the Company for $1,000,000.

During the year ended March 31, 2019, the Company acquired a 24-claim package (the "Sutton claims") (304.04 hectares) adjacent to the northeast portion of the Company's Goodfish-Kirana property, together with three contiguous new claims (50.64 hectares) staked by the Company. The claims were acquired in exchange for a 1.5% NSR. The Company has the right to buy-back 1% of the NSR for $1,000,000.

In April 2020, the Company acquired an additional 16 contiguous claims (263 hectares) transferred from Danièle Spethmann, the Company's chief executive officer ("CEO"), for acquisition costs of $800 (map staking costs of $50/claim).

In September 2020, the Company acquired a private property on Airport Road within the Goodfish-Kirana property boundary and on the Goodfish patented claims. The property is four acres and includes installed hydro, a portable schoolroom building, a shipping container and the infrastructure for a septic system. The costs were $65,000 payable in cash, of which, $35,000 was paid at the time of acquisition and the balance of $30,000 was paid in December 2020. The Company also incurred $6,131 in legal costs relating to the acquisition.

The Arnold Property

In July 2021, the Company acquired the Arnold Claims, comprised of 25 operational cells (538 hectares) (the "Arnold Property"). As consideration for the purchase, the Company issued 350,000 common shares of Warrior Gold, with the Vendor holding a 1.5% NSR and the Company having the right to purchase 1% for $1,000,000.

Expressed in Canadian Dollars

8. Exploration and Evaluation Assets (continued)

The KL West and KL Central Land Packages

In August 2021, the Company entered into an option agreement with an arm's length party to acquire a 100% interest in the KL West ("KLW") and KL Central ("KLC") land packages. The KLW land package comprises 107 mining claims (11,792 hectares) and the KLC land package comprises eight mining claims (2,302 hectares) for an aggregate of 115 claims (14,094 hectares). Under the terms of the option agreement, the Company paid $10,000 in cash and issued 1,000,000 common shares, and has agreed to pay cash of $15,000 on the first anniversary, $20,000 on the second anniversary, and $25,000 on the third anniversary. The option agreement is also subject to the issuance of 1,000,000 common shares upon the delivery of a Pre-Feasibility Study as defined in accordance with a National Instrument 43-101 technical report prepared by Warrior Gold and a 1.5% NSR. The Company has the right to purchase 1% of the NSR for $1,000,000.

In March 2022, the Company staked 29 new claims (approximately 588 ha) in Melba township. These claims are contiguous to the northern part of the KLW land package and are immediately west of the Barnet Creek Fault Zone, a prominent north-south-trending fault that is considered to be the structural control on nearby gold occurrences as documented in Ontario government archives.

The KLW land package is contiguous to and west of the Company's Goodfish-Kirana Project and the KLC land package is contiguous to the Company's Arnold Property.

As of March 31, 2022, Warrior Gold's land position was 480 claims and 29 patented claims, totaling 19,350 hectares**.**

	Goodfish-Kirana Project	Arnold Property	KLW and KLC Land Packages	Total
March 31, 2020	$ 4,990,286	$ -	$ -	$ 4,990,286
Airport Road property acquisition costs	71,131			71,131
Core shack and site construction costs	70,844			70,844
March 31, 2021	5,132,261	-	-	5,132,261
Core shack and site construction costs	13,999			13,999
Acquisition of Arnold property	-	28,000	-	28,000
Acquisition of KLW and KLC land packages	-	-	80,000	80,000
March 31, 2022	$ 5,146,260	$ 28,000	$ 80,000	5,254,260

Expressed in Canadian Dollars

8. Exploration and Evaluation Assets (continued)

The Company incurred exploration expenditures on Goodfish-Kirana property as follows:

	March 31, 2022 $	March 31, 2021 $
Assays	179,521	241,533
Camp costs	23,668	80,302
Geotechnical	83,239	61,199
Core sampling	26,978	49,050
Geology	107,789	164,003
Geophysics	3,142	-
Drilling	290,458	439,634
Government payments (refunds)	5,620	(3,848)
Logistics	25,120	11,544
Technical reports	77,885	91,608
Travel	19,401	33,882
Survey	-	6,158
Claims management	8,734	5,027
	851,555	1,180,092

9. Share Capital and Reserves

Authorized capital

Unlimited common shares, without par value.

