



NEVADA SUNRISE GOLD CORPORATION

Condensed Interim Consolidated Financial Statements

December 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

NEVADA SUNRISE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Prepared by Management)

	December 31, 2021 (Unaudited)	September 30, 2021
ASSETS		
Current assets		
Cash	\$ 897,412	\$ 72,823
Marketable securities – Note 5	1,242,450	39,443
Receivables – Note 4	55,115	3,288
Prepaid expenses and deposits – Note 11	26,030	35,631
	<u>2,221,007</u>	<u>151,185</u>
Non-current assets		
Reclamation bonds and right of way – Note 8	102,139	102,237
Exploration and evaluation assets – Note 7	530,510	946,399
	<u>632,649</u>	<u>1,048,636</u>
Total assets	\$ 2,853,656	\$ 1,199,821
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 138,843	\$ 669,230
Due to related parties – Note 11	97,994	85,673
	<u>236,837</u>	<u>754,903</u>
Equity		
Share capital – Note 9	21,560,079	21,560,079
Contributed reserves – Note 9	3,722,849	3,722,849
Accumulated other comprehensive income	770,754	778,264
Deficit	(23,436,863)	(25,616,274)
	<u>2,616,819</u>	<u>444,918</u>
Total liabilities and equity	\$ 2,853,656	\$ 1,199,821

Corporate Information – Note 1
Going Concern – Note 2
Subsequent Events – Note 13

Approved by the Directors on February 25, 2022:

“Warren Stanyer” Director “Michael Sweatman” Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements

NEVADA SUNRISE GOLD CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

For the three months ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	2021	2020
Expenses		
Accounting and audit – Note 11	\$ 13,760	\$ 10,737
Consulting fees – Note 11	19,679	133
Directors' fees – Note 11	12,000	-
Exploration and evaluation costs – Note 7	97,469	694,426
Foreign exchange	3,357	165
Insurance	4,338	3,684
Legal – Note 11	20,773	2,285
Management fees – Note 11	22,013	19,266
Office and storage expenses	3,744	2,405
Property investigation costs	971	-
Rent – Note 11	9,015	8,584
Shareholder communications	17,117	10,084
Transfer agent and filing fees	4,685	6,799
	<u>(228,921)</u>	<u>(758,568)</u>
Other items		
Management fee income	13,942	-
Gain on sales of exploration and evaluation assets – Note 7	769,085	68,401
Legal fees recovery – Note 7	1,381,976	-
Gain on marketable securities – Note 5	243,329	87,370
	<u>2,408,332</u>	<u>155,771</u>
Income (loss) for the period	2,179,411	(602,797)
Foreign currency translation adjustment	<u>(7,510)</u>	<u>(27,212)</u>
Comprehensive income (loss) for the period	<u>\$ 2,171,901</u>	<u>\$ (630,009)</u>
Basic and diluted loss per share	<u>\$ 0.03</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding – basic and diluted	<u>78,529,426</u>	<u>73,908,327</u>

The accompanying notes form an integral part of these condensed interim consolidated financial statements

NEVADA SUNRISE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	2021	2020
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income (loss) for the period	\$ 2,179,411	\$ (602,797)
Items not involving cash:		
Gain on marketable securities	(243,329)	(87,370)
Legal fees recovery	(1,381,976)	-
Gain on sale of exploration and evaluation assets	(769,085)	(68,401)
Net changes in non-cash working capital balances:		
Receivables	(51,471)	1,980
Prepaid expenses and deposits	9,586	(11,954)
Accounts payable and accrued liabilities	37,089	(8,520)
Due to related parties	12,321	(270)
	<u>(207,454)</u>	<u>(777,332)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	13,820	9,780
Exploration and evaluation assets – proceeds from sale of Water Rights	1,026,010	-
Exploration and evaluation assets – claim maintenance and staking	(2,080)	-
	<u>1,037,750</u>	<u>9,780</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from exercise of warrants	-	45,000
Proceeds from exercise of options	-	17,000
	<u>-</u>	<u>62,000</u>
Effect of foreign exchange on cash	<u>(5,707)</u>	<u>(2,307)</u>
Change in cash during the period	824,589	(707,859)
Cash, beginning of the period	<u>72,823</u>	<u>1,175,334</u>
Cash, end of the period	<u>\$ 897,412</u>	<u>\$ 467,475</u>

