

**HARVEST GOLD CORPORATION**

**(An Exploration Stage Company)**

**Interim Condensed Consolidated Financial Statements**

**Nine months ended December 31, 2022**

**(Unaudited – prepared by management)**

**(Expressed in Canadian Dollars)**

#### **NOTICE TO READER**

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, Harvest Gold Corporation (the "Company") discloses that its auditors have not reviewed the unaudited interim financial statements.

The unaudited condensed consolidated interim financial statements of the Company for the nine months ended December 31, 2022 ("Financial Statements") have been prepared by management. The Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2022, which are available at the SEDAR website [www.sedar.com](http://www.sedar.com). The Financial Statements are stated in Canadian dollars, unless other indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS").

Harvest Gold Corporation  
(An Exploration Stage Company)  
Condensed Consolidated Interim Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited – prepared by management)

	Notes	December 31, 2022	March 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 610,717	\$ 819,035
GST receivable		11,449	109,378
Share subscriptions receivable	8	23,000	23,000
Prepays		3,725	3,725
		648,891	955,138
Exploration and evaluation assets	4	2,595,147	2,383,490
Exploration advances	4	-	150,074
Reclamation bond	5	41,300	41,300
<b>TOTAL ASSETS</b>		<b>\$ 3,285,338</b>	<b>\$ 3,530,002</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	6,7	\$ 84,600	\$ 61,962
Flow-through share liability	8	50,936	50,936
		135,536	112,898
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	18,546,215	18,546,215
Share-based payment reserve	8	2,296,053	2,296,053
Deficit		(17,692,466)	(17,425,164)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>3,149,802</b>	<b>3,417,104</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 3,285,338</b>	<b>\$ 3,530,002</b>

Nature and continuance of operations (Note 1)

Harvest Gold Corporation  
(An Exploration Stage Company)  
Condensed Consolidated Interim Statements of Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited – prepared by management)

	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
<b>EXPENSES</b>				
Consulting fees	\$ 40,667	\$ 27,060	\$ 83,818	\$ 98,344
Management fees	30,000	27,000	84,000	85,500
Office and miscellaneous	7,763	5,424	9,898	10,638
Professional fees	28,202	45,231	70,446	89,440
Share-based payments	-	294,811	-	294,811
Transfer agent, filing fees and shareholder relations	3,204	5,303	19,140	33,830
<b>Loss and comprehensive loss for the period</b>	<b>\$ (109,836)</b>	<b>\$ (404,829)</b>	<b>\$ (267,302)</b>	<b>\$ (612,563)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding**</b>	<b>39,165,628</b>	<b>29,561,565</b>	<b>39,165,628</b>	<b>22,271,761</b>

Harvest Gold Corporation  
(An Exploration Stage Company)  
Condensed Consolidated Interim Statement of Changes in Equity  
(Expressed in Canadian Dollars)  
(Unaudited – prepared by management)

	Notes	Share capital		Share-based payment reserves	Deficit	Total
		Number of shares	Amount			
<b>Balance at March 31, 2021</b>		<b>17,268,011</b>	<b>\$ 15,860,221</b>	<b>\$ 1,949,436</b>	<b>\$ (16,831,199)</b>	<b>\$ 978,458</b>
Private Placement		19,479,750	2,674,700	-	-	2,674,700
Share based payments				294,811		294,811
Net comprehensive loss for the period					(612,563)	(612,563)
		-	-	-		
<b>Balance at December 31, 2021</b>		<b>36,747,761</b>	<b>\$ 18,534,921</b>	<b>\$ 2,244,247</b>	<b>\$ (17,443,762)</b>	<b>\$ 3,335,406</b>
<b>Balance at March 31, 2022</b>		<b>39,165,628</b>	<b>\$ 18,546,215</b>	<b>\$ 2,296,053</b>	<b>\$ (17,425,164)</b>	<b>\$ 3,417,104</b>
Net comprehensive loss for the period		-	-	-	(267,302)	(267,302)
<b>Balance at December 31, 2022</b>		<b>39,165,628</b>	<b>\$ 18,546,215</b>	<b>\$ 2,296,053</b>	<b>\$ (17,692,466)</b>	<b>\$ 3,149,802</b>