Issued capital

	Number of Shares	Common Shares $
March 31, 2020	68,138,957	45,737,880
Shares issued in private placements	23,679,479	2,146,633
Flow-through premium	-	(381,495)
Share issuance costs	-	(79,263)
Share issuance costs – broker warrants	-	(29,000)
March 31, 2021	91,818,436	47,394,755
Shares issued in private placements	17,375,000	1,646,250
Flow-through premium	-	(293,750)
Share issuance costs	-	(25,020)
Share issuance costs – broker warrants	-	(4,400)
Shares issued for acquisition of exploration and evaluation assets	1,350,000	96,250
March 31, 2022	110,543,436	48,814,085

9. Share Capital and Reserves (continued)

Share Issuances

In December 2021, the Company closed a private placement with the issuance of 2,500,000 flow-through common shares for gross proceeds of $200,000.

In September 2021, the Company closed a private placement with the issuance of 14,875,000 common share units ("September 2021 Units") for gross proceeds of $1,446,250.

The 14,875,000 September 2021 Units were issued as to 3,625,000 common share units priced at $0.08 per unit, 5,000,000 flow-through units priced at $0.10 per unit and 6,250,000 charity flow-through units priced at $0.105 per unit. Each September 2021 Unit comprised one common share and one-half common share purchase warrant (each whole common share purchase warrant, a "September 2021 Warrant") of the Company. Each September 2021 Warrant entitles the holder, on exercise, to purchase one additional share of the Company (a "September 2021 Warrant Share"), at a price of $0.15 until March 7, 2023, subject to an accelerated expiry date. If at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX-V is greater than $0.20 for 20 or more consecutive trading days, the Company may give notice to the holders of September 2021 Warrants that the expiry date of the Warrants will be accelerated and the September 2021 Warrants will expire on the 30th business day following the date of such notice.

In connection with the September 2021 private placement, the Company paid finders' fees of $25,020 in cash and issued 295,500 broker warrants exercisable into common shares of the Company at $0.15 per share for a period of 18 months. The fair value assigned to the broker warrants was $4,400.

In August 2021, the Company issued 1,000,000 shares for the acquisition of the KLW and KLC land packages. The fair value of the shares was recorded as $70,000.

In July 2021, the Company issued 350,000 shares for the acquisition of the Arnold Property. The fair value of the shares was recorded as $26,250.

In December 2020, the Company closed a private placement with the issuance of 11,262,812 common share units ("December 2020 Units") for gross proceeds of $1,176,633.

The 11,262,812 December 2020 Units were issued as to 6,347,811 common share units priced at $0.09 per unit, 1,809,000 flow-through units priced at $0.12 per unit and 3,106,001 charity flow-through units priced at $0.125 per unit. Each December 2020 Unit comprised one common share and one-half common share purchase warrant (each whole common share purchase warrant, a "December 2020 Warrant") of the Company. Each December 2020 Warrant entitles the holder, to purchase one additional share of the Company (a "December 2020 Warrant Share"), at a price of $0.15 per December 2020 Warrant until June 22, 2022, subject to an accelerated expiry date. If at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX-V is greater than $0.20 for 20 or more consecutive trading days, the Company may give notice to the holders of December 2020 Warrants that the expiry date of the Warrants will be accelerated and the December 2020 Units will expire on the 30th business day following the date of such notice.

In connection with the December 2020 private placement, the Company paid $41,679 in cash and issued 458,228 broker warrants exercisable into common shares of the Company at $0.15 per share for a period of 18 months. The fair value assigned to the broker warrants was $16,000.

In July 2020, the Company closed a private placement with the issuance of 4,083,333 common share units ("July 2020 Units") for gross proceeds of $245,000.

9. Share Capital and Reserves (continued)

Share Issuances (continued)

Each July 2020 Unit was priced at $0.06 and comprised one common share and one-half common share purchase warrant (each whole warrant, a “July 2020 Warrant”) of the Company. Each July 2020 Warrant entitles the holder, to purchase one additional share of the Company (a “July 2020 Warrant Share”), at a price of $0.10 per Warrant Share until the close of business on the day which is 18 months from the closing date, subject to an accelerated expiry date. If at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX-V is greater than $0.20 for 20 or more consecutive trading days, the Company may give notice to the holders of July 2020 Warrants that the expiry date of the Warrants will be accelerated and the Warrants will expire on the 30th business day following the date of such notice.