Supplemental disclosure with respect to cash flows – Note 10

The accompanying notes form an integral part of these condensed interim consolidated financial statements

NEVADA SUNRISE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Share Capital			Accumulated Other Comprehensive Income	Deficit	Total
	Number of Shares	Amount	Contributed Reserves			
Balance at September 30, 2020	72,858,327	\$ 20,984,418	\$ 3,394,072	\$ 812,908	\$ (23,520,635)	\$ 1,670,763
Property acquisition costs – Notes 7 and 9	500,000	60,000	-	-	-	60,000
Exercise of warrants	450,000	45,000	-	-	-	45,000
Exercise of options	100,000	33,000	(16,000)	-	-	17,000
Foreign currency translation adjustment	-	-	-	(27,212)	-	(27,212)
Loss for the period	-	-	-	-	(602,797)	(602,797)
Balance as at December 31, 2020	73,908,327	\$ 21,122,418	\$ 3,378,072	\$ 785,696	\$ (24,123,432)	\$ 1,162,754
Balance as at September 30, 2021	78,529,426	\$ 21,560,079	\$ 3,722,849	\$ 778,264	\$ (25,616,274)	\$ 444,918
Foreign currency translation adjustment	-	-	-	(7,510)	-	(7,510)
Net income for the period	-	-	-	-	2,179,411	2,179,411
Balance as at December 31, 2021	78,529,426	\$ 21,560,079	\$ 3,722,849	\$ 770,754	\$ (23,436,863)	\$ 2,616,819

The accompanying notes form an integral part of these condensed interim consolidated financial statements

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

1. CORPORATE INFORMATION

Nevada Sunrise Gold Corporation (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on April 3, 2007. On May 15, 2007, the Company acquired all of the issued and outstanding shares of Intor Resources Corporation ("Intor") by way of a reverse takeover. Intor was incorporated under the laws of the State of Nevada, USA on September 7, 2004.

The Company's principal business activity is the acquisition, exploration and evaluation of its mineral property assets located in the State of Nevada, USA. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "NEV".

The Company's head office, principal address and registered and records office is located at Suite 408 - 1199 West Pender Street, Vancouver, British Columbia, V6E 2R1.

COVID-19

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. BASIS OF PREPARATION***Statement of Compliance***

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

These condensed interim consolidated financial statements were authorized for issuance on February 25, 2022 by the directors of the Company.

Going Concern

These condensed interim consolidated financial statements are prepared using IFRS applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Future operations are dependent on the Company's ability to raise additional equity financing and the attainment of profitable operations.

The Company has a history of operating losses and at December 31, 2021, has an accumulated deficit of \$23,436,863. At December 31, 2021, the Company had working capital of \$1,984,170. The Company will require equity or loan financing and/or the sale of its assets in order to continue exploration of its exploration and evaluation assets and fund its administrative expenses.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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2. BASIS OF PREPARATION (cont'd...)***Principles of Consolidation***

These condensed interim consolidated financial statements incorporate the accounts of the Company and the following subsidiary:

Name of subsidiary	Country of incorporation	Percentage ownership	Principal activity
Intor Resources Corporation	USA	100%	Exploration of mineral properties

The Company consolidates the subsidiary on the basis that it controls the subsidiary through its ability to govern its financial and operating policies. All intercompany balances and transactions have been eliminated on consolidation.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as and measured at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts are expressed in Canadian dollars unless otherwise specified.

Critical Accounting Judgments, Estimates and Assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions 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 outcomes can differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant estimates and critical judgements were the same as those stated in Note 2 to the audited financial statements as at and for the year ended September 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the years ended September 30, 2021 and 2020 and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

New Standards and Interpretations Adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

The fair values of the Company's receivables, accounts payable and accrued liabilities, and due to related parties approximate their carrying values because of the short-term nature of these instruments. The fair values of reclamation bonds and right of way also approximate their carrying values.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2021 and September 30, 2021:

	Level 1	Level 2	Level 3
December 31, 2021:			
Cash	\$ 897,412	\$ -	\$ -
Marketable securities	\$ 1,242,450	\$ -	\$ -
September 30, 2021:			
Cash	\$ 72,823	\$ -	\$ -
Marketable securities	\$ 39,443	\$ -	\$ -

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is subject to credit risk on its cash and receivables. The Company limits its exposure to credit loss on cash by placing its cash with a high-quality financial institution. The Company's receivables consist of goods and services tax receivable from the Government of Canada and exploration expenses incurred on behalf of third parties.

