TRIUMPH GOLD CORP.

(An Exploration Stage Corporation)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. 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 Professional Accountants for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC

May 24, 2022

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	**March 31, 2022 (Unaudited)**	**December 31, 2021 (Audited)**
	$	**$**
ASSETS		
Current assets		
Cash and cash equivalents	10,268	41,681
Trade and other receivables	23,418	15,372
Prepayments and deposits (note 6)	31,204	46,320
	64,890	103,373
Non-current assets		
Right-of-use assets (note 6)	78,961	103,059
Property and equipment (note 3)	33,188	34,994
Investment in equities	1	1
Deposit (note 11)	100,000	100,000
Exploration and evaluation assets (note 4)	3,580,869	3,576,690
	3,793,019	3,814,744
Total assets	3,857,909	3,918,117
LIABILITIES		
Current liabilities		
Trade and other payables (note 7)	1,132,421	932,495
Due to related party (note 7)	360,000	135,000
Lease liabilities (note 6)	57,966	82,201
	1,550,387	1,149,696
Non-current liabilities		
Lease liabilities (note 6)	24,018	24,018
Reclamation provision (note 4)	60,000	50,000
Total liabilities	1,634,405	1,223,714
SHAREHOLDERS' EQUITY		
Share capital (note 5)	72,870,002	72,870,002
Reserve (note 5)	8,684,033	8,684,033
Deficit	(79,330,531)	(78,859,632)
	2,223,504	2,694,403
Total shareholders' equity and liabilities	3,857,909	3,918,117

Nature and continuance of operations (note 1)
Commitments and contingency (note 6)
Subsequent event (note 11)

Approved on behalf of the board:

"John Anderson"	"Gregory Sparks"
John Anderson	Gregory Sparks
Director	Director

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the three month period ended	**March 31, 2022**	**March 31, 2021**
	$	**$**
Expenses		
Administrative expenses	27,975	74,595
Corporate communications	23,887	418,217
Depreciation (notes 3 and 6)	28,472	27,459
Exploration expenditures (notes 4 and 7)	187,475	286,996
Interest (note 6)	1,790	3,647
Listing and filing fees	11,180	13,281
Professional fees (note 7)	43,420	38,495
Property investigation	41,954	-
Share-based payments (notes 5 and 7)	-	86,591
Wages and salaries (note 7)	109,921	106,808
	(476,074)	(1,056,089)
Other items		
Interest and other income (note 7)	5,175	-
Total other items	5,175	-
Net and comprehensive loss for the year	(470,899)	(1,056,089)
Loss per share - basic and diluted	**(0.01)**	**(0.01)**
Weighted average number of shares outstanding - basic and diluted	**138,844,229**	**138,024,785**

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, December 31, 2020	137,594,229	72,645,002	8,619,380	(73,749,928)	7,514,454
Share issuance (notes 4, 5)	1,250,000	225,000	-	-	225,000
Share-based payments (note 5)	-	-	86,591	-	86,591
Loss for the period	-	-	-	(1,056,089)	(1,056,089)
Balance, March 31, 2021	138,844,229	72,870,002	8,705,971	(74,806,017)	6,769,956
Warrants expired (note 5)	-	-	(36,462)	36,462	-
Share-based payments (note 5)	-	-	14,524	-	14,524
Loss for the period	-	-	-	(4,090,077)	(4,090,077)
Balance, December 31, 2021	138,844,229	72,870,002	8,684,033	(78,859,632)	2,694,403
Loss for the period	-	-	-	(470,899)	(470,899)
Balance, March 31, 2022	138,844,229	72,870,002	8,684,033	(79,330,531)	2,223,504

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the three month period ended	March 31, 2022	March 31, 2021
	$	$
Cash flows from operating activities		
Loss for the period	(470,899)	(1,056,089)
Items not involving cash		
Depreciation	28,472	27,459
Interest	1,790	3,647
Share-based payments	-	86,591
	(440,637)	(938,392)
Change in non-cash working capital		
Trade and other receivables	(8,046)	(1,577)
Prepayments and deposits	15,116	53,313
Trade and other payables	199,926	24,705
Reclamation provision	10,000	-
	(223,641)	(861,951)
Cash flows from investing activities		
Acquisition of property and equipment	(2,568)	(12,345)
Acquisition of exploration and evaluation assets	(4,179)	(61,874)
	(6,747)	(74,219)
Cash flows from financing activities		
Payment of lease liabilities	(26,025)	(26,025)
Due to related party	225,000	-
	198,975	(26,025)
Decrease in cash and cash equivalents	(31,413)	(962,195)
Cash and cash equivalents, beginning of the period	41,681	4,268,216
Cash and cash equivalents, end of the period	10,268	3,306,021
Cash and cash equivalents consist of:		
Cash	10,268	284,563
Term deposit	-	3,021,458
	10,268	3,306,021
Cash paid for:		
Income taxes	-	-
Interest	-	-
	-	-

