GRANADA GOLD MINE INC.

FINANCIAL STATEMENTS

For the years ended

June 30, 2021 and 2020

(Expressed in Canadian dollars)

GRANADA GOLD MINE INC.

June 30, 2021

Managements Responsibility for Financial Reporting

The financial statements and were prepared by the management of Granada Gold Mine Inc., reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors. Management is responsible for preparation of the financial statements and believes that they fairly represent the Company's financial position and the results of its operations in accordance with International Financial Reporting Standards. Management has included amounts in the Company's financial statements based on estimates, judgments and policies that it believes reasonable in the circumstances.

Independent Auditor's Report

To the Shareholders of Granada Gold Mine Inc.

Opinion

We have audited the financial statements of Granada Gold Mine Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2021 and 2020, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has accumulated operating losses and a working capital deficiency. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234

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

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 27, 2021

GRANADA GOLD MINE INC.

Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	As at June 30, 2021	As at June 30, 2020
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**193,104**	267,914
Amounts receivable	5	**1,391,298**	413,569
Prepaid expenses		**9,955**	1,000
Marketable securities	6	**1,637,378**	-
Total Current Assets		**3,231,735**	682,483
Deposit, long-term	7	**372,436**	171,800
Property, plant and equipment	9	**196,365**	142,545
Total assets		**3,800,536**	996,828
SHAREHOLDERS' EQUITY (DEFICIENCY) AND LIABILITIES			
Liabilities			
Current liabilities			
Trade, other payables and provisions	11, 15, 17	**7,240,808**	6,263,483
Secured loans payable	10	**1,769,551**	1,619,774
Total Current Liabilities		**9,010,359**	7,883,257
Provision for site reclamation and restoration	16	**391,449**	380,079
Total liabilities		**9,401,808**	8,263,336
Shareholders' Equity (Deficiency)			
Share capital	12	**70,357,818**	65,499,431
Reserves	12	**3,431,427**	3,240,654
Deficit		**(79,390,517)**	(76,006,593)
Total Shareholders' Equity (Deficiency)		**(5,601,272)**	(7,266,508)
Total Liabilities and Shareholders' Equity		**3,800,536**	996,828

Nature of operations and going concern (Note 1), **Commitments and contingencies** (Note 8, 10, 16 & 17) and **Subsequent events** (Note 21)

APPROVED BY THE BOARD:

"Frank Basa"
Director

"Jacques Monette"
Director

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

GRANADA GOLD MINE INC.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	Year ended June 30, 2021	Year ended June 30, 2020
		$	$
Expenses			
Exploration and evaluation	8		
Assay and testing		**15,302**	11,568
Consulting fees		**39,139**	22,670
Core analysis		**430,185**	50,061
Depreciation	9	**44,847**	45,024
Drilling		**3,014,936**	73,341
Equipment		**110,291**	22,117
Facility expenses		**93,167**	103,352
Geology, geophysics and surveys		**183,134**	140,000
Mining tax credits	6	**(942,462)**	(218,587)
Personnel costs		**42,001**	130,745
Project management and engineering	15	**1,172,576**	582,552
Reclamation and restoration costs		**11,370**	380,079
Security		**300**	300
Taxes, permits and licensing		**22,265**	23,144
Total exploration and evaluation expenses		**4,237,051**	1,366,366
Corporate			
Accretion		**14,161**	29,296
Administrative and general expenses		**80,461**	43,724
Financing fees		**135,616**	125,552
Professional fees		**766,186**	734,692
Filing costs and shareholders' information		**319,526**	231,809
Travel		**527**	45,769
Total corporate expenses		**1,316,477**	1,210,842
Other items			
Equipment rental	15	**(133,252)**	(248,784)
Interest and other income		**(3,058)**	(6,000)
Income tax reassessed		**-**	1,752
Premium on flow-through shares		**(200,297)**	(41,667)
Stock-based compensation	12	**158,095**	377,058
Realized gain on sale of marketable securities	6	**(53,923)**	-
Part XII.6 penalty and interest	11	**40,924**	113,256
Flow-through indemnification action provision	17	**240,629**	930,887
Unrealized loss on marketable securities	6	**870,690**	-
Gain on sale of equipment	9	**(52,493)**	-
Income on sale of mineral lease	14, 15	**(2,793,413)**	-
Total other items		**(1,926,098)**	1,126,502
Net loss and comprehensive loss for the period	13	**(3,627,430)**	(3,703,710)
Net loss per share – basic and diluted	13	**(0.034)**	(0.046)
Weighted average number of shares outstanding basic and diluted		**107,486,199**	80,999,188

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

GRANADA GOLD MINE INC.

Statements of Changes in Equity
For the years ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total Equity (Deficit)
		$	$	$	$
Balances, June 30, 2019	**71,308,020**	**62,613,721**	**3,729,725**	**(72,536,067)**	**(6,192,621)**
Private placements	23,253,800	1,671,176	654,204	-	2,325,380
Issued for compensation	-	-	19,657	-	19,657
Share issue costs	-	(63,156)	(29,116)	-	(92,272)
Options granted and vested	-	-	377,058	-	377,058
Options expired	-	-	(233,184)	233,184	-
Warrants expired	-	1,277,690	(1,277,690)	-	-
Net loss for the year	-	-	-	(3,703,710)	(3,703,710)
Balances, June 30, 2020	**94,561,820**	**65,499,431**	**3,240,654**	**(76,006,593)**	**(7,266,508)**
Private placements	20,248,506	3,235,173	663,955	-	3,899,128
Options granted and vested	-	-	158,095	-	158,095
Share issue costs	-	(298,424)	87,757	-	(210,666)
Warrant exercise	7,292,500	1,386,860	-	-	1,386,860
Option exercise	475,000	59,250	-	-	59,250
Exercise of warrants – book value	-	413,241	(413,241)	-	-
Exercise of options – book value	-	53,612	(53,612)	-	-
Warrants expired	-	8,675	(8,675)	-	-
Options expired	-	-	(243,506)	243,506	-
Net loss for the year	-	-	-	(3,627,430)	(3,627,430)
Balances, June 30, 2021	**122,577,826**	**70,357,818**	**3,431,427**	**(79,390,517)**	**(5,601,272)**

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

GRANADA GOLD MINE INC.

