Precipitate Gold Corp.

Condensed Interim Financial Statements

Three months ended February 28, 2022 and 2021

Unaudited – Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Precipitate Gold Corp.
Consolidated Statements of Financial Position
Unaudited – Prepared by Management
In Canadian Dollars

ASSETS		February 28, 2022		November 30, 2021
Current				
Cash	$	2,257,511	$	446,345
Amounts receivable		44,923		40,465
Prepaid expenses		53,787		43,000
Investments (Note 5)		6,000		6,000
		2,362,221		535,810
Equipment (Note 6)		51,597		56,913
Mineral Property Interests (Note 4)		1,912,948		1,912,948
	$	4,326,766	$	2,505,671
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 9)	$	97,064	$	134,931
Flow-through liability (Note 7)		152,521		-
		249,585		134,931
SHAREHOLDERS' EQUITY				
Share Capital (Note 7)		16,922,927		15,325,317
Reserves (Note 7)		4,422,945		4,070,611
Deficit		(17,268,691)		(17,025,188)
		4,077,181		2,370,740
	$	4,326,766	$	2,505,671

Nature of Operations and Going Concern *(Note 1)*

Approved by the Board of Directors:

"Jeffrey Wilson"
Jeffrey Wilson, Director

"Lon Shaver"
Lon Shaver, Director

Precipitate Gold Corp.

Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three Months Ended February 28, 2022 and 2021

Unaudited – Prepared by Management
In Canadian Dollars

	2022	2021
Expenses		
Audit and accounting (Note 9)	$ 16,582	$ 10,500
Depreciation (Note 6)	5,316	1,774
Exploration and evaluation (Note 4 and 9)	101,074	203,449
Foreign exchange loss (gain)	(2,605)	7,521
Insurance	5,573	2,713
Investor relations	1,930	2,629
Legal	10,446	4,356
Marketing, conferences and shareholder relations	26,191	4,277
Office and administrative	20,435	10.417
Property investigation costs (Note 9)	460	-
Rent	9,653	5,684
Salaries and wages (Note 9)	41,038	41,064
Share-based compensation (Note 7 and 9)	-	461,000
Transfer agent and filing fees	14,039	8,459
Total Expenses	(250,132)	(763,843)
Other Income:		
Interest income	650	2,522
Other income (Note 7)	5,979	-
Unrealized gain (loss) on investments (Note 5)	-	(6,000)
Loss and comprehensive loss for the period	$ (243,503)	$ (767,321)
Loss per share, basic and diluted	$ (0.00)	$ (0.01)
Weighted average shares outstanding	106,612,704	106,373,031

– See Accompanying Notes –

Precipitate Gold Corp.

Consolidated Interim Statements of Cash Flows
For the Three Months Ended February 28, 2022 and 2021

Unaudited – Prepared by Management
In Canadian Dollars

Cash Provided By (Used In):		**2022**		**2021**
Operating activities:				
Loss for the period	$	(243,503)	$	(767,321)
Items not affecting cash:				
Unrealized gain (loss) on investments		-		6,000
Share-based compensation		-		461,000
Depreciation		5,316		1,774
Other income		(5,979)		-
Change in non-cash working capital:				
Accounts receivable		(4,458)		13,320
Prepaid expenses		(10,787)		(765)
Accounts payable and accrued liabilities		(37,867)		60,376
		(297,278)		(225,616)
Financing activities:				
Proceeds from issuance of shares		2,179,390		-
Share issuance costs		(70,946)		-
		2,108,444		-
Change in cash		1,811,166		(225,616)
Cash - beginning of period		446,345		1,515,722
Cash - end of period	$	2,257,511	$	1,290,106

Supplemental non-cash financing information:				
Fair value of warrants	$	317,334	$	-
Flow-through share liability	$	158,500	$	-
Fair value of finders' fee warrants	$	35,000	$	-
Fair value of options exercised	$	-	$	15,519

- See Accompanying Notes -

Precipitate Gold Corp.