See accompanying notes to the condensed consolidated interim financial statements

Harvest Gold Corporation,  
(An Exploration Stage Company)  
Condensed Consolidated Interim Statements of Cash Flows  
(Expressed in Canadian Dollars)  
(Unaudited – prepared by management)

	Nine months ended	
	December 31, 2022	December 31, 2021
<b>Operating activities</b>		
Net loss for the period	\$ (267,302)	\$ (612,563)
Share based payments		294,811
Changes in non-cash working capital items:		
GST receivable	97,929	(43,651)
Prepays	-	(17,901)
Trade payables and accrued liabilities	22,638	(55,885)
<b>Net cash flows provided by (used in) operating activities</b>	<b>(146,735)</b>	<b>(435,189)</b>
<b>Investing activities</b>		
Reclamation bond	-	(41,300)
Exploration and evaluation asset expenditures, net	(47,582)	(1,019,691)
<b>Net cash flows used in investing activities</b>	<b>(47,582)</b>	<b>(1,060,991)</b>
<b>Financing activities</b>		
Private placement proceeds, net	-	2,674,700
<b>Net cash flows provided by financing activities</b>	<b>-</b>	<b>2,674,700</b>
Change in cash	(208,318)	1,178,520
Cash, beginning	819,035	818,213
<b>Cash, ending</b>	<b>\$ 610,717</b>	<b>\$ 1,996,733</b>

Supplemental cash flow information:

There were no non-cash transactions during the nine months ended December 31, 2021.

During the nine months ended December 31, 2022, the company used \$150,074 of exploration advances.

## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Harvest Gold Corporation (the “Company” or “Harvest”) was incorporated on June 28, 2005, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company is a Tier 2 Mining Issuer listed and trading on the TSX Venture Exchange (“TSX-V”).

The head office, principal address, records office and registered address of the Company are located at 1681 Chestnut Street, Suite 400, Vancouver, British Columbia, Canada, V6J 4M6.

The Company’s principal business activities are the exploration of natural resource properties. The recovery of the Company’s investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has not earned any revenues to date and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. During the nine months ended December 31, 2022, the Company incurred a net loss of \$267,302 and as at December 31, 2022 had an accumulated deficit of \$17,692,466. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These uncertainties cast significant doubt about the Company’s ability to continue as a going concern.

The exploration and evaluation property in which the Company has an interest in is in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available to do so.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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 exploration activities or its ability to raise funds. As of the date of this report Covid-19 has had no impact on the Company’s ability to access and explore its current properties but may impact the Company’s ability to raise money or explore its properties should travel restrictions due to Covid-19 be extended, expanded, or, in the case in British Columbia be reintroduced. The impact on the Company is not currently determinable but management continues to monitor the situation.

The financial statements were authorized for issue on February 28, 2023 by the Board of Directors of the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

### **Statement of compliance with International Financial Reporting Standards**

The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

### **Basis of preparation**

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars, which unless otherwise noted, is the Company's functional currency.

### **Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Harvest Gold Corporation (US), Canasur Gold Limited ("Canasur"), Canasur Goldmines N.V., Canasur Gold Limited N.V. and Carminco N.V. All intercompany transactions and balances have been eliminated upon consolidation.

### **Significant estimates and assumptions**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgement in the process of applying the accounting policies.

On an on-going basis, management evaluates its estimates and assumptions in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include stock-based awards and payments, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

### **Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied to the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the determination of whether an acquisition constitutes a business combination or an acquisition of assets;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the determination of the functional currency of the Company and its subsidiaries.



## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

### **Foreign currency translation**

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the Company's subsidiaries is the Canadian dollar.

### Transactions and balances:

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

### Foreign operations:

The financial results and position of foreign operations whose functional currency is the same Company's presentation currency are translated as follows:

- Monetary assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of such foreign operations are recognized in profit or loss.