Statements of Cash Flows
For the years ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	Notes	Years ended Jun 30, 2021	Jun 30, 2020
		$	$
OPERATING ACTIVITIES			
Loss for the year		**(3,627,430)**	(3,703,710)
Adjustments for:			
Depreciation	9	**44,847**	45,024
Accretion		**14,161**	29,296
Stock option compensation	12	**158,095**	377,058
Interest on secured loans payable		**135,616**	125,552
Premium on flow-through shares		**(200,297)**	(41,667)
Part XII.6 penalties and interest		**40,924**	113,256
Flow-through indemnification provision		**240,629**	930,887
Settlement of flow-through liability		**(47,510)**	-
Unrealized loss on marketable securities	6	**870,690**	-
Realized gain on sale of marketable securities	6	**(53,923)**	-
Reclamation and restoration costs		**11,370**	380,079
Gain on sale of equipment	9	**(52,493)**	-
Value of shares received from sale of mineral lease	6, 14	**(2,793,413)**	-
Movements in working capital			
(Increase) in amounts receivable		**(977,729)**	(172,797)
(Increase) in prepaid expenses		**(8,955)**	-
(Increase) decrease in trade, other payables and provisions		**943,579**	(185,439)
Cash used in operating activities		**(5,301,839)**	(2,102,461)
INVESTING ACTIVITIES			
Sale of marketable securities	6	**339,268**	-
Sale of equipment	9	**137,970**	-
Increase in long-term deposits	7	**(200,636)**	-
Purchase of equipment	9	**(184,144)**	(50,657)
Cash provided by (used in) investing activities		**92,458**	(50,657)
FINANCING ACTIVITIES			
Issuance of common shares and warrants	12	**3,899,128**	2,325,380
Share issue costs	12	**(210,667)**	(72,615)
Warrant and option exercise	12	**1,446,110**	-
Cash provided by financing activities		**5,134,571**	2,252,765
(Decrease) increase in cash		**(74,810)**	99,647
Cash – beginning of period		**267,914**	168,267
Cash – end of period		**193,104**	267,914

Supplemental cash flow information

Broker's warrants issued as finder's fees	$ 169,800	$ 19,657

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Granada Gold Mine Inc. (“Granada” or the “Company”) is domiciled in Canada and was incorporated on July 17, 1985 under the Company Act of British Columbia. The Company is a publicly-traded-company with its shares listed on the TSX Venture Exchange (“TSXV”), the Frankfurt Stock Exchange, and the US over the counter (“OTC”) market. The principal business of the Company is the acquisition, exploration and development of mineral property interests. The Company’s head office is located at 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6.

1.1 Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company had cash and cash equivalents of $193,104 at June 30, 2021 (June 30, 2020: $267,914), but management cannot provide assurance that the Company will ultimately achieve profitable operations, or raise additional debt and/or equity capital.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to obtain additional funds to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s property interests may also be subject to increases in taxes and royalties, and renegotiation of contracts.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

As at June 30, 2021, the Company had not yet achieved profitable operations, has an accumulated deficit, has a working capital deficiency and expects to incur further losses in the development of its business.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing accumulated operating losses and a significant working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions indicate the existence of material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

Novel Coronavirus (“COVID-19”)

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations.

2. BASIS OF PREPARATION

(a) Basis of Presentation

These financial statements have been prepared on the historic cost basis, except certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may ultimately differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in Note 4.

(b) Statement of Compliance

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies applied in these financial statements are presented in Note 3 and are based on IFRS applicable standards as at June 30, 2021.

(c) Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

For the purpose of the financial statements, the results and financial position are expressed in Canadian dollars. Transactions in currencies other than the functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses are presented in the statement of loss. The Company does not have any foreign operations.

(d) Approval of the financial statements

These financial statements were reviewed, approved and authorized for issue by the Board of Directors on October 27, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances with original maturities of three months or less from the date of acquisition or are available upon demand. The Company did not have any cash equivalents as at June 30, 2021 and June 30, 2020.

(b) Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and receivables held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss and comprehensive loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in profit or loss. The Company measured its marketable securities at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of comprehensive loss when the right to receive payments is established.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include Trade and other payables and Secured loans payable, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its on financial assets to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other industry standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

(c) Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

On initial recognition, property, plant, and equipment are valued at cost, being the purchase price and directly attributable cost required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Amortization is recognized in profit or loss on a declining balance basis at the following annual rates:

Equipment	20%
Vehicles	30%

An asset's amortization methods, useful lives and residual values are reviewed on an annual basis and adjusted, if appropriate.

(d) Exploration and Evaluation Expenditures

Exploration and Evaluation ("E&E") expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves and include costs related to the following: acquisition of exploration rights; conducting geological studies; exploratory drilling and sampling and evaluating the technical feasibility and commercial viability of extracting a mineral resource.

E&E expenditures, including costs of acquiring licenses, are expensed as exploration and evaluation expenses. The Company considers a project to be an individual geological area whereby the presence of a mineral deposit is considered favourable or has been proven to exist and, in most cases, comprises of a single mine or deposit.

Once the technical feasibility and commercial viability of the extraction of mineral reserves in a project are demonstrable and permitted, additional E&E expenditures will be charged to mining properties. Currently, the Company does not hold any assets classified as mining properties.

(e) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost and is based on the discount rates that reflect current market assessments and the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(f) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable in respect of previous years.