Management believes that credit risk concentration with respect to receivables is remote. The composition of receivables as at December 31, 2021 and September 30, 2021 is as follows:

	December 31, 2021	September 30, 2021
Goods and services tax receivable	\$ 6,113	\$ 3,288
Due from Global Energy Metals Corp. – Note 7(e)	49,002	-
	<u>\$ 55,115</u>	<u>\$ 3,288</u>

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Management intends to obtain additional equity or loan financing and/or dispose of its marketable securities or other assets (Note 7(d)) in order to meet its current liabilities as they become due. See going concern discussion in Note 2.

Market risk

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

a) Interest rate risk

The Company has cash balances which are not subject to significant risks in fluctuating interest rates. The Company's policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on the Company's operations.

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4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US dollars.

The Company through its subsidiary operates in the United States and is exposed to exchange risk from changes in the US dollar. At December 31, 2021, a 10% fluctuation in the US dollar against the Canadian dollar would affect comprehensive loss by approximately \$27,800.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings, or ability to obtain equity financing, due to movements in individual equity prices or general movements in the level of the stock market. The Company's marketable securities are subject to price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, lithium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

At December 31, 2021, a 10% fluctuation in the fair value of the Company's marketable securities would affect comprehensive income (loss) by approximately \$124,000.

5. MARKETABLE SECURITIES

	December 31, 2021	September 30, 2021
Common shares of public companies:		
Fair value, opening	\$ 39,443	\$ 5,301
Acquisitions (Note 7d and e)	973,498	142,500
Proceeds on sale	(13,820)	(135,980)
Gain (loss) on marketable securities	243,329	27,622
	<u>\$ 1,242,450</u>	<u>\$ 39,443</u>

The Company has determined that it does not hold significant influence in any of its investments. The fair value is determined at each reporting date by reference to the closing price of these common shares which are publicly traded.

6. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral properties in Nevada, USA. All of the Company's non-current assets are located in the United States.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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7. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous historical title conveyance characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation assets the Company has committed to earn interests in are located in the State of Nevada, USA.

Schedule of Exploration and Evaluation Assets for the Year Ended December 31, 2021

	Water Right	Lovelock/ Treasure Box	Coronado	Gemini/ Jackson	Total
Balance, September 30, 2021	\$ 417,476	\$ -	\$ 430,162	\$ 98,761	\$ 946,399
Sale of Water Right	(420,404)	-	-	-	(420,404)
Claim maintenance	-	-	2,080	-	2,080
Translation adjustment	2,928	-	(399)	(94)	2,435
Balance, December 31, 2021	\$ -	\$ -	\$ 431,843	\$ 98,667	\$ 530,510

Schedule of Exploration and Evaluation Assets for the Year Ended September 30, 2021

	Water Right	Lovelock/ Treasure Box	Coronado	Gemini/ Jackson	Total
Balance, September 30, 2020	\$ 570,357	\$ 74,599	\$ 408,188	\$ 84,940	\$ 1,138,084
Option payments - shares	60,000	-	-	-	60,000
Acquisition costs	6,148	-	-	-	6,148
Option receipts - shares	-	(74,099)	-	-	(74,099)
Non-refundable LOI payments received	(184,889)	-	-	-	(184,889)
Claim maintenance	-	-	41,722	17,882	59,604
Translation adjustment	(34,140)	(500)	(19,748)	(4,061)	(58,449)
Balance, September 30, 2021	\$ 417,476	\$ -	\$ 430,162	\$ 98,761	\$ 946,399

Exploration and evaluation costs for the three months ended December 31, 2021 and 2020 were allocated as follows:

	2021	2020
Kinsley Mountain	\$ 56,793	\$ 416,318
Lovelock/Treasure Box	27,093	-
Coronado	277	278,108
Gemini/Jackson Wash	4,495	-
Reclamation costs	8,811	-
	\$ 97,469	\$ 694,426

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**(a) Kinsley Mountain**

The Company has a 20.01% (2020 – 20.01%) interest in Kinsley Gold LLC, which holds a mining lease agreement relating to the Kinsley Mountain property. The mining lease agreement has a 3% net smelter royalty on production. The mining lease agreement initially ran through June 2020, however, Kinsley Gold LLC has the right to terminate the lease upon thirty days written notice or to extend the lease beyond 2020 provided it continues to make the required advance minimum royalty payments (the “Royalty Payments”) (see below). Per the terms of the mining lease agreement, Kinsley Gold LLC has an obligation to expend a minimum per calendar year of US\$500,000 (the “Minimum Expenditures”) (which includes the Royalty Payments) (2021 – obligation met) in exploration, development and mining activities on the Kinsley Mountain property.