In June 2020, the Company closed a flow-through private placement with the issuance of 8,333,334 flow through share units (“June 2020 FT Units”) for gross proceeds of $725,000.

Each June 2020 FT Unit was priced at $0.087 and comprised one flow-through common share and one-half common share purchase warrant (each whole common share purchase warrant, a “June 2020 Warrant”) of the Company. Each June 2020 Warrant entitles the holder, on exercise, to purchase one additional share of the Company (a “June 2020 Warrant Share”), at a price of $0.10 per Warrant Share until the close of business on the day which is 18 months from the closing date, subject to an accelerated expiry date. If at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX-V is greater than $0.20 for 20 or more consecutive trading days, the Company may give notice to the holders of June 2020 Warrants that the expiry date of the Warrants will be accelerated and the Warrants will expire on the 30th business day following the date of such notice.

In connection with the sale of the June 2020 FT Units, the Company paid $30,100 in cash and issued 501,664 broker warrants in accordance with the policies of the TSX-V. The fair value assigned to the broker warrants was $13,000.

Reserves

The reserves recorded in equity on the Company’s consolidated statement of financial position comprise the fair value of share-based compensation and warrants prior to exercise, which had also expired, and obligations to issue shares in accordance with debt settlement agreements.

10. Share-Based Compensation

In September 2021, the shareholders of the Company re-approved the Company’s incentive stock option plan (the “Stock Option Plan”) which provides that the aggregate number of common shares of the Company’s capital issuable pursuant to options granted may not exceed 10% of the issued and outstanding shares. If the aggregate number of options granted exceeds the maximum allowed under the Stock Option Plan, exercise of the options will require Warrior Gold shareholder approval. Options granted under the Plan may have a maximum term of ten years and the exercise price of options granted will not be less than the discounted market price of the common shares as of the award date. The board of directors has the authority to set the vesting terms of options granted, subject to the rules of the TSX-V regarding options granted for investor relations services.

The weighted average grant-date fair value of options awarded in the year ended March 31, 2022 was $0.05 (March 31, 2021 - $0.05). The Company employed the Black-Scholes option-pricing model using the following weighted average assumptions:

Expressed in Canadian Dollars

10. Share-Based Compensation (continued)

Year ended March 31	2022	2021
Share price	$0.07	$0.06
Exercise price	$0.07	$0.10
Annualized stock price volatility	99.92 - 109.60%	119.51%
Risk-free interest rate	1.26 - 2.46%	0.43%
Expected option life (years)	5 years	5 years
Dividend yield	0%	0%

The stock price volatility was determined using the historical fluctuations in the Company's share price.

A summary of stock option activity to March 31, 2022 is as follows:

	Number of options	Weighted average exercise price $
March 31, 2020	6,221,957	0.16
Granted	400,000	0.10
Expired	(218,702)	0.15
March 31, 2021	6,403,255	0.15
Expired	(3,128,255)	0.21
Granted	5,770,000	0.07
March 31, 2022	9,045,000	0.08

The Company's outstanding and exercisable stock options at March 31, 2022 were:

Expiry Date	Outstanding Options	Exercisable Options	Weighted Average Remaining Life (Yrs.)	Weighted Average Exercise Price $
December 16, 2024	2,875,000	2,875,000	2.71	0.10
May 6, 2025	400,000	400,000	3.10	0.10
September 23, 2026	5,320,000	3,546,667	4.48	0.07
March 28, 2027	450,000	250,000	4.99	0.07
	9,045,000	7,071,667	3.88	0.08

Expressed in Canadian Dollars

11. Warrants

The Company's outstanding warrants, at March 31, 2022, were:

	Number of Financing Warrants	Weighted Average Exercise Price $	Number of Broker Warrants	Weighted Average Exercise Price $
March 31, 2020	5,358,648	0.15	339,479	0.15
Issued	6,208,333	0.10	501,664	0.10
Issued	5,631,407	0.15	458,228	0.15
Expired	(4,533,239)	0.15	(339,479)	0.15
Expired	(35,909)	0.67	-	-
March 31, 2021	12,629,240	0.13	959,892	0.12
Issued	7,437,500	0.15	295,500	0.15
Expired	(6,997,833)	0.11	(501,664)	0.11
March 31, 2022	13,068,907	0.15	753,728	0.15

The Company's outstanding and exercisable warrants at March 31, 2022 were:

Number of Financing Warrants	Number of Broker Warrants	Exercise Price $	Expiry Date
5,631,407	458,228	0.15	June 22, 2022
7,437,500	295,500	0.15	March 7, 2023
13,068,907	753,728		

During the year ended March 31, 2022 and 2021, broker warrants were granted pursuant to the private placements. The warrants were valued at $4,400 (March 31, 2021 - $29,000). Subsequent to the year ended March 31, 2022, the 5,631,407 financing warrants and 458,228 broker warrants expired unexercised.

The Company employed Black-Scholes option-pricing model using the following weighted average assumptions:

Year Ended March 31	2022		2021	
Share price	$0.08		$ 0.08	
Exercise price	$0.15		$ 0.12	
Annualized stock price volatility	78.72	%	103.30	%
Risk-free interest rate	0.39	%	0.23	%
Expected warrant life (years)	1.50		1.50	
Dividend yield	0	%	0	%

The stock price volatility was determined using the historical fluctuations in the Company's share price.

Expressed in Canadian Dollars

12. Related-Party Transactions

The Company entered into transactions with related parties not disclosed elsewhere in these consolidated financial statements as follows:

Key management personnel compensation

Year ended March 31	2022 $	2021 $
Management and geological fees	232,522	247,400
Share-based compensation	143,234	13,800
	375,756	261,200

The short-term management compensation was paid or accrued to personnel and to personal companies owned by management and directors of the Company.

As at March 31, 2022, $58,892 (March 31, 2021 - $98,125) is due to related parties, which amount is included in accounts payable and accrued liabilities.

Related-party balances bear no interest and are unsecured. Transactions with related parties are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. Capital Management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

The Company considers its capital to include equity and working capital. In order to maintain financial flexibility, the Company may from time to time issue shares and adjust its spending to manage current and projected capital levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its working capital which is calculated as follows:

	March 31 2022 $	March 31 2021 $
Current assets	635,481	532,065
Current liabilities	379,602	342,159
Working capital	255,879	189,906

The Company is not subject to external capital restrictions other than incurring only qualified exploration expenditures for all flow-through financings. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes to the Company’s approach to capital management during the year ended March 31, 2022.

14. Financial Instruments

Fair Value

The Company's financial instruments include cash, accounts payable and accrued liabilities and lease liability. Fair value amounts disclosed in these consolidated financial statements represent the Company's estimate of the price at which a financial instrument could be exchanged in a market in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. These estimates may change in subsequent reporting periods due to market conditions or other factors.

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

Level 1 - include financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market at the measurement date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Cash is classified under this category.

Level 2 - include financial assets and liabilities using valuation techniques based on assumptions that are supported by prices from observable current market transactions. The Company has no assets or liabilities in this category.

Level 3 - include financial assets and liabilities measured using valuation techniques based on nonmarket observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The Company has no assets or liabilities in this category.

Classification of financial assets

Amortized cost:

Financial assets that meet the following conditions are measured subsequently at amortized cost:

(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method. Interest income is recognized in Investment (loss) income in profit or loss.

The Company's financial assets at amortized cost primarily include cash, and receivables in the Consolidated Statement of Financial Position.

The carrying value of cash, accounts payable and accrued liabilities and lease liability approximate their fair value due to the short-term nature and limited credit risk of these assets and liabilities.

14. Financial Instruments (continued)

Financial Instruments Risk Management

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, and the Company's objectives, policies and processes for measuring and managing such risks. The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

The Company’s profitability and long-term viability will depend, in large part, on the market price of base metals. The market prices for metals can be volatile and are affected by numerous factors beyond the Company’s control, including: global or regional consumption patterns; the supply of, and demand for, these metals; speculative activities; the availability and costs of metal substitutes; expectations for inflation; and political and economic conditions, including interest rates and currency values. The Company cannot predict the effect of these factors on metal prices.