Consolidated Interim Statements of Changes in Equity
For the Three Months Ended February 28, 2022 and 2021
Unaudited – Prepared by Management
In Canadian Dollars

	Share Capital		Reserves			
	Shares	Amount $	Warrants $	Options $	Deficit $	Total $
Balance, November 30, 2020	106,373,031	15,244,634	1,743,997	1,741,797	(15,307,556)	3,422,872
Loss and comprehensive loss	-	-	-	-	(767,321)	(767,321)
Share-based compensation	-	-	-	461,000	-	461,000
Balance, February 29, 2021	106,373,031	15,244,634	1,743,997	2,202,797	(16,074,877)	3,116,551
Loss and comprehensive loss	-	-	-	-	(950,311)	(950,311)
Shares issued for mineral property interests	595,000	57,500	-	-	-	57,500
Exercise of options	100,000	12,000	-	-	-	12,000
Fair value of options exercised	-	11,183	-	(11,183)	-	-
Share-based compensation	-	-	-	135,000	-	135,000
Balance, November 30, 2021	107,068,031	15,325,317	1,743,997	2,326,614	(17,025,188)	2,370,740
Loss and comprehensive loss	-	-	-	-	(243,503)	(243,503)
Private placements – flow-through	15,850,000	1,585,000	-	-	-	1,585,000
Flow-through liability	-	(158,500)	-	-	-	(158,500)
Relative fair value of warrants	-	(221,500)	221,500	-	-	-
Private placements – non flow-through	6,604,333	594,390	-	-	-	594,390
Relative fair value of warrants	-	(92,390)	92,390	-	-	-
Fair value of finders' fee warrants	-	(35,000)	35,000		-	-
Finders' fee shares	194,444	-	-	-	-	-
Relative fair value of warrants associated with finders' fee shares	-	(3,444)	3,444	-	-	-
Share issue costs	-	(70,946)	-	-	-	(70,946)
Balance, February 28, 2022	129,716,808	16,922,927	2,096,331	2,326,614	(17,268,691)	4,077,181

– See Accompanying Notes –

1. Nature of Operations and Going Concern

Precipitate Gold Corp. (the "Company") was incorporated on January 31, 2011, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the Dominican Republic. The head office, principal address, and records office of the Company are located at 625 Howe Street, Suite 580, Vancouver, British Columbia, V6C 2T6, Canada.

The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

These consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At February 28, 2022, the Company had not achieved profitable operations, had an accumulated deficit and had working capital of $2,112,636. Management estimates that the Company has sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities. These consolidated financial statements do not give effect to adjustments, which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. Basis of Presentation

a) Statement of compliance

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

2. Basis of Presentation - *Continued*

b) Approval of the Financial Statements

These consolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors on April 27, 2022.

c) Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its five wholly-owned subsidiaries: 1) 0945044 BC Ltd., incorporated in British Columbia, Canada, which owns 100% of Corporacion Minera San Juan, S.R.L. located in the Dominican Republic; 1) Minera Pendiente S.A. de C.V., incorporated and located in Mexico, which was dissolved during the year November 30, 2021; 3) Precipitate Dominicana S.R.L. located in the Dominican Republic., which owns 50% of Toro Negro Drilling S.R.L. located in the Dominican Republic; 4) 1246871 BC Ltd., incorporated in British Columbia, Canada.

d) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency. The functional currencies of the Company's subsidiaries do not differ from that of the parent company.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

e) Significant Accounting Policies

These unaudited condensed interim financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for the year ended November 30, 2021 which in Note 3 detail all significant accounting policies adopted by the Company.

2. Basis of Presentation – *Continued*

e) Significant Accounting Policies – *Continued*

The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed interim financial statements.

f) Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: recoverability and impairment of mineral properties and valuation of share-based payments.

