WARRIOR GOLD

EXPERIENCE • EXPLORATION • RESULTS

Condensed Consolidated Interim Financial Statements (Unaudited)

For The Nine Months Ended December 31, 2021

Notice of No Auditor Review of
Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Warrior Gold Inc. for the nine months ended December 31, 2021 have been prepared by and are the responsibility of the Company's management ("Management") and have been approved by the Company's audit committee.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

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

	Note	December 31 2021 $	March 31 2021 $
ASSETS			
Current assets			
Cash		473,306	409,534
Receivables		76,832	107,302
Prepaid expenses and deposits	4	358,922	15,229
Total current assets		909,060	532,065
Non-current assets			
Exploration and evaluation assets	7	5,253,761	5,132,261
Right-of-use assets	6	3,801	15,074
Total non-current assets		5,257,562	5,147,335
Total assets		6,166,622	5,679,400
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	173,211	245,107
Flow-through unit premium liabilities	5	185,947	85,362
Lease liability – short term	6	6,893	11,690
Loan payable		5,960	-
Total current liabilities		372,011	342,159
Non-current			
Lease liability – long term	6	11,540	15,484
Total non-current liabilities		11,540	15,484
Total liabilities		383,551	357,643
EQUITY			
Share capital	8	48,849,485	47,394,755
Reserves	8,9,10	4,742,908	4,648,108
Deficit		(47,809,322)	(46,721,106)
Total equity		5,783,071	5,321,757
Total liabilities and equity		6,166,622	5,679,400

Corporate information and going concern (Note 1)

On behalf of the Board of Directors:

"Stephen Burleton"	*"Peter Winnell"*
Stephen Burleton, Director	Peter Winnell, Director

See accompanying notes.

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

	Note	Three Months Ended December 31		Nine months Ended December 31	
		2021	2020	2021	2020
		$	$	$	$
Operating expenses					
Consulting fees		7,500	17,080	22,500	32,080
Depreciation	6	3,758	3,747	11,273	11,241
Exploration costs	7	538,496	117,745	715,248	660,693
Insurance		3,243	2,812	9,938	10,559
Investor relations		25,275	21,212	64,471	70,506
Management fees	11	57,000	61,000	172,012	175,000
Office and miscellaneous		22,924	16,246	36,549	38,756
Professional fees		18,600	19,058	44,283	33,721
Share-based compensation		-	-	90,400	18,400
Transfer agent and filing fees		24,205	12,135	33,714	26,831
Travel		29,386	100	41,011	3,859
Loss before other income (expenses)		(730,387)	(271,135)	(1,241,399)	(1,081,646)
Other income (expense)					
Foreign exchange gain (loss)		(4)	4,057	528	(1,072)
Interest expense	6	(1,556)	(927)	(3,010)	(3,000)
Other income	5	155,665	-	155,665	-
Recovery of claim deposits		-	-	-	11,000
		154,105	3,130	153,183	6,928
Loss and total comprehensive Loss for the period		(576,282)	(268,005)	(1,088,216)	(1,074,718)
Basic and diluted loss and comprehensive loss per common share		(0.01)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding, basic and diluted		108,233,653	81,412,576	97,582,975	75,922,037

See accompanying notes.

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

Nine months ended December 31	2021 $	2020 $
Operating activities		
Loss for the period	(1,088,216)	(1,074,718)
Adjustments for		
Foreign exchange	-	616
Depreciation	11,273	11,241
Share-based compensation	90,400	18,400
Interest expense on lease payments	2,054	3,000
Other income	(155,665)	-
Changes in non-cash operating working capital		
Accounts receivable	30,470	81,130
Prepaid expenses	(343,693)	5,870
Accounts payable and accrued liabilities	(71,896)	42,409
Cash used in operating activities	(1,525,273)	(912,052)
Financing activities		
Shares issued in private placements	1,646,250	2,146,633
Share issue costs	(27,120)	(75,469)
Loan advance	12,794	-
Loan repayments	(6,834)	-
Lease payments	(10,795)	(7,425)
Cash provided by investing activities	1,614,295	2,063,739
Investing activities		
Acquisition of exploration and evaluation assets	(25,250)	(122,802)
Cash used in investing activities	(25,250)	(122,802)
Foreign exchange effect on cash	-	(616)
Increase (decrease) in cash and cash equivalents	63,772	1,028,269
Cash, beginning of period	409,534	70,378
Cash, end of period	473,306	1,098,647

Supplemental Cash Flow Information

Non-cash investing activities		
Shares issued on acquisition of exploration and evaluation assets	$ 96,250	$ -

See accompanying notes.