### **Exploration and evaluation assets**

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events for exploration and evaluation asset impairment are defined in *IFRS 6 Exploration and evaluation of mineral resources* and are as follows:

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

### Exploration and evaluation assets (cont'd)

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

### Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

### Impairment of assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs and for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

### Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

#### (i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the Company's classification under IFRS 9:

Financial assets / liabilities	Classification Under IFRS 9
Cash	Amortized cost
Accounts payable	Amortized cost

#### (ii) Measurement

##### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

## **2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)**

### **Financial instruments (cont'd)**

#### **(ii) Measurement (cont'd)**

##### **Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive income (loss) in the period in which they arise.

##### **Debt investments at FVTOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### **Equity investments at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### **(iii) Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### **(iv) Derecognition**

##### **Financial assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

##### **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

## **2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)**

### **Loss per share**

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. If the calculation results in an anti-dilutive effect, then only basic income or loss per share is presented.

### **Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it arises in a business combination, or from items recognized directly in equity or other comprehensive loss/income.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the asset and liability method of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

## **2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)**

### **Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated to share capital.

### **Flow-through shares**

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss based on a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

### **Share-based payments**

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

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

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

## **2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)**

### **Share-based payments**

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to an employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

## **3. ACCOUNTING STANDARDS ISSUED**

### **New Standards, Interpretations and Amendments Effective This Year**

New standards, interpretations and amendments not adopted in the current year have not been disclosed as they have been assessed to not have a significant impact on the Company's financial statements.

### **Recent Accounting Pronouncements**

Certain new accounting standards, amendments to standards and interpretations have been issued, effective for annual periods beginning on or after April 1, 2022. These standards have been assessed to not have a significant impact on the Company's financial statements.

#### 4. EXPLORATION AND EVALUATION ASSETS

	Emerson, Jacobite & Goathorn	Goliat-Tibiti	Total
<b>Acquisition:</b>			
Balance, March 31, 2021	\$ 42,000	\$ 62,877	104,877
Acquisition costs	60,000	-	60,000
Write-off	-	(37,913)	(37,913)
Balance, March 31, 2022	102,000	24,964	126,964
Acquisition costs	10,000	-	10,000
Balance, December 31, 2022	112,000	24,964	136,964
<b>Exploration:</b>			
Balance, March 31, 2021	182,524	-	182,524
Geological and field costs	2,074,002	-	2,074,002
Balance, March 31, 2022	2,256,526	-	2,256,526
Geological and field costs	422,315	-	422,315
Mining tax credit	(220,658)	-	(220,658)
Balance, December 31, 2022	2,458,183	-	2,458,183
<b>Balance, March 31, 2022</b>	<b>\$ 2,358,526</b>	<b>\$ 24,964</b>	<b>\$ 2,383,490</b>
<b>Balance, December 31, 2022</b>	<b>\$ 2,570,183</b>	<b>\$ 24,964</b>	<b>\$ 2,595,147</b>

##### Emerson, Jacobite and Goathorn, British Columbia

On June 23, 2020, as amended on July 20, 2020 and approved by the TSX-V on July 21, 2020, the Company entered into an option agreement (the "Agreement") with two private B.C. companies, Running Dog Resources Ltd. and Attunga Holdings Inc. (or collectively, "the Vendors") whereby the Company can earn up to an 100% interest in up to three Copper-Gold porphyry projects located in the Omineca Mining Division of central B.C.



#### 4. EXPLORATION AND EVALUATION ASSETS (cont'd)

##### Emerson, Jacobite and Goathorn, British Columbia (cont'd)

Under the terms of the Agreement, the Company can earn a 100% interest in any or all of the three projects by completing the following:

Time	Exploration	Cash
TSX-V Approval	\$ -	\$35,000 for all three projects (paid)
TSX-V Approval	-	\$7,000* for all three projects (paid)
December 31, 2021	450,000**	\$20,000 per property (paid)
December 31, 2022		\$5,000 per each of two properties (paid)
December 31, 2023	-	\$25,000 per property
December 31, 2024	-	\$50,000 per property
December 31, 2025	-	\$75,000 per property
		Minimum: \$42,000
Total	\$ 450,000	Maximum: \$552,000

\*\$7,000 to be applied as a credit to the exploration work commitments

\*\* Minimum of \$100,000 on each property (completed)

Once the Company had completed the Phase 1 work program it had until December 31, 2021 to elect to retain one or more of the three projects or return any not selected to the Vendors with two years good standing. The Company continues to make cash payments on the anniversary dates it will earn a 100% interest in each project, subject to a 1.5% net smelter royalty ("NSR") in favour of the Vendors. One half of the NSR royalty (0.75%) may be purchased for \$500,000 prior to the publication of a mineral resource or for \$1,500,000 thereafter. The Vendors will also be entitled to annual Advance Royalty Payments ("ARP") of \$5,000 per project per year for four years commencing January 1, 2025 and increasing to \$10,000 per project per year for four years commencing January 1, 2029. Thereafter and continuing for as long as the Company or successor owns the permits, the annual ARP will increase to \$20,000 per project. All amounts provided as advance royalty payments can be paid in shares, at the Company's option and will be deductible from future NSR royalty payments.