Significant estimates that have the most significant effect on the amounts recognized in the financial statements are as follows:

<u>Recoverability of capitalized mineral property costs</u>

The Company uses the cost model and the value of the mineral property interests is based on expenditures incurred, less any recoveries or impairment. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts and circumstances exist that suggests the carrying amount exceeds the recoverable amount.

<u>Share-based payments</u>

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants. The assumptions and models used for estimating fair value of stock options and common share purchase warrants are disclosed in Note 7.

In Canadian Dollars

2. Basis of Presentation – *Continued*

f) Critical Accounting Judgments and Estimates – *Continued*

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the consolidated financial statements is included in the following notes:

Note 1 – going concern assessment
Note 3 – functional currency
Note 4 – impairment of exploration and evaluation assets

3. Recent Accounting Pronouncements

IAS 16 – *Property, Plant and Equipment* - has been amended for periods beginning on or after January 1, 2022 for proceeds received before intended use. The amendment requires that during the development stage of a mineral property, all income received, and related costs incurred, be recorded through profit or loss. Previously such income was applied against the development asset.

4. Mineral Properties

Acquisition Costs Summary

	Juan de Herrera and Escalibur Projects	Pueblo Grande and Ponton Projects	Motherlode Gold Project	Ace Gold Project	Total
Balance – November 30, 2020	$ 898,068	$ 905,930	$ -	$ -	$ 1,803,998
Acquisition costs - cash	-	-	27,000	15,000	42,000
Acquisition costs - shares	-	-	39,500	18,000	57,500
Staking costs	-	-	3,750	5,700	9,450
Balance – November 30, 2021 and February 28, 2022	$ 898,068	$ 905,930	$ 70,250	$ 38,700	$ 1,912,948

In Canadian Dollars

4. Mineral Properties

Exploration and Evaluation Expenditures Summary

For the Three Months Ended February 28, 2022	Juan de Hererra and Escalibur Projects	Pueblo Grande and Artur Projects	Ponton Project	Motherlode Gold Project	Ace Gold Project	Total
Assay	$ -	$ -	$ -	$ 861	$ 2,922	$ 3,783
Camp and general	-	738	-	1,646	187	2,571
Consulting	-	-	14,235	-	-	14,235
Field equipment and supplies	-	-	-	1,168	-	1,168
Foreign sales tax	96	4,249	-	-	-	4,345
Fuel	-	166	-	127	-	293
Geological consulting	-	5,824	-	32,870	16,996	55,690
Geophysics	-	-	-	11,498	-	11,498
License and registration	-	-	-	322	-	322
Maps, orthophotos, and reports	-	-	475	-	175	650
Office	186	5,862	-	-	-	6,048
Salaries and benefit	-	197	-	-	-	197
Travel, meals, and accommodation	-	-	-	274	-	274
Total exploration and evaluation costs	$ 282	$ 17,036	$ 14,710	48,766	20,280	$ 101,074

In Canadian Dollars

4. Mineral Properties – *Continued*

Exploration and Evaluation Expenditures Summary

For the Three Months Ended February 28, 2021		Juan de Hererra and Escalibur Properties		Pueblo Grande and Artur Properties		Ponton Property		Total
Assay	$	-	$	-	$	4,181	$	4,181
Camp and general		-		4,031		1,527		5,558
Consulting		271		3,064		18,087		21,422
Drilling		-		-		47,482		47,482
Field equipment and supplies		-		10,822		-		10,822
Foreign sales tax		96		4,260		-		4,356
Fuel		-		3,416		44,359		47,775
Geological consulting		-		23,862		-		23,862
Maps, orthophotos, and reports		-		156		1,526		1,682
Office		460		24,447		3,312		28,219
Salaries and benefit		-		33		-		33
Transportation		-		3,987		-		3,987
Travel, meals, and accommodation		104		1,291		2,675		4,070
Total exploration and evaluation costs	$	931	$	79,369	$	123,149	$	203,449

a) Juan de Hererra and Escalibur Properties, Dominican Republic

The Company, through 0945044 BC Ltd., owns a 100% interest in the Juan de Hererra concession and the Los Pinalitos concession application (previously Hato Nuevo) ("Dominican Republic properties") in the Dominican Republic through Corporacion Minera San Juan, S.R.L. ("CMSJ"), its wholly-owned subsidiary.