WARRIOR GOLD INC.
Condensed Consolidated Interim 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
Private placements	2,146,633	-	-	2,146,633
Share issuance costs	(75,469)	-	-	(75,469)
Share issuance costs - brokers' warrants	(29,000)	29,000	-	-
Flow-through share premium liabilities	(45,800)	-	-	(45,800)
Share-based compensation	-	18,400	-	18,400
Loss for the period	-	-	(1,074,718)	(1,074,718)
Balance December 31, 2020	47,734,244	4,648,108	(46,350,386)	6,031,966
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	(27,120)	-	-	(27,120)
Share issuance costs – broker warrants	(4,400)	4,400	-	-
Flow-through premium	(256,250)	-	-	(256,250)
Shares issued on acquisition of exploration and evaluation assets	96,250	-	-	96,250
Share-based compensation	-	90,400	-	90,400
Loss for the period	-	-	(1,088,216)	(1,088,216)
Balance December 31, 2021	48,849,485	4,742,908	(47,809,322)	5,783,071

See accompanying notes.

1. Corporate Information and Going Concern

Warrior Gold Inc., formerly War Eagle Mining Company 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 and exploration 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 Company's head office and operating office is located at Suite 1400, 25 Adelaide Street East, Toronto, Ontario, Canada, M5C 3A1 and its registered office is located at Suite 700, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8.

These condensed consolidated interim 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 has not generated revenue from operations. The Company incurred a loss of $1,088,216 during the nine months ended December 31, 2021 (December 31, 2020 – $1,074,718) and, as of that date the Company's deficit was $47,809,322 (March 31, 2021 - $46,721,106). The Company had cash of $473,306 at December 31, 2021 (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 condensed consolidated interim 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. This has impacted the global economy with restrictions on travel and mobility being imposed by numerous countries to help reduce new infections. The Company is committed to providing safe and healthy work environments for its employees, contractors and the communities in which it operates. The Company's COVID-19 policy requires personnel and consultants have a negative COVID-19 test prior to working at site and utilization of approved personal protective equipment and social distancing and other behaviours are practiced. The past two years of 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.

2. Basis of Presentation

a) Statement of compliance

These condensed consolidated interim financial statements for the nine months ended December 31, 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the consolidated financial statements for the year ended March 31, 2021.

The Company's board of directors approved the release of these condensed consolidated interim financial statements on February 24, 2022.

2. Basis of Presentation (continued)

b) Basis of measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of these financial statements is cost, net realizable value, fair value or recoverable amount, as explained in the significant accounting policies set out in the March 31, 2021 annual financial statements. These financial statements, except for the statement of cash flows, are based on the accrual basis. The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 3.

c) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of Warrior Gold Inc. and its two wholly-owned subsidiaries as outlined below:

	Incorporation	Percentage of Ownership	
		2021	2020
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.

3. Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements 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 judgements 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 financial statements within the next financial year are the same as those applied to the Company's March 31, 2021 annual financial statements.

The Company makes critical judgements in the determination of going concern of operations, capitalized value of evaluation and exploration assets, title to mineral property interests and critical estimates in computing the value of share-based transactions and recoverability of receivables.

Expressed in Canadian Dollars

4. Prepaid expenses and deposits

	December 31 2021 $	March 31 2021 $
Geophysical services	350,000	-
Insurance	8,922	1,913
Software subscription	-	9,966
Storage	-	1,250
Vendor	-	2,100
	358,922	15,229

5. Flow-through unit premium liabilities

	December 31, 2021 $	March 31, 2021 $
Balance, beginning of period	85,362	7,409
Premium liabilities recognized on flow-through units issued	256,250	381,495
Settlement of flow-through unit premium liabilities	(155,665)	(303,542)
Balance, end of period	185,947	85,362

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 nine months ended December 31, 2021, the Company satisfied all of the commitment by incurring qualifying expenditures of $618,000. As of December 31, 2021, the Company is committed to incurring approximately $738,000 of qualifying expenditures.