Deferred tax is determined by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date.

(g) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The Company has financed a portion of its exploration and evaluation activities through the issue of flow-through shares. Under the terms of these share issues, the tax attributes of the related expenditures are renounced to subscribers. Common shares issued on a flow-through basis typically include a premium because of the tax benefits associated therewith ("Flow-through Premium"). Flow-through shares may also be issued with a warrant feature.

At the time of issue, the Company estimates the proportion of proceeds attributable to the flow-through Premium, the common share and the warrant with reference to closing market prices and such techniques as the Black-Scholes option-pricing model. The Flow-through Premium is estimated as the excess of the subscription price over the market value of the share and is recorded as a deferred liability on the statement of financial position. When the expenditures are renounced, the deferred liability is reversed, and this amount is recognized in profit or loss.

The proceeds attributable to the warrants are also treated as equity and recorded in reserves on the statements of financial position until exercise, when the associated proportion is transferred to share capital along with the cash proceeds received on exercise. The value attributed to expired warrants is transferred to share capital.

Stock-based payment arrangements in which the Company receives properties, goods or services as consideration for its own equity instruments are measured at the fair value of the properties, goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted.

(h) Share Issuance Costs

Share issuance costs are applied to reduce the proceeds of share capital issued in the year they are incurred.

(i) Stock-Based Compensation

The Company uses the fair value method of valuing its equity settled stock-based compensation plans. Under this method, compensation cost attributable to stock-based plans are measured at their fair value on the grant date and expensed in profit or loss over the vesting period with a corresponding credit to reserves. The fair value of stock-based compensation is determined using the Black-Scholes option pricing model. When options are exercised, the associated proportion is transferred to share capital along with the cash proceeds received on exercise. The value attributed to expired options is transferred to deficit.

Equity settled stock-based compensation with non-employees are measured at the fair value of the goods or services received, except where fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the services.

(j) Valuation of Equity Units in Private Placements

The Company uses the fair value method to value any warrants and broker warrants issued in private placements. The fair value assigned to share purchase warrants is recorded as a reduction to share capital and an increase to reserves. The fair value assigned to broker warrants is recorded as share issue costs and an increase to reserves. The fair value of each warrant is estimated on the date of the grant using the Black-Scholes warrant-pricing model. Warrant pricing models require the input of highly subjective assumptions, including the expected price volatility and changes in these assumptions can materially affect the fair value estimate. When warrants are exercised, the associated proportion is transferred to share capital along with the cash proceeds received on exercise. The value attributed to expired warrants is transferred to share capital.

(k) Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effect of all dilutive warrants and options outstanding that may add to the total number of common shares.

During the years ended June 30, 2021 and 2020, all outstanding options, warrants, and convertible loan conversion features are anti-dilutive. As a result, all options, warrants, and convertible loans are excluded from the calculation of diluted loss per share.

(l) Decommissioning Liabilities

The Company recognizes a decommissioning liability when a legal or constructive obligation exists to dismantle, remove or restore its assets, including any obligation to rehabilitate environmental damage on its mineral properties. Decommissioning liabilities are recognized as incurred. Decommissioning liabilities are discounted using a rate reflecting risks specific to the liability, and the unwinding of the discount is included in accretion of decommissioning liability in the statement of loss. At the time of establishing the liability, a corresponding asset is capitalized and is depreciated over future production from the mining property to which it relates. The liabilities are reviewed on a regular basis for changes in cost estimates, discount rates and operating lives.

In accordance with the Company’s environmental policy and applicable legal requirements, a provision for site restoration or decommissioning in respect of land restoration, and the related expense, is recognized when there is a legal obligation to restore the site.

(m) Equipment Rental Revenue

The Company earns revenue from renting certain equipment. The rental arrangements do not transfer substantially all of the risk and rewards incidental to the ownership of the equipment and as such, are determined to be operating leases. Revenue from operating leases is recognized on a straight-line basis over the term of the lease agreement.

(n) Government Grants

The Company is eligible for a refundable tax credit related to resources for mining industry companies in relation to eligible expenses incurred in the province of Quebec. The refundable tax credit is recorded as a government grant under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Credits related to resources are recognized in the statement of loss at their estimated fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the credits.

(o) Changes in Accounting Policies

During the year ended June 30, 2021, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IAS 1. These new standards and changes did not have any material impact on the Company's financial statements.

(p) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after July 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

4. SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions based on currently available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimates. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates, and assumptions which have the most significant effect on the amounts recognized in the financial statements:

Income taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Decommissioning and restoration costs

Decommissioning and restoration costs will be incurred by the Company at the end of the operating life of certain of the Company's assets. The ultimate decommissioning and restoration costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal and regulatory requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. In determining the amount of the provision, assumptions and estimates are required in relation to discount rates. As a result, there could be significant adjustments to the provisions established which would affect future financial results. In the Company's judgment, the most appropriate discount rate to use is one that reflects current market assessments and the risks specific to the liability.

Stock-based compensation

The Company uses the fair value method of valuing compensation expense associated with the Company's stock option plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, expected forfeitures and distribution yield. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Valuation of the refundable mining duties credit and the refundable tax credit for resources

The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources, the exploration and evaluation expenses, and the income tax expense in future periods.

Fair value of marketable securities not quoted in an active market

The fair values of the Company's investments in warrants cannot be derived from active markets. Therefore, the value of such instruments is estimated using a variety of valuation techniques. This requires determining the most appropriate valuation model as well as the most appropriate inputs to the valuation model including the expected life of the instrument, volatility and distribution yield. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. Refer to Note 6.

Commitments and contingencies

Refer to Note 17.