Non-cash transactions:

There were no non-cash transactions during the period ended March 31, 2022.

During the period ended March 31, 2021, the Company issued 1,250,000 common shares at a fair value of $225,000 pursuant to a purchase and sale agreement for the acquisition of an exploration and evaluation asset (note 4).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Triumph Gold Corp. was continued under the British Columbia Business Corporations Act on December 19, 2011 and is extra-provincially registered in the Yukon Territory. The Company is listed on the TSX Venture Exchange ("TSXV"), having the symbol "TIG". The Company's principal business activity is the exploration for mineral resources, primarily in the Yukon Territory, Canada.

The Company's corporate office and principal place of business is Suite 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

The Company's business could be adversely affected by the effects of the ongoing outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"), which was declared a global pandemic by the World Health Organization in March 2020. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The recent increase in COVID-19 cases and variants globally may impact the Company's operations due to additional government mandated shutdowns or closures.

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. In response to the military action by Russia, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the hostilities and sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic market and on various sectors, industries and markets for securities and commodities globally.

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. As a result, there always exists uncertainty that causes significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2021.

Statement of compliance to International Financial Reporting Standards (continued)

The financial statements were authorized for issue on May •, 2022 by the directors of the Company.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Bushmaster Exploration Services (2007) Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation. The financial statements of the subsidiary are prepared using consistent accounting policies and reporting dates of the Company. The functional currency for the Company and its subsidiary is the Canadian dollar.

New or revised accounting standards not yet adopted

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

(Expressed in Canadian dollars)

3. PROPERTY AND EQUIPMENT

	Automotive	Computer Equipment	Equipment	Furniture and Fixtures	Total
	$	$	$	$	$
Cost					
Balance, December 31, 2020	107,242	28,025	76,401	5,000	216,668
Additions	13,050	17,743	-	-	30,793
Balance, December 31, 2021	120,292	45,768	76,401	5,000	247,461
Additions	-	2,568	-	-	2,568
Balance, March 31, 2022	120,292	48,336	76,401	5,000	250,029
Accumulated depreciation					
Balance, December 31, 2020	106,604	25,128	64,725	500	196,957
Depreciation	2,149	10,126	2,335	900	15,510
Balance, December 31, 2021	108,753	35,254	67,060	1,400	212,467
Depreciation	866	2,861	467	180	4,374
Balance, March 31, 2022	109,619	38,115	67,527	1,580	216,841
Net book value					
As at December 31, 2021	11,539	10,514	9,341	3,600	34,994
As at March 31, 2022	10,673	10,221	8,874	3,420	33,188

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets and related expenditures comprise:

Freegold Mountain, Canada

The Freegold Mountain project is comprised of the following exploration properties:

(i) Tinta Hill Property, Yukon

The Company holds a 100% interest in the Tinta Hill Property subject to an annual advanced royalty payment of $20,000 and a 3% Net Smelter Return ("NSR"). The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of $250,000 for the first 1% and $1,000,000 for the second 1%.

As at March 31, 2022, the total advanced royalty payment made was $100,000 (December 31, 2021 – $100,000). During the three month period ended March 31, 2022, the Company paid $Nil (December 31, 2021 - $7,291) in filing fees for the Tinta Hill Property.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Freegold Mountain, Canada (continued)

(ii) Freegold Property, Yukon

The Company holds a 100% interest in the Freegold Property subject to an annual advanced royalty payment of $ 10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of $250,000 for the first 1% and $1,000,000 for the second 1%.

As at March 31, 2022, the total advanced royalty payment made was $50,000 (December 31, 2021 – $50,000). During the three month period ended March 31, 2022, the Company paid $Nil (December 31, 2021 - $7,291) in filing fees for the Freegold Property.