The market price of these minerals and metals may not remain at current levels. In particular, an increase in worldwide supply and consequent downward pressure on prices may result over the longer term from increased base metal production from mines developed or expanded as a result of current metal price levels.

Foreign currency exchange rate risk

The Company’s exposure to foreign currency fluctuations is negligible from the cash on hand denominated in US dollars. There are no exchange rate contracts in place. A 10% change in the US dollar will have an immaterial effect on profit/loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it did not hold any funds in interest bearing accounts.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in paying obligations as they come due. The Company's financial liabilities consist of accounts payable and accrued liabilities. Accounts payable consists of invoices payable to trade suppliers for capital expenditures, field operating activities, and general corporate expenses. Substantially all of the Company’s financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

As at March 31, 2022, the Company has a working capital of $255,879.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables.

Expressed in Canadian Dollars

15. Income Tax

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

Year ended March 31	2022 $	2021 $
Loss before income taxes	(1,468,937)	(1,445,438)
Statutory Canadian corporate tax rate	27.00%	27.00%
Income tax expense (recovery) at statutory rates	(391,720)	(390,268)
Non-deductible items for tax purposes	(16,121)	(76,904)
Change in tax benefits not recognized	(375,599)	467,172
Income tax expense	-	-

The significant components of the Company's deferred income tax assets and liabilities are as follows:

As at March 31	2022 $	2021 $
Deferred income tax assets relating to:		
Exploration and evaluation assets	1,913,777	1,931,113
Net capital losses available	1,059,492	1,059,492
Non-capital losses available for future periods	3,039,275	3,337,980
Share issuance cost and other	184,236	170,259
	6,196,780	6,498,844
Unrecognized deferred tax assets	(6,196,780)	(6,498,844)
	-	-

The Company has not recognized deferred tax assets due to the uncertainty of future taxable income.

Expressed in Canadian Dollars

15. Income Tax (Continued)

At March 31, 2022, the Company has non-capital losses of approximately $11,310,000 (March 31, 2021 - $10,773,000) which may be available to offset future income for Canadian tax purposes. Non-capital losses expire as follows:

Expiry Date	$
2042	591,000
2041	683,000
2040	533,000
2039	365,000
2038	764,000
2037	229,000
2036	386,000
2035	510,000
2034	899,000
2033	648,000
2032	1,164,000
2031	719,000
2030	938,000
2029	1,508,000
2028	1,373,000
	11,310,000

In addition, the Company has available unclaimed resource expenses and net capital losses of approximately $17,230,000 (March 31, 2021 - $17,174,000) for Canadian tax purposes which may be carried forward indefinitely.

16. Segment Reporting

The Company's activities are all in one industry segment of mineral property acquisition and exploration. Substantially all administrative expenses are incurred in Canada.

17. Contingencies and Commitments

Compensation Agreements

The Company has a compensation agreement with the CEO for $15,000 per month, which is automatically renewable for successive one-year terms.

18. Subsequent Events

In July 2022, the Company closed a private placement with the issuance of 8,555,713 common share units ("July 2022 Units") for gross proceeds of $536,900 (the "July 2022 Private Placement").

The July 2022 Units were issued as to 3,100,000 common share units priced at $0.05 per unit and 5,455,713 flow-through units priced at $0.07 per unit. Each July 2022 Unit comprised one common share and one-half common share purchase warrant (each whole common share purchase warrant, a "July 2022 Warrant") of the Company. Each July 2022 Warrant entitles the holder, on exercise, to purchase one additional share of the Company (a "July 2022 Warrant Share"), at a price of $0.10 until July 12, 2023, subject to an accelerated expiry date. If at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX-V is greater than $0.20 for 20 or more consecutive trading days, the Company may give notice to the holders of the July 2022 Warrants that the expiry date of the warrants will be accelerated and the July 2022 Warrants will expire on the 30th business day following the date of such notice. All securities issued under the private placement were subject to a four month and one day "hold period" under applicable Canadian securities legislation.

In connection with the July 2022 Private Placement, the Company paid finders' fees of $23,800 in cash and issued 396,000 broker warrants exercisable into common shares of the Company at $0.05 per share for a period of 12 months.