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, 2021, the Company incurred qualifying expenditures of $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 and lease liabilities

As at December 31, 2021, 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 applied to the lease liability. The weighted average incremental borrowing rate applied to the lease liability in the nine months ended December 31, 2021 was 11.71% per annum. The lease term remaining as at December 31, 2021 is approximately 1.41 years. The details of the lease liability recognized at inception is as follows:

	$
Operating lease commitment as at March 31, 2019	57,534
Discount of future commitments	(12,442)
Lease liabilities recognized as at April 1, 2019	45,092

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, 2021:

Cost	$
Balance, March 31, 2020	45,092
Additions	-
Balance, March 31, 2021	45,092
Additions	-
Balance, December 31, 2021	45,092
Accumulated depreciation	
Balance, March 31, 2020	15,030
Depreciation	14,988
Balance, March 31, 2021	30,018
Depreciation	11,273
Balance, December 31, 2021	41,291
Carrying amount as at December 31, 2021	3,801
Carrying amount as at March 31, 2021	15,074

Expressed in Canadian Dollars

6. Right of use assets and lease liabilities (continued)

Lease liabilities

The following is the continuity of lease liabilities as at and for the nine months ended December 31, 2021:

Cost	$
Balance, March 31, 2020	37,316
Additions	-
Lease payments	(13,991)
Interest expense on lease payments	3,849
Balance, March 31, 2021	27,174
Additions	-
Lease payments	(10,795)
Interest expense on lease payments	2,054
Balance, December 31, 2021	18,433
Less: current portion	(6,893)
Lease liabilities – non current	11,540

7. Exploration and Evaluation Assets

On February 9, 2018, the Company completed the amalgamation with Champagne, through a "three-cornered amalgamation" whereby Champagne merged with Andromeda and became a subsidiary of the Company. In that amalgamation, the Company acquired the Goodfish-Kirana Project ("Goodfish-Kirana" or the "Property") that at the time was comprised of 20 patented mining claims and 66 staked claims. The Property is wholly owned, subject to various net smelter royalty arrangements.

During the year ended March 31, 2019, the Company acquired eight additional patented claims contiguous to Goodfish-Kirana for $161,728 and the grant of a 1.5% net smelter royalty ("NSR"), 1% of which can be purchased for $1,000,000.

During the year ended March 31, 2019, the Company acquired a 24-claim package (the "Sutton claims") comprising 304.04 hectares adjacent to the northeast portion of Goodfish-Kirana, together with three contiguous new claims comprising 50.64 hectares that were staked by the Company. These two strategic additions increased the Company's land package in the Kirkland Lake Gold Camp to 3,704 hectares. 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 prospective and contiguous block of 16 claims comprising 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.

Expressed in Canadian Dollars

7. Exploration and evaluation assets (continued)

In July 2021, the Company acquired the Arnold Claims, comprised of 25 operational cells, totalling 538 ha (1,329.4 acres) (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.

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 totaling 11,792 hectares and the KLC land package comprises eight mining claims totaling 2,302 hectares for an aggregate of 115 claims totaling 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.

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 December 31, 2021, Warrior Gold's land position was 378 claims and 29 patented claims, totaling 20,769 hectares**.**

		Goodfish-Kirana Project
March 31, 2020	$	4,990,286
Airport Road property acquisition costs		71,131
Core shack and site construction costs		70,844
March 31, 2021	$	5,132,261
Core shack and site construction costs		13,500
Acquisition of Arnold property		28,000
Acquisition of KLW and KLC land packages		80,000
December 31, 2021	$	5,253,761

Expressed in Canadian Dollars

7. Exploration and evaluation assets (continued)

During the nine months ended December 31, 2021 and 2020, the Company incurred exploration expenses on Goodfish-Kirana as follows:

	December 31, 2021 $	December 31, 2020 $
Drilling	290,458	208,512
Geology	83,896	107,076
Assays	135,145	152,230
Technical reports	57,667	55,689
Camp costs	18,957	39,476
Geotechnical	39,667	37,770
Core sampling	21,877	29,326
Logistics	15,407	24,792
Survey	-	3,998
Other	2,796	1,824
Claims management	21,366	-
Geophysics	3,142	-
Demobilization	24,870	-
	715,248	660,693

8. 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	-	(256,250)
Share issuance costs	-	(27,120)
Share issuance costs – broker warrants	-	(4,400)
Shares issued for acquisition of exploration and evaluation assets	1,350,000	96,250
December 31, 2021	110,543,436	48,849,485

8. 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, 2024, 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 $26,340 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, on exercise, to purchase one additional share of the Company (a "December 2020 Warrant Share"), at a price of $0.15 until June 23, 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 Warrants will expire on the 30th business day following the date of such notice.