(Expressed in Canadian Dollars)

5. AMOUNTS RECEIVABLE

	June 30, 2021	June 30, 2020
	$	$
Rental revenue receivable	**26,781**	75,575
Sales taxes receivable and refundable tax credits	**1,364,517**	337,994
	1,391,298	413,569

The above amounts receivable are net of expected credit losses of $Nil (June 30, 2020 - $Nil). The Company has recorded Quebec tax credits receivable in the amount of $942,462 as at June 30, 2021 (2020 - $216,587). The 2020 receivable of $216,587 was collected in 2021.

6. MARKETABLE SECURITIES

The Company’s marketable securities are as follows:

	As at June 30, 2021	
	Cost	**Fair Value**
	$	**$**
Canada Silver Cobalt Works Inc. 2,381,500 shares	**1,214,565**	**940,693**
Canada Silver Cobalt Works Inc. 2,941,000 share purchase warrants	**1,293,503**	**696,685**
Total marketable securities	**2,508,068**	**1,637,378**

On July 10, 2020, the Company sold a 50% interest in certain mineral leases to Canada Silver Cobalt Works Inc. (“CCW”), a related party with which there are four common directors and three common officers, in exchange for 2,941,000 units of CCW to the Company. Each unit is comprised of one common share of CCW and one share price warrant to acquire one common share of CCW at a price of $0.55 until July 2, 2025.

On initial recognition the 2,941,000 warrants received were recorded at an estimated value of $1,293,503 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.55, an average exercise price of $0.55, risk free interest rate of 0.38%, expected life of warrants of 5 years, expected volatility rate of 114% (based on CCW's historical volatility for 5 years up to the issuance date) and expected dividend rate of 0%.

The warrants were revalued on June 30, 2021 at an estimated value of $696,685 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.40, an average exercise price of $0.55, risk free interest rate of 0.97%, expected life of warrants of 4 years, expected volatility rate of 114% (based on the CCW's historical volatility for 4 years up to the valuation date) and expected dividend rate of 0%. The difference in value of $596,818 was recorded as an unrealized loss on marketable securities during the year ended June 30, 2021.

During the year ended June 30, 2021, the Company sold a total of 559,500 shares of CCW for total proceeds of $339,268, resulting in a gain of $53,923.

(Expressed in Canadian Dollars)

7. DEPOSIT – LONG-TERM

As at June 30, 2021, the Company has a non-interest-bearing cash deposit of $372,436 (June 30, 2020: $171,800) with the Quebec government as a guarantee for the restoration of the Granada mine site.

8. EXPLORATION AND EVALUATION PROJECTS

The Company has determined that as at June 30, 2021 the following projects have not met the technical feasibility and commercial viability criteria to be capitalized and classified as mining properties. Accordingly, the Company has expensed all exploration and evaluation expenditures in the period. As of June 30, 2021, and 2020, the Company did not hold any assets classified as mining properties.

Granada Property, Quebec, Canada

The Company holds a 100% interest to certain mining leases and claims. The mining leases are subject to a 2% Gross Metal Royalty ("GMR"), ½ of which may be purchased for $1,000,000 and a 1% Net smelter royalty ("NSR") and 23 of the original mining claims are subject to a 1% NSR. Additionally, there is a 2% NSR on 4 properties optioned from the D2D3 Group ("D2D3") in 2010, half of which may be purchased for $1,000,000.

9. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Vehicles	Total
	$	$	$
COST			
As at June 30, 2019	112,472	24,440	136,912
Additions	-	50,567	50,567
As at June 30, 2020	**112,472**	**75,097**	**187,569**
Additions	112,186	71,958	184,144
Disposals	(112,472)	-	(112,472)
As at June 30, 2021	**112,186**	**147,056**	**259,242**
ACCUMULATED AMORTIZATION			
As at June 30, 2019	-	-	-
Additions	22,495	22,529	45,024
As at June 30, 2020	**22,495**	**22,529**	**45,024**
Additions	17,045	27,802	44,847
Disposal	(26,994)	-	(26,994)
As at June 30, 2021	**12,546**	**50,331**	**62,877**
NET BOOK VALUE			
As at June 30, 2019	112,472	24,440	136,912
As at June 30, 2020	89,977	52,568	142,545
As at June 30, 2021	**99,640**	**96,725**	**196,365**

During the year ended June 30, 2021, the Company disposed of certain equipment with a book value of $85,477 for $137,970, recognizing a gain of $52,493.

10. SECURED LOANS PAYABLE

On August 4, 2015, the Company entered into two loan agreements and a Supply and Services agreement for proceeds totaling $800,000.

The first loan agreement is with an existing shareholder and is a demand loan for proceeds of $200,000 over a three-year term at an interest rate of 8% calculated monthly and payable annually. The loan will automatically renew for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should the Company reach commercial production while the loan remains in place. In that event, the gold is to be valued at US $800 per ounce. The lender also has the option to participate in future financings but is not obliged to do so. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

The second loan is from a company owned by a director of the Company and comprises a $100,000 demand loan also over a three-year term at an interest rate of 8% calculated monthly and payable annually. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

The third agreement is a Supply and Services non-interest bearing loan for $500,000 over the 12 months following the execution of the loan agreement from a company owned by a director of the Company. The lender has the option to obtain loan principal repayments including interest as applicable, in gold valued at US $800 per ounce if the Company reaches commercial production. The Supply and Services loan is to be used for specific projects on the property. The outstanding loan balance of $540,918 is subject to repayment in full at any time at the sole discretion of the lender.