The properties are subject to a 3% net smelter returns ("NSR") royalty from any base and precious metal commercial production. The Company may acquire 50% of the NSR royalty by paying $2,000,000.

b) Pueblo Grande and Artur Projects, Dominican Republic

On October 24, 2018, the Company entered into a Purchase and Sale Agreement with Everton Resources Inc. and Everton Minera Dominican A SRL ("Everton") to acquire an 100% interest in the Pueblo Grande Project.

4. Mineral Properties – *Continued*

b) Pueblo Grande and Artur Properties, Dominican Republic

Pre-existing advanced stage or mining-related commitments to a third party include (i) a sliding scale NSR royalty ranging from 1%, where gold is under US$1,000/oz, to 2%, where gold is over US $1,400/oz and (ii) sum of cash or shares valued at the greater of $5,000,000 or the value of 5,000,000 common shares based on a 20 day VWAP, in the event a resource of 1,000,000 gold equivalent ounces or greater are delineated at certain grades and in various indicated and inferred categories.

On April 13, 2020 the Company signed a definitive earn-in agreement with Barrick Gold Corporation (“Barrick”) whereby Barrick has the right to earn a 70% interest in the Company’s Pueblo Grande Project by incurring a minimum US$10.0 million in exploration expenditures and delivering a qualifying Pre-feasibility Study prior April 13, 2026. In addition, Barrick subscribed for 12,713,636 common shares of the Company in a private placement for gross proceeds of $1,398,500 (Note 7).

In accordance with the terms of the earn-in agreement, to acquire a 70% interest in the Project, Barrick must (the “Earn-in Conditions”):

- Incur a minimum of US$10.0 million in qualifying exploration expenditures before April 13, 2026 as follows:

    - US$2.0 million in aggregate before April 13, 2022, with a US$1.0 million guaranteed minimum expenditure if Barrick elects to terminate the agreement before April 13, 2022 (completed)
    - US$3.5 million in aggregate before April 13, 2023;
    - US$5.0 million in aggregate before April 13, 2024;
    - US$7.0 million in aggregate before April 13, 2025; and
    - US$10.0 million in aggregate before April 13, 2026;

- Complete a minimum of 7,500 metres of drilling before April 13, 2026; and

- Deliver a qualifying pre-feasibility study before April 13, 2026.

Shortfalls in required exploration expenditures may be paid by Barrick to Precipitate as cash in lieu. Barrick may at any time accelerate the earn-in requirements.

In Canadian Dollars

4. Mineral Properties – *Continued*

c) Pueblo Grande and Artur Properties, Dominican Republic – *Continued*

Upon satisfaction of the Earn-in Conditions and delivery of an exercise notice, Barrick and the Company will form a joint venture to be owned 70% by Barrick and 30% by the Company. At the Company's election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Barrick will be obligated to provide the Company's portion of any debt financing or arrange for third party financing of the Company's portion of any debt financing required to construct a mine on the Project described in the Feasibility Study in consideration for the transfer by the Company to Barrick of an additional 5% interest in the joint venture. Dilution of the Company's interest in the joint venture below 10% will result in the conversion of the Company's interest to a 1.5% NSR royalty on any concessions without pre-existing NSRs as of the date hereof, and a 1.0% NSR royalty on any concessions with pre-existing NSRs as of the date hereof, applicable to all recovered products.

d) Ponton Property, Dominican Republic

The Ponton Project was acquired 100% as part of the agreement with Everton Resources Inc.