(iii) Goldstar Property, Yukon

The Company holds a 100% interest in the Goldstar Property subject to an advance payment of $10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after the commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of $500,000 for the first 1% and $1,000,000 for the second 1%.

As at March 31, 2022, the total advanced royalty payment made was $50,000 (December 31, 2021 – $50,000).

(iv) Golden Revenue Property, Yukon

The Company holds a 100% interest in the Golden Revenue Property subject to a 1% NSR in favour of ATAC Resources Ltd on that portion of the property which is not subject to an underlying royalty. There is a 2% underlying NSR on a portion of the property. A total of 75% of the underlying NSR (1.5% NSR) may be purchased at any time for $600,000. On June 13, 2018, the Company acquired the underlying NSR for a purchase price of $100,000, thereby conveying the exclusive right to be paid all future rights associated from the NSR to the Company.

During the three month period ended March 31, 2022, the Company paid $Nil (December 31, 2021 - $7,292) in filing fees for the Golden Revenue Property.

To March 31, 2022, the Company has recorded a $60,000 (December 31, 2021 - $50,000) provision for reclamation activity related to the Freegold Mountain project.

Big Creek, Canada

On February 3, 2021, and as closed on March 1, 2021, the Company entered into a purchase and sale agreement to acquire certain claims, subject to 1.5% NSR, comprising the Big Creek copper-gold Property located in the Whitehorse Mining District of Yukon, Canada. As consideration, the Company issued 1,250,000 common shares at a fair value of $225,000 (note 5).

4. EXPLORATION AND EVALUATION ASSETS (continued)

Other, Canada

Tad/Toro Property, Yukon

The Company holds a 100% interest in the Tad/Toro Property subject to a 3% NSR, of which the first 1% may be purchased for $500,000 and a second 1% for $1,000,000. The Company wrote-down the value of the Tad/Toro Property to $1 in previous years.

Andalusite Peak, British Columbia, Canada

The Company staked the Andalusite Peak Property and held a 100% interest. On August 8, 2019, the Company and Rio Tinto Exploration Canada Inc. (“RTEC”) entered into an option agreement whereby RTEC has the option to obtain a 100% interest in the Andalusite Peak property for consideration of $3,000,000 over a five-year option period and reserve for the Company a 1% NSR. The sum of $25,000 was paid to the Company (of which $10,420 has been credited against exploration and evaluation assets and the excess of $14,580 over the carry amount was recognized in other income during the year ended December 31, 2019) and a further $50,000 was received on July 21, 2020 and recognized in other income during the year ended December 31, 2020. On December 15, 2020, RTEC provided notice of termination of the option agreement and 100% ownership of the Andalusite Property was transferred back to the Company.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Freegold Mountain	Big Creek	Other	Andalusite Peak	Total
	$	$	$	$	$
Exploration and Evaluation Assets					
Balance, December 31, 2020	3,286,765	-	3,051	-	3,289,816
Additions	61,874	225,000	-	-	286,874
Balance, December 31, 2021	3,348,639	225,000	3,051	-	3,576,690
Additions	-	2,089	2,090	-	4,179
Balance, March 31, 2022	3,348,639	227,089	5,141	-	3,580,869
Current Exploration Expenditures					
Year ended December 31, 2021					
Administrative	20,279	3,042	-	500	23,821
Assaying	247,395	-	-	10,669	258,064
Camp costs	144,941	-	-	-	144,941
Drilling	1,093,402	-	-	-	1,093,402
Equipment and supplies	180,897	-	-	569	181,466
Geological costs	376,303	22,605	36,795	12,535	448,238
Geophysical costs	29,973	-	-	-	29,973
Helicopter	-	-	-	13,500	13,500
Transportation and storage	35,427	-	-	168	35,595
Travel and accomodation	36,907	-	-	7,258	44,165
Wages and labour costs	778,623	-	-	15,694	794,317
Total	2,944,147	25,647	36,795	60,893	3,067,482
Period ended March 31, 2022					
Assaying	2,251	-	-	12,950	15,201
Geological costs	8,362	-	-	-	8,362
Reclamation	10,000	-	-	-	10,000
Transportation and storage	538	-	-	-	538
Travel and accomodation	607	-	-	-	607
Wages and labour costs	144,902	-	-	7,865	152,767
Total	166,660	-	-	20,815	187,475