The Royalty Payments included within the “Minimum Expenditures” are as follows for the years ending September 30:

- 2019: \$170,000 (*paid*)
- 2020 and 2021: \$220,000 (*paid*)
- 2022 and thereafter: \$220,000

In early 2020, the Company elected to have its interest in the Kinsley Gold LLC joint venture be diluted pursuant to the terms of the Kinsley Mountain joint venture agreement. The Company did not pay the 2019 cash call amount and consequently, its interest in the Kinsley Gold LLC joint venture was reduced from 20.94% to 20.01%.

The Company elected to participate in the 2020 and 2021 exploration programs. During the three months ended December 31, 2021, the Company paid a total of US\$42,525 (CAD\$53,604) as part of the Company’s proportionate share of the 2021 cash calls. During the year ended September 30, 2021, the Company paid a total of US\$784,619 (CAD\$1,017,181) as part of the Company’s proportionate share of the 2020 and 2021 cash calls, of which \$US 44,022 (CAD\$55,291) was paid for the Company’s proportionate share of the 2021 Royalty Payments.

(b) Jackson Wash

On December 17, 2015, the Company entered into an option agreement to purchase a 100% interest in the Jackson Wash lithium property located in the Jackson Valley, Esmeralda County, Nevada.

For the option to purchase a 100% interest in the property, the Company agreed to issue 500,000 common shares of the Company to the optionor over 3 years (issued).

The Jackson Wash property is subject to a 3% GOR.

During the year ended September 30, 2021, the Company staked 14 additional claims to expand the boundaries of Jackson Wash and recorded \$6,246 in claims maintenance.

(c) Gemini

The Company owns a 100% interest in a group of mineral claims known as the Gemini lithium property (“Gemini”). These claims were acquired by way of staking. Gemini is located in the Lida Valley, Esmeralda County, Nevada.

During the year ended September 30, 2021, the Company staked 26 additional claims to expand the boundaries of Gemini and recorded \$11,636 in claims maintenance.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**(d) Water Right**Option of Clayton Valley Water Right:

On March 16, 2016, the Company signed a definitive water right purchase agreement for the option to purchase a 100% interest in water right Permit 44411 in the Clayton Valley, Nevada. In consideration for the option to purchase the water right, the Company agreed to pay the vendors a combination of cash, common shares, and share purchase warrants as follows:

Date of Payment	Cash	Common Shares	Share Purchase Warrants
March 30, 2016	US\$125,000 (paid)	200,000 (issued with a fair value of \$36,000)	2,250,000 (issued) ⁽¹⁾
December 21, 2016	US\$150,000 (paid)	250,000 (issued with a fair value of \$67,500)	n/a
December 21, 2017	US\$175,000 (paid US\$87,500)	300,000 (issued with a fair value of \$45,000)	n/a
December 21, 2018	US\$200,000 ⁽¹⁾	350,000 (issued with a fair value of \$31,500)	n/a
December 21, 2019	US\$300,000 ⁽¹⁾	400,000 (issued with a fair value of \$18,000) (Note 9)	n/a
December 21, 2020	US\$350,000 ⁽¹⁾	500,000 (issued with a fair value of \$60,000) (Note 9)	n/a
Total	US\$1,300,000	2,000,000	2,250,000

On November 29, 2016, the Nevada Division of Water Resources (“NDWR”) issued a ruling of forfeiture against the Company’s water right, citing lack of beneficial use for a period of five years. The Company filed an appeal.

In August 2019, the NDWR issued an order formally dismissing the forfeiture proceedings against the water right. The dismissal followed a negotiated settlement agreement with Albemarle Corp. (“Albemarle”) wherein Albemarle withdrew its motion to forfeit the water right in exchange for the Company’s agreement not to drill any wells within certain areas of the Clayton Valley that might impact Albemarle’s lithium brine mining operations in the Clayton Valley.