e) Motherlode Gold Project, Newfoundland, Canada

On August 5, 2021, and August 10, 2021, the Company entered into option and staking agreements whereby the Company may acquire a 100% interest in the Motherlode Gold Project, located in Newfoundland, by paying staged cash payments and issuing common shares as follows:

Date	Consideration	Common Shares
On August 24, 2021(paid and issued)	$ 26,000	370,000[1]
August 24, 2022	52,000	650,000
August 24, 2023	74,000	990,000
August 24, 2024	84,000	1,270,000
August 24, 2025	107,000	1,800,000
	$ 343,000	5,080,000

[1] issued at a value of $37,000

Upon completion of the cash and share payments, the Company will own a 100% interest in the Motherlode Gold Project, subject to certain NSR of 1.5% to Vendor Group 1 and 2.5% to Vendor Group 2. Portions of the NSR's can be repurchased by the Company at any time up to 1.0%. In addition, the Company retains a right of first refusal to purchase the balance of all NSR's at any time.

In Canadian Dollars

4. Mineral Properties – *Continued*

e) Motherlode Gold Project, Newfoundland, Canada – *Continued*

Additionally, The Company acquired a 100% interest in an adjoining project through staking and execution of a purchase agreement by paying $1,000 and issuing 25,000 common shares (valued at $2,500). During the year ended November 30, 2021, the Company paid $3,750 of staking costs and $25,900 toward a deposit relating to the staking licenses.

f) Ace Gold Project, Newfoundland, Canada

On October 1, 2021, the Company entered into Option Agreement whereby the Company may acquire a 100% interest in the Ace Gold Project, located in Newfoundland, by paying staged cash payments and issuing common shares as follows:

Date	Consideration	Common Shares
Within 5 days of October 14, 2021 (paid and issued)	$ 15,000	200,000[1]
October 14, 2022	20,000	250,000
October 14, 2023	25,000	300,000
October 14, 2024	30,000	350,000
October 14, 2025	40,000	500,000
	$ 130,000	1,600,000

[1] issued at a value of $18,000

Additionally, the Company reimbursed the vendors for staking costs of $5,700. Upon completion of the cash and share payments, the Company will have a 100% interest in the Ace Gold Project, subject to NSR of 1.5%. The Company will have the exclusive right to purchase up to 1.0% of the NSR from the Vendors at any time for $500,000 per 0.5% and retain a right of first refusal to purchase the balance of all NSR's at any time.

In Canadian Dollars

5. Investments

Management has determined it appropriate to record the warrants of Sabre Gold Mines Corp. (formerly Golden Predator Mining Corp.) as FVTPL. The initial investment of warrants was recorded using the Black-Scholes option pricing model. The Company revalues the warrants at each reporting period. Any changes in the fair value of the warrants is recorded as unrealized gain or loss on investments until the warrants are sold or impaired for an extended period, at which point any gains and losses recorded to date will be recognized as gain or loss on investments.

Balance as at November 30, 2020	$	31,000
Change in fair value		(25,000)
Balance as at November 30, 2021		6,000
Change in fair value		-
Balance as at February 28, 2022	$	6,000

The fair value of the warrants was based on the Black-Scholes valuation model using the following inputs:

	Three months ended February 28, 2022	Three month ended February 28, 2021
Risk-free interest rate	1.28%	0.30%
Expected life of options	1.09 years	2.09 years
Expected annualized volatility	91.78%	85.06%
Expected dividend rate	0%	0%

In Canadian Dollars

6. Equipment

During the year ended November 30, 2020, the Company acquired several drills and related equipment through a partnership with GoldQuest Mining Corp. ("GoldQuest").