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Freegold Mountain	Big Creek	Other	Andalusite Peak	Total
	$	$	$	$	$
Cumulative Exploration Expenditures					
Administrative	701,270	3,042	-	1,050	705,362
Assaying	1,146,546	-	12,172	25,751	1,184,469
Camp costs	3,860,258	-	10,800	86	3,871,144
Community relations	9,125	-	-	-	9,125
Drilling costs	18,668,403	-	-	-	18,668,403
Environmental	33,800	-	-	-	33,800
Equipment and supplies	1,074,199	-	2,275	2,569	1,079,043
Exploration grant	(325,455)	-	-	-	(325,455)
Geological costs	6,236,523	22,605	83,372	12,735	6,355,235
Geophysical costs	1,476,715	-	-	-	1,476,715
Helicopter	7,942	-	30,841	17,965	56,748
Reclamation provision	60,000	-	-	-	60,000
Resource work	243,501	-	-	-	243,501
Transportation and storage	1,488,468	-	22,632	2,591	1,513,691
Travel and accomodation	837,822	-	100	13,627	851,549
Wages and labour costs	12,903,897	-	27,238	38,496	12,969,631
Total	48,423,014	25,647	189,430	114,870	48,752,961

5. SHARE CAPITAL

Authorized:

Unlimited common shares with no par value

Unlimited preferred shares, the series rights and restrictions to be determined by the Board of Directors on issuance.

Issued:

For the three month period ended March 31, 2022

There were no common shares issued during the three month period ended March 31, 2022.

For the year ended December 31, 2021

On March 1, 2021, the Company issued 1,250,000 common shares at a fair value of $225,000 for the purchase of the Big Creek copper-gold property (note 4).

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Stock options:

The Company has a stock option plan whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the plan, the Company has reserved an amount of common shares for options up to 10% of the issued and outstanding common shares. Options granted under this plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities.

A summary of outstanding stock options at March 31, 2022 is as follows:

Number of stock options outstanding	Exercise price	Expiry date	Number of stock options exercisable
	$		
570,000	0.50	July 26, 2022	570,000
3,890,000	0.40	July 30, 2022	3,890,000
225,000	0.40	December 20, 2022	225,000
1,250,000	0.40	July 20, 2023	1,250,000
1,200,000	0.55	July 26, 2024	1,200,000
6,150,000	0.30	July 24, 2025	6,150,000
300,000	0.30	January 25, 2026	300,000
13,585,000			13,585,000

Stock option transaction are summarized as follows:

	Number of stock options	Weighted average exercise price	Weighted average remaining life
		$	
December 31, 2020	13,585,000	0.37	3.17
Cancelled	(300,000)	0.30	
Granted	300,000	0.30	
December 31, 2021	13,585,000	0.37	2.28
March 31, 2022	13,585,000	0.37	2.03

On January 26, 2021 the Company granted a total of 300,000 stock options to a consultant. These options vested immediately. The total fair value of $35,097 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 0.41%, share price on grant date of $0.19 and an expected volatility of 90.28%. The vesting of these options resulted in a total share-based compensation expense of $Nil during the three period ended March 31, 2022 (December 31, 2021 - $35,097).

On July 24, 2020, the Company granted a total of 6,450,000 stock options to directors, officers, consultants and employees. These options vest as to 5,650,000 immediately, 400,000 on January 24, 2021, 200,000 on April 24, 2021 and 200,000 on July 24, 2021. The total fair value of

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Stock options (continued):

$1,405,288 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 0.32%, share price on grant date of $0.31 and an expected volatility of 91.83%. The vesting of these options resulted in a total share-based compensation expense of $Nil during the three month period ended March 31, 2022 (December 31, 2021 - $59,310).

The Company recorded a further $Nil during the three month period ended March 31, 2022 (December 31, 2021 - $6,708) in share-based compensation relating to the vesting of previously granted stock options.

Expected volatility is determined by reference to the Company's historical stock prices.

Warrants:

A summary of outstanding warrants at March 31, 2022 is as follows:

Number of warrants outstanding	Exercise price	Expiry date	Remaining life (years)
	$		
16,598,500	0.30	July 17, 2023	1.30
274,645	0.25	July 17, 2023	1.30
15,000,000	0.30	July 24, 2023	1.32
627,200	0.25	July 24, 2023	1.32
685,000	0.30	December 31, 2023	1.75
33,185,345			

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price	Weighted average remaining life
		$	
December 31, 2020	39,536,759	0.35	2.22
Expired	(6,351,414)	-	
December 31, 2021	33,185,345	0.30	1.56
March 31, 2022	33,185,345	0.30	1.31

Reserve:

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Any fair value attributed to the warrants is recorded in the reserve. If the warrants expire unexercised, the value attributed to the warrants is transferred to deficit.