During the year ended March 31, 2022, the Company paid \$40,000 and has earned a 100% interest in the Emerson and Goathorn projects, subject to payment of the remaining cash obligations noted above. The Company also entered into an amending agreement with the Vendors whereby the Company paid the 2021 cash payment of \$20,000 and may elect to retain a 100% interest in the Jacobite project (subject to payment of the remaining cash obligations noted above) by completing a 2D induced polarization study on Jacobite during 2022.

During the nine months ended December 31, 2022, the Company conducted a soil sampling program on the Jacobite project. Upon receipt of the soil sampling results the Company returned The Jacobite Project to the property vendors. In addition, the Company renegotiated the terms of the Option Agreement on the Emerson and Goathorn Projects to defer all future cash payments by one year in return for a \$5,000 payment on each project by December 31, 2022.

#### 4. EXPLORATION AND EVALUATION ASSETS (cont'd)

##### Goliat-Tibiti, Suriname

Pursuant to the Amalgamation Agreement, the Company acquired Canasur's 100% exploration interest in the Goliat-Tibiti property located in Suriname. The property is subject to an agreement requiring the Company to, among other conditions:

- a) Pay an annual fee equal to 12% of certain exploration costs, subject to an annual maximum of US \$50,000; and
- b) A NSR of 1.0%, which can be repurchased by the Company at any time for US \$1,800,000.

On May 7, 2018, the Company entered into a Share Purchase Agreement for the sale of its 100% interest in Canasur for \$192,753 (US\$150,000). The consideration of US\$150,000 is payable in increments of US\$30,000 due on or before July 1, 2018, November 1, 2018, March 1, 2019, July 1, 2019 and November 1, 2019. The purchase is secured by a pledge of the 100% interest in Canasur.

During the year ended March 31, 2018, the Company had derecognized the assets and liabilities of Canasur from the consolidated statements of financial position setting up the amount to be collected as the fair value of the remaining exploration and evaluation asset and recognized a corresponding impairment.

During the year ended March 31, 2021, the Company received US \$Nil (2020 – US\$10,000 (\$13,051)) in relation to this agreement.

Subsequent to March 31, 2022, the parties agreed to further amend the Share Purchase Agreement for a final payment of \$24,964 (US\$20,000) resulting in the Company recognizing an impairment of \$37,913 as at March 31, 2022 to record the carrying value of the property to its recoverable amount. However, if the amount is not received by the Company by December 31, 2022, the amount owing will revert back to US\$50,000.

#### 5. RECLAMATION BOND

During the year ended March 31, 2021, the reclamation bond issued with the Nevada Division of Minerals in the amount of US\$12,322 to guarantee reclamation of the environment of the Rosebud Gold Mine Property was returned to the Company resulting in a balance of US \$Nil (CDN - \$Nil) as at March 31, 2022 (2021 - US\$12,322 (CDN - \$15,983)). The Rosebud Property was previously written down to \$Nil.

During the year ended March 31, 2022, the Company paid \$41,300 as a reclamation bond for the exploration program on Emerson, Jacobite and Goathorn projects in British Columbia.

#### 6. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2022	March 31, 2022
Trade payables (Note 7)	\$ 48,600	\$ 25,962
Accrued liabilities (Note 7)	36,000	36,000
	\$ 84,600	\$ 61,962

## 7. RELATED PARTY TRANSACTIONS

### a. Contractual commitment with related parties

On January 1, 2015, the Company entered into a management agreement with an officer and director to fulfil the role as Chief Executive Officer for a period of 5 years for a monthly rate of \$4,000 per month. In October 2016, the contract was renewed at a new monthly rate of \$5,000. In October of 2018, the contract was renewed at a new monthly rate of \$7,500. On March 1, 2021, the contract was renewed at the same monthly rate of \$7,500.