	Tools and Equipment	Light Transport Vehicles	Heavy Transport Vehicles	Drilling Equipment	Total
Cost					
Balance, November 30, 2020	$ 16,808	$ 22,703	$ 2,700	$ 32,154	$ 74,365
Acquisitions	-	-	-	-	-
Balance, November 30, 2021	16,808	22,703	2,700	32,154	74,365
Acquisitions	-	-	-	-	-
Balance, February 28, 2022	$ 16,808	$ 22,703	$ 2,700	$ 32,154	$ 74,365
Accumulated depreciation					
Balance, November 30, 2020	$ -	$ -	$ -	$ -	$ -
Depreciation	2,038	8,437	1,003	5,974	17,452
Balance, November 30, 2021	2,038	8,437	1,003	5,974	17,452
Depreciation	621	2,570	305	1,820	5,316
Balance, February 28, 2022	$ 2,659	$ 11,007	$ 1,308	$ 7,794	$ 22,768
Carrying Value					
At November 30, 2021	$ 14,770	$ 14,266	$ 1,697	$ 26,180	$ 56,913
At February 28, 2022	$ 14,149	$ 11,696	$ 1,392	$ 24,360	$ 51,597

7. Shareholders' Equity

a) Authorized

Unlimited number of common shares without par value

b) Issued Share Capital

Share transactions for the three months ended February 28, 2022:

(i) On December 30, 2021, the Company closed a non-brokered private placement of 15,850,000 flow-through units at $0.10 per unit and 6,604,333 non flow-through units at $0.09 per unit for gross proceeds of $2,179,390. Each flow-through and non flow-through unit consisted of one flow-through common share and one-half warrant. Each warrant is exercisable for one additional non flow-through common share at $0.15 per share until December 30, 2023.

Of the cash proceeds received from non flow-through shares, $502,000 was allocated to share capital and $92,390 was allocated to warrants based on their relative fair value.

The amount of the flow-through share liability associated with the flow-through shares was determined to be $158,500 based on the difference between the fair value price per share of the flow-through and the non flow-through shares. The remaining proceeds from the flow-through shares, after deducting the flow-through share liability was $1,426,500, of which $1,205,000 was allocated to share capital and $221,500 was allocated to warrants based on their relative fair value.

The Company paid share issue costs of $70,946, issued 194,444 non flow-through units and issued 771,000 finders' fee warrants valued at $35,000 associated with the private placement. Each non flow-through unit consisted of one non flow-through common share and one-half warrant. Each warrant is exercisable for one additional non flow-through common share at $0.15 per share until December 30, 2023. Of the value of non flow-through shares of $19,444, $16,000 was allocated to share capital and $3,444 was allocated to warrants based on their relative fair value. Of the 771,000 finders' fee warrants issued, 123,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at $0.09 per share, 486,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at $0.10 per share, and 162,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at $0.15 per share, all exercisable until December 30, 2023.

In Canadian Dollars

7. Shareholders' Equity – *Continued*

b) Issued Share Capital – *Continued*

Share transactions for the year ended November 30, 2021:

(ii) On August 24, 2021, the Company issued 395,000 common shares as part of the option and staking agreements relating to the Motherlode Gold Project (Note 4) valued at $39,500.

(iii) On October 14, 2021, the Company issued 200,000 common shares as part of the option and staking agreements relating to the Ace Gold Project (Note 4) valued at $18,000.

(iv) During the year ended November 30, 2021, 100,000 common shares were issued from the exercise of stock options for gross proceeds of $12,000.

c) Flow-through Share Liability

The following is a continuity of the liability portion of the flow-through share issuances:

Balance, November 30, 2020 and 2021	$	-
Flow-through premium liability additions		158,500
Settlement of flow-through premium liability pursuant to qualifying expenditures		(5,979)
Balance, February 28 ,2022	$	152,521

d) Warrants

Details of warrant activity for the three months ended February 28, 2022 and the year ended November 30, 2021 are as follows:

November 30, 2020	Expired Unexercised	November 30, 2021	Issued	February 28, 2022	Exercise Price	Expiry Date
4,995,610	(4,995,610)	-	-	-	$0.20	November 6, 2021
-	-	-	11,324,388	11,324,388	$0.15	December 30, 2023
-	-	-	123,000	123,000	$0.09	December 30, 2023
-	-	-	486,000	486,000	$0.10	December 30, 2023
-	-	-	162,000	162,000	$0.15	December 30, 2023
4,995,610	(4,995,610)	-	12,095,388	12,095,388	$0.15	

In Canadian Dollars

7. Shareholders' Equity – Continued

e) Share Options

The Company has a rolling share option plan, which authorizes the Board of Directors to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than market price of the Company's shares calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's share option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule at its discretion.

Details of activity in share purchase options for three months ended February 28, 2022 and the year ended November 30, 2021 are as follows:

November 30, 2020	Issued	Exercised	Expired Unexercised	November 30, 2021 and February 28, 2022	Exercise Price	Expiry Date
1,050,000	-	(100,000)	(950,000)	-	$0.12	March 4, 2021
1,095,000	-	-	(1,095,000)	-	$0.25	October 13, 2021
2,625,000	-	-	-	2,625,000	$0.08	November 20, 2023
2,670,000	-	-	-	2,670,000	$0.15	May 25, 2025
75,000	-	-	-	75,000	$0.28	October 21, 2025
-	2,690,000	-	-	2,690,000	$0.21	January 29, 2026
-	2,150,000	-	-	2,150,000	$0.095	October 18, 2026
7,515,000	4,840,000	(100,000)	(2,045,000)	10,210,000	$0.14	

8. Segmented Information

a) Operating Segment

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and the Dominican Republic.

In Canadian Dollars

8. Segmented Information – *Continued*

b) Geographic Segments

The Company's geographic information as at February 28, 2022 and November 30, 2021 are as follows:

As at February 28, 2022	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	$ 108,950	$ 1,803,998	$ -	$ 1,912,948
Equipment	-	51,597	-	51,597
Other assets	2,335,619	20,973	5,629	2,362,221
Total	$ 2,444,569	$ 1,876,568	$ 5,629	$ 4,326,766

As at November 30, 2021	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	$ 108,950	$ 1,803,998	$ -	$ 1,912,948
Equipment	-	56,913	-	56,913
Other assets	507,795	22,386	5,629	535,810
Total	$ 616,745	$ 1,883,297	$ 5,629	$ 2,505,671

8. Related Party Transactions

Key management personnel consist of directors and senior management including the President, Chief Executive Officer and Vice President of Exploration and Chief Financial Officer. Key management personnel compensation for the three months ended February 28, 2022 and 2021 includes:

	2022	2021
Salaries and wages	$ 38,750	$ 38,750
Property investigation costs	460	-
Geological consulting	41,500	40,500
Accounting expense	9,000	4,500
Share-based compensation	-	383,881
	$ 89,710	$ 467,881

In Canadian Dollars

9. Related Party Transactions – *Continued*

The accounts payable and accrued liabilities of the Company as at February 28, 2022 and as at November 30, 2021 include the following amounts due to related parties:

	February 28, 2022	November 30, 2021
Key management personnel	$ 19,302	$ 18,661

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

11. Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2: Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3: Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short term maturity. Investment in Sabre Gold Mines Corp. warrants is measured using level 3 of fair value hierarchy (Note 5).

11. Financial Instruments – *Continued*

a) Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including credit risk, liquidity risk, interest rate risk and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are due from Government entities. Management is of the view that all amounts are fully collectible.

(iii) 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 has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Political Risk

The Company has subsidiaries in the Dominican Republic and the United States. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

(v) Foreign Currency Fluctuation Risk

The Company has vendors in Canada, the United States, the Dominican Republic and Mexico; therefore, the Company's operations are affected by the currency fluctuations in these jurisdictions. The Company's exposure to foreign currency fluctuations is minimal.