On November 11, 2015 and January 8, 2016, the Company entered into a second and third loan agreement with an existing shareholder for a demand loan for proceeds of $200,000 over a three-year term at an interest rate of 8% calculated monthly and payable annually. The loan will automatically renew for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should the Company reach commercial production while the loan remains in place. In that event, the gold is to be valued at US $800 per ounce. The lender also has the option to participate in future financings but is not obliged to do so. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

On November 22, 2017, the Company entered into convertible loan agreements with existing shareholders for demand loans for proceeds of $250,000 over a three-year term at an interest rate of 8% calculated monthly and payable annually. The loan will automatically renew for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should the Company reach commercial production while the loan remains in place. In that event, the gold is to be valued at US $800 per ounce. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender. The outstanding principal amount of the loan is convertible into common shares of the Company at the option of the lender at any time at a conversion price of $0.05 per share for the first year and then $0.10 per share starting in the second year and until maturity. The conversion feature has been classified as an equity instrument with an estimated value of $74,856 and has been included in equity reserves on the statement of financial position. The liability portion of the convertible debentures was estimated to be $175,144 and was accreted to its face value over the 3 year term of the loan using an effective interest rate of 20%. The initial loan term expired on November 22, 2020 with a total of $317,559 owing including accrued interest, and this amount was automatically renewed for another 3-year term, with the same loan features and terms. The outstanding balance of the loan at June 30, 2021, including accrued interest, was $333,194.

(Expressed in Canadian Dollars)

The Granada Gold property is registered as security against these loans. As a triggering event has not taken place, no value has been attributed to the derivative relating to the right of the lenders to demand repayment in gold valued at US $800 per ounce.

Loan activity for the year ended June 30, 2021 and year ended June 30, 2020 is as follows:

	June 30, 2021	June 30, 2020
Opening balance	**$ 1,619,774**	$ 1,464,926
Interest accrual	**135,616**	125,552
Accretion	**14,161**	29,296
Closing balance	**$ 1,769,551**	1,619,774

11. TRADE AND OTHER PAYABLES AND PROVISIONS

	June 30, 2021	June 30, 2020
Trade payable (Note 15)	**$ 862,609**	$ 421,231
Due to related parties (Note 15)	**1,007,002**	847,955
Flow-through share premium liability	**142,857**	-
Part XII.6 taxes and interest (i)	**906,966**	866,042
Flow-through indemnification provision (ii)	**4,321,374**	4,128,255
	$ 7,240,808	$ 6,263,483

(i) The Company has estimated potential Part XII.6 taxes in relation to unspent flow-through expenditures for fiscal years 2011 to 2017. During the year ended June 30, 2021, the Company had accrued an additional $40,924 (June 30, 2020 - $113,256) for Part XII.6 taxes, interest and penalties on the shortfall. See Note 17.

(ii) The Company has estimated potential indemnity in relation to unspent flow-through expenditures for fiscal years 2011 to 2017. During the year ended June 30, 2021, the Company accrued an additional $240,629 (June 30, 2020 – $930,887) for indemnification and interest on the shortfall, and made settlements against the liability of $47,510 (June 30, 2020: $76,263). See Note 17.

12. SHARE CAPITAL

12.1 Authorized share capital

The Company has an authorized share capital of an unlimited number of shares with no par value.

As at June 30, 2021, the Company had 122,577,826 common shares issued and outstanding (June 30, 2020: 94,561,820).

12.2 Share issuance

a) Private Placements

- On September 27, 2019, the Company closed a private placement in which it issued 9,253,800 units at $0.10 for gross proceeds of $925,380. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.15 for a period of three years. Finder's fees totaling $39,900 and 469,000 finder warrants were paid in connection with the financing. Each finder warrant is exercisable at $0.15 per share for three years. An officer of the Company participated in this private placement by acquiring 1,300,000 units for $130,000.
- On January 3, 2020, the Company closed a private placement financing raising gross proceeds of $200,000. A total of 2,000,000 units were issued with each unit consisting of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one share of the Company for a period of two years from closing at an exercise price of $0.15 per share.
- On May 8 and 12, 2020, the Company closed a private placement in which it issued an aggregate of 12,000,000 units at a price of $0.10 per unit. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one share of the Company for a period of two years from closing at an exercise price of $0.12 per share. Finder's fees were paid in connection with the private placement in the amount of $25,715 cash and 157,150 broker warrants on the same terms as the private placement warrants.

  Two officers of the Company participated in this private placement by acquiring 4,000,000 units for $400,000.
- On July 21, 2020, the Company closed a flow-through private placement financing raising gross proceeds of $800,000. A total of 3,200,000 flow-through shares were issued. Finder's fees were paid in connection with the private placement in the amount of $56,000 cash and 224,000 finder warrants exercisable at $0.25 per share for two years from closing.

- On August 27 and September 4, 2020, the Company closed a private placement in which it issued an aggregate of 3,956,521 units at a price of $0.23 per unit. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one share of the Company for a period of three years from closing at an exercise price of $0.28 per share. Finder's fees were paid in connection with the private placement in the amount of $9,668 cash and 42,035 finder warrants on the same terms as the private placement warrants. An officer of the Company participated in the private placement by acquiring 56,021 Units for $12,885.
- On December 22, 2020, the Company closed a flow-through private placement financing raising gross proceeds of $534,983. A total of 2,377,700 flow-through shares were issued. Finder's fees were paid in connection with the private placement in the amount of $26,699 cash and 118,662 finder warrants exercisable at $0.225 per share for two years from closing. A corporation controlled by a director and officer of the Company participated in this private placement by acquiring 400,000 shares for $90,000.
- On February 23, 2021, the Company closed a private placement in which it issued an aggregate of 5,000,000 units at a price of $0.20 per unit. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one share of the Company for a period of three years from closing at an exercise price of $0.22 per share.

  CCW, a related party in which there are four common directors and three common officers, participated in this private placement for all 5,000,000 of the units for $1,000,000.
- On June 9, 2021, the Company closed a flow-through private placement financing in which it issued an aggregate of 5,714,285 shares at a price of $0.175 per flow-through share. Finder's fees were paid in connection with the private placement in the amount of $70,000 cash and 400,000 finder warrants exercisable at $0.175 per share for two years from closing.

b) Exercise of Options

- During the year ended June 30, 2021, the Company issued 475,000 common shares related to the exercise of 475,000 stock options at an exercise price between $0.12 to $0.15 per share.

c) Exercise of Warrants

- During the year ended June 30, 2021, the Company issued 7,292,500 common shares related to the exercise of 7,292,500 warrants at an exercise price between $0.12 to $0.22 per share.