### b. Transactions with related parties

During the nine months ended December 31, 2022, the Company paid or accrued \$18,000 (2021- \$18,000) of consulting fees and \$84,000 (2021- \$85,500) of management fees to officers and directors and companies controlled by officers and directors of the Company.

### c. Transactions with key management personnel

	Nine months ended	
	December 31, 2022	December 31, 2021
Management and consulting fees	\$ 102,000	\$ 90,000
Share based payments	\$ -	\$ 221,108

## 8. SHARE CAPITAL

### *Authorized share capital*

Unlimited number of common shares without par value.

### *Issued share capital*

The Company did not issue any common shares during the nine months ended December 31, 2022.

During the year ended March 31, 2022:

On June 28, 2021, the Company closed a non-brokered private placement issuing 5,003,750 units at a price of \$0.20 per unit raising total gross proceeds of \$1,000,750 of which \$23,000 is still receivable as at March 31, 2022. The Company is working to cancel 115,000 common shares. Each unit consists of one common share in the capital of the Company and one-half of one transferable common share purchase warrant. Each full warrant entitles the holder to purchase one additional share of the Company at an exercise price of \$0.30 per share until June 28, 2023, provided that in the event that the closing price of the Company's shares on the TSX-V (or such other exchange on which the Company's shares may become traded) is \$0.50 or greater per share during any 20-consecutive-trading-day period at any time subsequent to four months and one day after the closing date, the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants.

## 8. SHARE CAPITAL (cont'd)

On December 17, 2021 the Company closed a non-brokered private placement issuing 11,076,000 flow-through units ("FT Units") at a price of \$0.125 per FT Unit raising total gross proceeds of \$1,384,500. Each FT Unit consists of one flow-through common share and one-half of one common share purchase warrant with each whole warrant exercisable at a price of \$0.20 per share until December 17, 2023, provided that in the event that the closing price of the Company's shares on the TSX-V (or such other exchange on which the Company's shares may become traded) is \$0.40 or greater per share during any 15 non-consecutive trading day period after June 1, 2022, the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants. The Company issued 151,200 finders' flow-through shares, paid finders fees of \$50,550 and issued 555,600 Agent Warrants valued at \$51,806 using the Black-Scholes Option Pricing Model. The assumptions used to value the finders' warrants included volatility of 190.79%, a risk-free interest rate of 1.65% and a two-year term. The Agent Warrants have the same terms as the warrants from the financing. A flow-through share premium of \$276,900 was recognized as a reduction against the proceeds received. As at March 31, 2022, the flow-through share liability was \$50,936.

On December 31, 2021, the Company closed a non-brokered private placement issuing 3,400,000 units at a price of \$0.10 per unit raising total gross proceeds of \$340,000. Each unit consists of one common share and one common share purchase warrant, exercisable at \$0.20 per share until December 31, 2024, provided that, in the event the closing price of the Company's shares on the exchange (or such other exchange on which the Company's shares may become traded) is \$0.50 or greater per share during any 15-non-consecutive-trading-day period after June 15, 2022, the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the warrants.

On January 19, 2022, the Company closed a first tranche of a non-brokered private placement issuing 2,000,000 units at a price of \$0.15 per unit raising total gross proceeds of \$300,000. Each unit consists of one common share and one warrant exercisable at a price of \$0.25 per share until January 19, 2024, provided that if the closing price of the Company's shares on the TSX-V (or such other exchange on which the Company's shares may become traded) is \$0.50 or greater per share during any 15 non-consecutive trading day period after June 15, 2022, the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants.

On February 3, 2022, the Company closed the second and final tranche of a non-brokered private placement issuing 266,667 units at \$0.15 cents per unit raising gross proceeds of \$40,000. Each unit consists of one common share and one warrant exercisable at a price of \$0.25 per share until February 3, 2024, provided that if the closing price of the Company's shares on the TSX-V (or such other exchange on which the Company's shares may become traded) is \$0.50 cents or greater per share during any 15 non-consecutive trading day period after June 15, 2022, the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants.