5. SHARE CAPITAL (continued)

Reserve (continued):

During the three month period ended March 31, 2022, a total of Nil (December 31, 2021 - 241,259) agent's warrants expired unexercised. Accordingly, the corresponding fair value of $Nil (December 31, 2021 - $36,462) was reallocated from the reserve to deficit.

6. COMMITMENTS AND CONTINGENCY

a) As of March 31, 2022, the Company has $nil (December 31, 2021 – $19,557) in term deposits with a Canadian financial institution for the guarantee of business credit cards.

b) The Company has included in officers' employment agreements a change in control clause that entitles them to a lump sum severance payment equal to 1.5 to 2.0 times their annual base salaries. This would amount to up to $360,000 based on salaries in effect as at March 31, 2022 and December 31, 2021.

c) Under the terms of the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company. The claims covered by such indemnifications are subject to statutory and other legal limitation periods.

d) On July 10, 2018, the Company entered into a sublease agreement that provides for a base rent of $5,175 per month, commencing September 1, 2018 to August 31, 2020. At December 31, 2019, a security deposit consisting of the last two months of rent, totaling $10,350, had been recorded in prepaids and deposits.

   The Company initially recognized a lease liability obligation related to its lease commitment for its office lease of $88,087. The liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 8% as at January 1, 2019. The associated right-of-use asset was measured at the lease obligation amount, resulting in no adjustment to the opening balance of deficit. The right-of-use asset will be depreciated and the Company will record a related interest expense over the term of the lease liability obligation. During the year ended December 31, 2020, the Company paid lease obligations of $31,050, thereby reducing the lease liability, recorded $30,540 in depreciation of the right-of-use asset and $510 in interest expense.

   Commencing September 1, 2020, the Company extended the sublease to August 31, 2022. The Company recognized a lease liability obligation and associated right-of-use asset related to its lease commitment for its office lease of $115,185. The liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 8%. The right-of-use asset will be depreciated and the Company will record a related interest expense over the term of the lease liability obligation. During the three month period ended March 31, 2022, the Company paid lease obligations of $15,525 (December 31, 2021 - $62,100), thereby reducing the lease liability, recorded $14,398 (December 31, 2021 - $57,593) in depreciation of the right-of-use asset and $607 (December 31, 2021 - $5,313) in interest expense.

(Expressed in Canadian dollars)

6. COMMITMENTS AND CONTINGENCY (continued)

d) (continued)

The Company will depreciate the right-of-use asset and record interest over the remaining lease commitment period as follows:

	Depreciation	Interest
	$	$
2022	23,997	340

e) Commencing October 1, 2020, the Company entered into a lease agreement that provides for a base rent of $3,500 per month, commencing October 1, 2020 to October 31, 2023.

The Company recognized a lease liability obligation and associated right-of-use asset related to its lease commitment for its office lease of $109,662. Included in the right-of-use asset is $3,500, representing the last month's rent, prepaid in advance. The liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 8%. The right-of-use asset will be depreciated and the Company will record a related interest expense over the term of the lease liability obligation. During the three month period ended March 31, 2022, the Company paid lease obligations of $10,500 (December 31, 2021 - $42,000), thereby reducing the lease liability, recorded $9,700 (December 31, 2021 - $38,798) in depreciation of the right-of-use asset and $1,183 (December 31, 2021 - $6,537) in interest expense.

The Company will depreciate the right-of-use asset and record interest over the remaining lease commitment period as follows:

	Depreciation	Interest
	$	$
2022	29,098	2,410
2023	25,866	640
	54,964	3,050

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7. RELATED PARTY TRANSACTIONS

At March 31, 2022, the Company had $360,000 (December 31, 2021 - $135,000) due to a director of the Company. The balance is non-interest bearing, unsecured and due on demand.

The Company had the following transactions involving key management during the three month period ended March 31, 2022:

(i) RIP Services Inc., a company controlled by an officer of the Company provides accounting services to the Company. Professional fees incurred during the three month period were $12,000 (2021 - $12,000). At March 31, 2022, this officer was owed $33,600 (December 31, 2021 - $21,000).