  CCW, a related party in which there are four common directors and three common officers, exercised 5,000,000 of these warrants for $1,100,000 at an exercise price of $0.22 per common share.

(Expressed in Canadian Dollars)

d) Flow-through Premium

- During 2021, the Company recognized flow-through premiums totaling $345,854 (2020 - $Nil) and recorded a recovery of flow-through premiums in the statements of loss totaling $200,297 (2020 - $41,667).

12.3 Stock option plan

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years from the date of grant. All options are subject to a four month holding period from the date of grant if granted at the price lower than the market price; options granted at market prices are not subject to the hold period. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company which may be reserved for the issuance shall be 10% of the issued and outstanding shares at the time of the option grant.

The following is a summary of the changes in the Company's stock option activities for the year ended June 30, 2021 and year ended June 30, 2020:

	June 30, 2021		June 30, 2020	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
		$		$
Outstanding, beginning of period	**7,702,375**	**0.280**	5,252,375	0.310
Granted	**1,000,000**	**0.165**	3,275,000	0.110
Exercised	**(475,000)**	**0.131**	-	-
Expired or cancelled	**(718,750)**	**0.295**	(825,000)	0.280
Outstanding, end of period	**7,508,625**	**0.215**	7,702,375	0.230
Exercisable, end of period	**7,508,625**	**0.215**	7,702,375	0.230

(Expressed in Canadian Dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at June 30, 2021:

Exercise price	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price
Options				
$0.100 - $0.175	4,125,000	4,125,000	3.48	0.126
$0.200 - $0.400	3,383,625	3,383,625	1.37	0.323
Total	**7,508,625**	**7,508,625**	**2.53**	**0.215**

The weighted average fair value of the options granted during the year ended June 30, 2021 was estimated at $0.158 per option (June 30, 2020: $0.275) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions for the year ended June 30, 2021 and the range of assumptions for the year ended June 30, 2020 used for the calculation were:

	June 30, 2021	June 30, 2020
Risk free interest rate	**0.52%**	0.40 – 1.60%
Expected life	**5 years**	5 years
Expected volatility, based on the Company's historical volatility	**106.22%**	132 – 134%
Expected dividend per share	**-**	-
Current share price	**$0.20**	$0.10 – 0.195
Exercise price	**$0.17**	$0.12 – 0.175

12.4 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the years ended June 30, 2021 and 2020:

	June 30, 2021		June 30, 2020	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
		$		$
Outstanding, beginning of year	**31,183,422**	**0.150**	20,117,565	0.280
Granted	**9,951,218**	**0.244**	23,879,950	0.130
Exercised	**(7,292,500)**	**0.190**	-	-
Expired	**(200,000)**	**0.190**	(12,814,093)	0.330
Outstanding, end of period	**33,642,140**	**0.164**	31,183,422	0.150

(Expressed in Canadian Dollars)

The following table summarizes information regarding share purchase warrants outstanding and exercisable as at June 30, 2021:

Exercise price	Number of warrants outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price
Share purchase warrants			
$0.120	10,348,316	0.87	$0.120
$0.150	11,480,800	1.29	$0.150
$0.175	400,000	1.94	$0.175
$0.180	6,861,806	0.33	$0.180
$0.230	118,662	1.48	$0.230
$0.250	224,000	1.06	$0.250
$0.280	4,208,556	2.16	$0.280
Total	**33,642,140**	**1.89**	**$0.164**

During the year ended June 30, 2021, in conjunction with the private placements, the Company issued a total of 9,951,218 share purchase warrants.

The weighted average fair value of the warrants granted during the period ended June 30, 2021 was estimated at $0.076 per warrant at the grant date using the Black-Scholes Pricing Model. The weighted average assumptions for the year ended June 30, 2021 and the range of assumptions for the year ended June 30, 2020 used for the calculation were:

	June 30, 2021	June 30, 2020
Risk free interest rate	**0.31%**	0.27 – 1.63%
Expected life	**3.05 years**	2 years
Expected volatility based on the Company's historical volatility	**109.95%**	90 – 97%
Expected dividend per share	**-**	-
Current share price	**$0.15**	$0.07 – 0.08
Exercise price	**$0.25**	$0.12 – 0.175

(Expressed in Canadian Dollars)

13. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Year ended June 30, 2021	Year ended June 30, 2020
	$	$
Net loss for the year	**(3,627,430)**	(3,703,710)
Weighted average number of shares – basic and diluted	**107,486,199**	80,999,188
Loss per share, basic and diluted	**$ (0.034)**	$ (0.046)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, share purchase warrants and convertible loans, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options, warrants, and convertible loans were anti-dilutive for the years ended June 30, 2021 and 2020.

14. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash investing and financing transactions:

During the year ended June 30, 2021, the Company paid finder's fees on private placements by issuance of shares and share purchase warrants (Note 12).

15. RELATED PARTY TRANSACTIONS

The Company determined that key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The Board of Directors (executive and non-executive), President and Chief Executive Officer and Chief Financial Officer are key management personnel.