### ***Share-based payment reserve***

The share-based payment reserve records items recognized as stock-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.

## 8. SHARE CAPITAL (cont'd)

### *Stock options*

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Vesting periods are determined by the Board of Directors.

On January 22, 2021 the Company granted incentive stock options to purchase up to 710,000 common shares to certain directors, officers, consultants and advisors of the Company at an exercise price of \$0.20 per share for a period of five years. The estimated grant date fair value of these options was \$116,565 using the Black-Scholes Option Pricing Model relating to the immediate vesting of options. The assumptions used to value the options included volatility of 190.79%, a risk-free interest rate of 1.65% and a five-year term.

On December 31, 2021 the Company granted incentive stock options to purchase up to 1,910,000 common shares to certain directors, officers, consultants and advisors of the Company at an exercise price of \$0.20 per share for a period of five years. The estimated grant date fair value of these options was \$294,811 using the Black-Scholes Option Pricing Model relating to the immediate vesting of options. The assumptions used to value the options included volatility of 190.79%, a risk-free interest rate of 1.65% and a five-year term.

The changes in options during the period ended December 31, 2022 and year ended March 31, 2022 are as follows:

	Nine months ended December 31, 2022		Year ended March 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	3,525,000	\$ 0.29	1,717,500	\$ 0.41
Options granted	-	-	1,910,000	0.20
Options cancelled	-	-	(77,500)	0.60
Outstanding, end of period	3,525,000	\$ 0.29	3,525,000	\$ 0.29

As at December 31, 2022, the Company had the following options outstanding and exercisable:

## 8. SHARE CAPITAL (cont'd)

### *Stock options (cont'd)*

Grant date	Expiry date	Number of options	Exercise price
August 9, 2018	August 9, 2023	180,000	0.75
December 18, 2018	December 18, 2023	430,000	0.75
August 7, 2020	August 7, 2025	295,000	0.16
January 22, 2021	January 22, 2026	710,000	0.20
December 31, 2021	December 31, 2026	1,910,000	0.20
		3,525,000	

### *Warrants*

The changes in warrants during the period ended December 31, 2022 and year ended March 31, 2022 are as follows:

	Nine months ended December 31, 2022		Year ended March 31, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	23,071,626	\$ 0.23	8,866,984	\$ 0.24
Warrants expired	(7,562,234)	0.25	(57,500)	0.30
Finders' warrants issued	-	-	555,600	0.20
Warrants issued	-	-	13,706,542	0.23
Outstanding, end of period	15,509,392	\$ 0.23	23,071,626	\$ 0.23

As at December 31, 2022, the Company had the following warrants outstanding:

Issue date	Expiry date	Number of warrants	Exercise price
July 29, 2020	July 29, 2023	1,304,750	\$ 0.15
June 28, 2021	June 28, 2023	2,444,375	0.30
December 17, 2021	December 17, 2023	6,093,600	0.20
December 31, 2021	December 31, 2024	3,400,000	0.20
January 19, 2022	January 19, 2024	2,000,000	0.25
February 3, 2022	February 3, 2024	266,667	0.25
		15,509,392	

## 9. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as GST receivable are refundable from the Government of Canada.

### ***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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. As such, liquidity risk has been assessed as high.

### ***Foreign exchange risk***

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's exposure to foreign currency risk is minimal.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2022, the Company did not have any cash equivalents or interest-bearing debt and is not subject to interest rate risk.

### ***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

## 9. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

### *Classification of financial instruments*

Financial assets included in the consolidated statement of financial position are as follows:

	December 31, 2022	March 31, 2022
Cash	\$ 610,717	\$ 819,035

Financial liabilities included in the consolidated statement of financial position are as follows:

	December 31, 2022	March 31, 2022
Trade payables	\$ 84,600	\$ 61,962

## 10. SEGMENTED INFORMATION

### *Operating segments*

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

### *Geographic segments*

	December 31, 2022	March 31, 2022
Total assets		
Canada	\$ 3,260,374	\$ 3,505,040
Suriname	24,964	24,962
	\$ 3,285,338	f \$ 3,530,002
Exploration and evaluation assets		
Canada	\$ 2,570,183	\$ 2,358,528
Suriname	24,964	24,962
	\$ 2,595,147	\$ 2,383,490