(ii) Purplefish Capital Limited, a company controlled by a director of the Company, provides consulting services to the Company. Consulting fees incurred during the three month period were $15,000 (2021 - $15,000) which were recorded in wages and salaries. At March 31, 2022, this company was owed $42,000 (December 31, 2021 - $26,250).

(iii) Brian Bower Consulting, a company controlled by a director of the Company, provided consulting services during the period. Consulting fees incurred during the three month period of $3,675 (2021 - $nil) were recorded in consulting fee and property investigation. Consulting fees incurred during the three month period of $3,675 (2021 – $30,580) were recorded in exploration expenditures. At March 31, 2022, this company was owed $22,646 (December 31, 2021 – $14,928).

(iv) Halle Geological Services Ltd., a company controlled by the VP of Exploration of the Company provided geological services. Geological fees incurred during the three month period were $4,688 (2021 - $54,388). At March 31, 2022, this company was owed $29,583 (December 31, 2021 - $24,661).

(v) Wiklow Corporate Services, Inc. a company controlled by an officer of the Company provided consulting services to the Company. Professional fees incurred during the three month period were $10,500 (2021 - $10,500). At March 31, 2022, this company was owed $25,725 (December 31, 2021 - $14,700).

(vi) Wages and salaries of $91,800 (2021 – $45,000) were paid to a directors and officers of the Company. At March 31, 2022, $60,000 (December 31, 2021 - $15,000) was owed to a director.

(vii) Directors of the Company were paid consulting fees of $20,000 (2021 – $20,000) and which was recorded in wages and salaries. At March 31, 2022, the directors were owed $140,000 (December 31, 2021 - $120,000).

(viii) Recorded $nil (2021 - $5,311) in share-based payments, for stock options granted and vested, to officers and directors of the Company.

(ix) Parallel Mining Corp., a company related by common directors and officers, rented office space from the Company and paid $5,175 (2021 - $nil) in rent to the Company during the period.

Amounts owed above are included in trade and other payables. The balance is non-interest bearing, unsecured and has no specific terms of repayment.

8. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration of mineral properties. All of the Company's assets are located in Canada.

9. CAPITAL MANAGEMENT

The Company includes cash and cash equivalents and equity, comprising issued common shares, reserve and deficit, in the definition of capital.

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three month period ended March 31, 2022. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets. The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper. Other receivables are comprised primarily of tax receivables generated on the purchase of supplies and services for the Company's exploration programs, which are refundable from the Canadian government. The Company's maximum exposure to credit risk is the carrying amount of financial assets on the consolidated statements of financial position.

10. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk – The Company's cash and cash equivalents are invested in business accounts with high-credit quality financial institutions which are available on demand for the Company's programs. Future operations or exploration programs will require additional financing primarily through equity markets.

The Company has lease obligations (note 6), the maturity of which are as follows:

	Total
	$
Due in 1 year	57,375
Due in 2 years	28,000
	85,375

Market Risk – Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on cash and cash equivalents and term deposits. Every 1% fluctuation in interest rates up or down would have an insignificant impact on profit or loss.

Foreign currency risk - The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk and has no financial instruments held in United States funds. Therefore, foreign currency risk is minimized.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand. The Company is not exposed to significant price risk.

Fair Value - The Company has various financial instruments comprised of cash and cash equivalents, trade and other receivables, investment in equities, trade and other payables and lease liabilities.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (continued)

Fair Value (continued) -

	Level 1	Level 2	Level 3	Total
	$	$	$	$
March 31, 2022				
Assets:				
Cash and cash equivalents	10,268	-	-	10,268
Investment in equities	-	-	1	1
December 31, 2021				
Assets:				
Cash and cash equivalents	41,681	-	-	41,681
Investment in equities	-	-	1	1

11. SUBSEQUENT EVENT

During the year ended December 31, 2021, the Company paid a $100,000 non-refundable fee pursuant to the terms of a proposed Property Purchase Agreement (the “Property Purchase Agreement”). Closing of the Property Purchase Agreement is contingent upon certain consents, orders and approvals, including the TSXV, necessary or desirable for completion of the proposed transaction, all on satisfactory terms. To March 31, 2022 and subsequently, the Company has not received TSXV approval.