The remuneration to key management personnel during the years ended June 30, 2021 and 2020 is as follows:

	June 30, 2021	June 30, 2020
Key management compensation	**$525,100**	$752,327
Stock-based compensation	**55,912**	63,000
	$581,012	$815,327

a) The Company retains the services of a company owned by an officer and director of the Company to carry out exploration work on its resource properties and for management services. During the year ended June 30, 2021, the total amount for such services provided was $440,001 (2020 – $440,001) of which $440,000 (2020 – $440,000) was recorded in exploration expenses and $1 (2020 - $1) in professional fees.

b) As of June 30, 2021, the Company owed $1,007,002 (June 30, 2020 - $848,502) to CCW, a related party in which there are four common directors and three common officers. These amounts are unsecured, non-interest bearing and due on demand.

c) During the year ended June 30, 2021, the Company recorded $133,252 in equipment rental revenue (2020: $248,784) from CCW, $80,695 (2020 - $75,575) of which was recognized as amounts receivable on June 30, 2021.

d) During the year ended June 30, 2021 related parties participated in various private placements in the Company. See Note 12.

e) As of June 30, 2021, the Company had advanced $nil to a director and officer of the Company (2020 - $7,327). This amount is unsecured, non-interest bearing and will be used to offset expenses incurred on the Company's behalf.

f) As of June 30, 2021, the Company owed a director of the Company $nil (2020 - $6,780 to officers and directors of the Company). This amount is unsecured, non-interest bearing and due on demand.

g) See Notes 6, 10, 12, and 17.

16. RECLAMATION OBLIGATION

The Company's provision for closure and reclamation costs is based on management's estimates of the costs to rehabilitate the area explored as well as an estimate of the future timing of the costs to be incurred.

The Company has assessed its total provision to be $391,449 (June 30, 2020 - $380,079) based on a total future liability of approximately $384,421, a discount rate of 0.97% (2020 – 0.36%) and an inflation rate of 2.7% (2020 – 1.8%). Reclamation is estimated to occur in 5 years (2020 – 5 years).

17. COMMITMENTS AND CONTINGENCIES

Environmental obligations

The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline. As at June 30, 2021 and 2020 to the best knowledge of its management, the Company is in conformity with the laws and regulations.

Flow-through obligations

The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:

i) Two years following the flow-through investment;
ii) One year after the Company has renounced the tax deductions relating to the exploration work.

During the year ended June 30, 2021, the Company received $2,334,983 from flow-through share issuances, of which approximately $480,000 remains to be spent on qualified exploration expenditures as at June 30, 2021. This amount must be spent by December 31, 2022. The Company believes the full amount will be spent on qualified exploration expenditures. See Note 21.

The Company has indemnified the subscribers of current and previous flow-through offerings against any tax related amounts that become payable by shareholders in the event the Company does not meet its expenditure commitment. See Note 11.

<u>Canada Revenue Agency audit</u>
The Canada Revenue Agency ("CRA") is auditing certain of the Company's corporate tax returns and flow-through filings from 2012 to 2017 and has assessed that the Company had flow-through shortfalls in certain of those years. Accordingly, the Company has recorded a provision for the estimated cost to indemnify flow-through share subscribers for their possible personal income tax reassessments.

In estimating the liability, the Company has assumed the following:
- The subscribers would be taxable at the highest marginal personal tax rate;
- That all non-corporate subscribers are eligible for the federal 15% investment tax credit; and
- That Quebec subscribers are eligible for the 150% or 120% additional CEE deduction.

The ultimate amount owing and the timing of any payments to investors are highly uncertain as they are dependent on each taxpayer's individual tax situation as well as if, or when, they are reassessed by the CRA.

The Company has also accrued the estimated Part XII.6 tax and similar Quebec tax on the potential shortfalls.

The CRA has also assessed penalties of approximately $2,200,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and has filed Notices of Objection to dispute the assessment. The outcome of the Notices of Objection cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

(Expressed in Canadian Dollars)

A continuity of the provision for the shareholder indemnity for the years ended June 30, 2021 and 2020 is as follows:

	June 30, 2021	June 30, 2020
Opening balance	**$4,128,255**	$3,273,631
Accrual for additional provision and interest	**256,870**	930,887
Settlement against liability	**(63,751)**	(76,263)
Ending balance	**$4,321,374**	$4,128,255

Service agreements

The Company has consulting service agreements with related parties (certain officers and directors).

i) Effective January 1, 2007, and amended December 1, 2010, May 16, 2013 and March 1, 2015, the Company entered into a management agreement with Grupo Moje Limited (“Grupo”), a company owned by a director and officer of the Company to provide management services of Frank Basa in consideration for a nominal annual fee of $1.

   This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Grupo equal to 480 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

ii) Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. (“MRMSC”), a company controlled by Frank Basa and Elaine Basa, to provide project management, engineering and geological services to the Company in consideration of $25,000 per month for the services of Frank Basa and $11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving a four months’ notice to the other, subject to certain provisions of the agreement.

Claims, lawsuits and other complaints

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company’s financial condition, operations or liquidity. The outcome of these litigations cannot be reasonably determined, as a result, no amounts have been accrued as at June 30, 2021 and 2020.

18. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;

- liquidity risk;
- market risk, including commodity price risk;
- foreign currency exchange risk;
- interest rate risk; and
- operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfills its responsibility through the Audit Committee, which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined.

The Company's risk and control framework is facilitated by the small-sized and hands-on executive team. There have been no changes in the risks, objectives, policies and procedures during the years ended June 30, 2021 and 2020.

Credit risk is the risk of an unexpected financial loss to the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and receivables.

a) Cash and cash equivalents

The Company's cash is held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board. The Company does not own asset-backed commercial paper. Management believes the risk of loss to be minimal.

b) Receivables

When necessary, the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. Further, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations. Management believes that the credit risk with respect to financial instruments included in receivables is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation. The Company generates cash flow primarily from its financing activities.

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. Spending plans are adjusted accordingly when possible to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

The Company has no significant long-term financial liabilities other than the provision for site reclamation and restoration for which deposits have been made with the relevant governmental agency. All other contractually obligated cash flows are payable within the next fiscal year.

Classification of Financial Instruments

The Company has designated its marketable securities as fair value through profit or loss ("FVPL"). Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in profit or loss.