In connection with the December 2020 private placement, the Company paid finder's fees of $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.

8. 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, on exercise, to purchase one additional share of the Company (a “July 2020 Warrant Share”), at a price of $0.10 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 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 Share 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 statement of financial position comprise the fair value of share-based compensation and warrants prior to exercise, and obligations to issue shares in accordance with debt settlement agreements.

9. 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.

Expressed in Canadian Dollars

9. Share-Based Compensation (continued)

The weighted average grant-date fair value of options awarded in the nine months ended December 31, 2021 was $0.05 (December 31, 2020 - $0.05). The Company employed the Black-Scholes option-pricing model using the following weighted average assumptions:

Nine months ended December 31	2021	2020
Share price	$0.07	$0.06
Exercise price	$0.07	$0.10
Annualized stock price volatility	109.60%	119.51%
Risk-free interest rate	1.26%	0.43%
Expected option life (years)	5 years	5 years
Dividend yield	0.0%	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 December 31, 2021 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	5,320,000	0.07
December 31, 2021	8,595,000	0.08

The Company's outstanding and exercisable stock options at December 31, 2021 are:

Expiry Date	Outstanding Options	Exercisable Options	Weighted Average Remaining Life (Yrs.)	Weighted Average Exercise Price $
December 16, 2024	2,875,000	2,875,000	2.96	0.10
May 6, 2025	400,000	400,000	3.35	0.10
September 23, 2026	5,320,000	1,773,333	4.73	0.10
	8,595,000	5,048,333	4.07	0.10

Expressed in Canadian Dollars

10. Warrants

The Company's outstanding warrants, at December 31, 2021, 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	(4,956,166)	0.11	(501,664)	0.10
December 31, 2021	15,110,574	0.14	753,728	0.15

The Company's outstanding warrants at December 31, 2021 were:

Number of Financing Warrants	Number of Broker Warrants	Exercise Price $	Expiry Date
2,041,667	-	0.10	January 3, 2022
5,631,407	458,228	0.15	June 22, 2022
7,437,500	295,500	0.15	March 7, 2023
15,110,574	753,728		

The Company employed Black-Scholes option-pricing model to determine the fair value of the warrants using the following weighted average assumptions:

Nine months ended December 31	2021	2020
Share price	$0.08	$ 0.07
Exercise price	$0.15	$ 0.10
Annualized stock price volatility	78.72%	102.85%
Risk-free interest rate	0.39%	0.25%
Expected warrant life (years)	1.50	1.50
Dividend yield	0%	0%

The Company assigned a fair value of $4,400 for the 295,500 broker warrants issued during the nine months ended December 31, 2021.

Expressed in Canadian Dollars

11. Related-Party Transactions

The Company entered into the following transactions with related parties not disclosed elsewhere in these condensed consolidated interim financial statements:

Key management personnel compensation

Nine months ended December 31	2021 $	2020 $
Management fees	172,012	175,000
Share-based compensation	61,455	13,800
	233,467	188,800

The short-term management fees were paid or accrued to officers and directors or personal companies owned by officers and directors of the Company.

As at December 31, 2021, $52,874 (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.

12. 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, to provide sufficient working capital to meet its ongoing obligations and to pursue other potential investments. The Company prepares expenditure budgets, which are updated as necessary depending on varying factors including current and forecast prices, successful capital deployment and general industry conditions.

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 regularly monitors its working capital which is calculated as follows:

	December 31 2021 $	March 31 2021 $
Current assets	909,060	532,065
Current liabilities	(372,011)	(342,159)
Working capital	537,049	189,906

The Company is not subject to external capital restrictions. 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 nine months ended December 31, 2021.

13. Financial Instruments

Fair Value

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities. Fair value amounts disclosed in these condensed consolidated interim 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.

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.

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

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.

13. Financial Instruments (continued)

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 would 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 December 31, 2021, the Company has working capital of $537,049.

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 receivables.

14. Segment Reporting

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

15. 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.