Level 1 financial instruments: Common shares of CCW.
Level 2 financial instruments: Common share purchase warrants of CCW.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate risk, and commodity prices will affect the Company's income, the value of its evaluation and exploration properties or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) **Commodity price risk**

The Company is exposed to price risk with respect to fluctuation in gold and silver prices which impacts the future economic feasibility of its mining interests. Gold and silver prices are affected by numerous factors such as the sale or purchase of gold and silver by various institutions, interest rates, exchange rates, inflations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold and silver producing countries throughout the world. As the Company is still in the exploration and evaluation stage, the fluctuation of gold and silver prices does not have a significant impact on the Company.

b) **Foreign currency exchange risk**

The Company is exposed to foreign currency exchange risk with respect to future gold and silver sales, since gold and silver sales are denominated in US dollars and the Company's functional and reporting currency is the Canadian dollar. The movement on US rates related to the Canadian dollar may impact the future economic feasibility of the Company's mining interests. As the Company is still in the exploration and evaluation stage, the fluctuation of the US dollar does not have a significant impact on the Company.

c) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balance is to invest excess cash in financial instruments guaranteed by and held with a Canadian chartered bank.

d) **Price risk on marketable securities**

The Company is exposed to share price risk related to the common shares and warrants of CCW.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

i) The Company receives low interest rates on its cash balances and carries debt with fixed interest rates. As such, the Company does not have significant interest rate risk.
ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign currency risk.
iii) The Company's receivables are composed primarily of refundable sales taxes owing from the government of Canada. As such, the Company does not have significant credit risk relating to its receivables.
iv) The Company's marketable securities are comprised of common shares and warrants of CCW. A 10% change in the share price of the Company's marketable securities would result in a corresponding change to net loss in the amount of $163,700 for the year ended June 30, 2021.

19. CAPITAL MANAGEMENT DISCLOSURES

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

The Company considers its capital to be shareholders' equity, which is comprised of common shares, reserves and deficit, which as at June 30, 2021 totaled a shareholders' deficiency of $5,601,272 (June 30, 2020 – $7,266,508).

(Expressed in Canadian Dollars)

The properties in which the Company currently has an interest are 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 pay for administrative costs, the Company will spend its existing working capital and raise additional amounts 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.

The Company currently has no significant source of revenues, and therefore is dependent on external financing to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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 years ended June 30, 2021 and 2020.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of June 30, 2021, the Company may not be compliant with all of the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

20. INCOME TAXES

a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the combined federal and provincial statutory income tax rate of 26.9% (2020 – 26.9%) were as follows:

	Year Ended June 30, 2021 $	Year Ended June 30, 2020 $
(Loss) before income taxes	(3,627,430)	(3,703,710)
Combined statutory income tax rate	26.9%	26.9%
Expected income tax recovery based on statutory rate	(976,000)	(996,000)
Adjustment to expected income tax benefit:		
Stock-based compensation	43,000	101,000
Flow-through renunciation	500,000	112,000
Non-deductible expenses and other	25,000	(1,205,000)
Changes in benefit of tax assets not recognized	408,000	1,988,000
Deferred income tax provision (recovery)	-	-

b) Deferred income tax

Deferred tax assets have not been recognized in respect of the following temporary differences as it is not probable that future taxable profit will be available against which the Company can utilize these benefits.

(Expressed in Canadian Dollars)

	Year Ended June 30, 2021 $	Year Ended June 30, 2020 $
Non-capital loss carry-forwards	26,386,000	24,492,000
Exploration and evaluation	19,042,000	19,887,000
Share issuance costs	273,000	205,000
Investment tax credits	917,000	917,000
Property, plant and equipment	1,045,000	1,152,000
Marketable securities	871,000	-
Other temporary differences	4,760,000	4,290,000
Tax benefits not recognized	53,294,000	50,943,000

c) Tax loss carry-forwards

As at June 30, 2021, the Company had estimated non-capital losses for Canadian income tax purposes of approximately $26,386,000 (2020 - $24,492,000) available to use against future taxable income. The non-capital losses expire between 2028 and 2040.

Expiry	Total $
2028	171,000
2029	584,000
2030	1,329,000
2031	4,561,000
2032	2,450,000
2033	2,970,000
2034	2,888,000
2035	2,326,000
2036	2,080,000
2037	2,069,000
2038	1,306,000
2039	348,000
2040	1,492,000
2041	1,812,000
	26,386,000

As at June 30, 2021, the Company had approximately $2,432,000 (2020 – $5,226,000), $16,346,000 (2019 – $14,221,000), $264,000 (2020 – $264,000) and $177,000 (2020 – $177,000) of Canadian development expenditures, Canadian exploration expenditures, foreign resource expenditures and depletion credit, respectively, which, under certain circumstances, may be utilized to reduce taxable income of future years.

21. SUBSEQUENT EVENTS

On September 24, 2021, the Company announced that it had extended the expiry date of an aggregate 6,861,806 share purchase warrants by two years. The 6,861,806 Warrants were due to expire on October 18 and November 6, 2021. The expiry date will be extended by two years and the warrants will now expire on October 18 and November 6, 2023. All other terms and conditions remain constant.

On September 27, 2021, the Company closed a non-brokered private placement by way of issuing 7,857,143 Quebec flow-through units ("QFT Units") at a price of $0.14 per QFT unit raising gross proceeds of $1,100,000. The Company also issued 2,500,000 units ("Units") at a price of $0.10 per Unit. Each QFT unit is comprised of one Quebec flow-through common share of the Company and one half of one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.20 per share, for a period of two years from closing. Each Unit is comprised of one common share of the Company and one half of one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.15 per share for a period of 3 years from closing.

The Company has paid finder fees in the amount of $94,500 and issued 725,000 finder warrants in connection with the private placement. The finder warrants are on the same terms as the QFT warrants.