- (1) On October 31, 2018, the Company signed a letter of intent to further amend the water right purchase agreement. The letter of intent amended the terms for the payment of the remaining cash payments due on the purchase price. Therefore, the Company was not required to make the US\$200,000 payment due on December 21, 2018.

Under the terms of the letter of intent the Company was required to pay US\$20,000 on signing (paid). In addition, the Company is required to pay US\$5,000 per month thereafter (paid up to February 2020) and in April 2021, the Company paid another US\$5,000. All the amounts are to be applied to the remaining purchase price. This arrangement was until August 2020 at which time the amounts due under the original agreement became payable. The remaining obligations to the vendor were fulfilled on the completion of the sale of the Permit 44411 water right.

Consent Agreement:

On August 31, 2016, the Company signed a consent agreement with Advantage Lithium Corp. (“Advantage”) and the vendors of the water right, Dedicated Mining Technology Inc. (“Dedicated Mining”), whereby the Dedicated Mining consented to assign the terms of the original water right option agreement to Advantage for cash payment of \$31,250 and the transfer of 258,932 Advantage shares with a fair value of \$142,413.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**(d) Water Right (cont'd...)**Due to Dedicated Mining Technology Inc.

At September 30, 2018, marketable securities included the 258,932 common shares of Advantage valued at \$181,252 that were originally transferred to the vendor of the water right, Dedicated Mining, as a part of the above consent agreement. These Advantage shares were agreed to be returned to the Company when the water right was forfeited and were to be held by the Company in escrow, pending a ruling with respect to the forfeiture. A corresponding liability of \$181,252 was set up to Dedicated Mining.

On October 31, 2018, Dedicated Mining agreed to release the 258,932 Advantage shares from escrow to be sold to fund ongoing legal costs related to the defence of the water right. To date, the Company has received 194,199 Advantage shares and has sold 194,000 shares for proceeds of \$113,363 which were paid to the Company's legal counsel. On December 7, 2021, the Company and Dedicated Mining agreed to reduce Dedicated Mining's share of the sales proceeds from the Sale of the Clayton Valley Water Right transaction with Cypress Development Corp. by \$73,536 in lieu of the Company receiving the remaining 64,733 Advantage shares, which shares were exchanged for 9,192 shares of Allkem Limited (formerly Orocobre Limited) ("Allkem") from Dedicated Mining.

Sale of Water Right

On May 7, 2021 the Company, through its wholly-owned subsidiary Intor Resources Corporation, entered into a binding letter of intent ("LOI") with Cypress Development Corp. ("Cypress") for the sale of its Clayton Valley water right (Permit 44411). On September 7, 2021, Intor executed a definitive Water Rights Purchase and Sale Agreement (the "Definitive Water Rights Agreement") with Cypress. Under the terms of the Definitive Water Rights Agreement, Cypress has the obligation to pay the Company total consideration of US\$3,000,000 as follows:

- US\$25,000 non-refundable payment payable upon execution (*received*);
- US\$125,000 non-refundable payment upon completion of a 45 day due diligence period and the execution between the parties of a definitive purchase agreement (*received*);
- US\$2,000,000 in cash upon closing (*received*); and
- US\$850,000 in common shares of Cypress upon closing (*received*).

On December 7, 2021, the Company completed the sale of its Permit 44411 water right. The purchase price consists of US\$2,150,000 in cash and the issuance of 546,909 Cypress' common shares, the number of which is calculated based on the value of US\$850,000 divided by the volume weighted average price of the Cypress shares for the ten trading day period ending two days prior to closing. The fair value of the Cypress shares received was US\$760,623.

The Company fulfilled its remaining obligation to Dedicated Mining, the underlying vendor of Permit 44411, which consisted of US\$832,500 for the remaining option payments less US\$23,480 for the retained consent payment and the 9,192 Allkem shares retained by Dedicated Mining of US\$57,560 via a cash payment of US\$751,460. There were no other amounts owing to Dedicated Mining in accordance with the Distribution of Proceeds. The Company recorded a gain on the sale totaling \$769,085 (US\$600,909). Pursuant to the Definitive Water Rights Agreement, the Company was reimbursed for all legal fees incurred from 2016 to 2019 for the water rights litigation thereby recognizing \$1,381,976 (US\$1,079,779) in legal fees recovery.

Following the closing, the Company learned that a petition for judicial review (the "Petition") was reportedly filed by a junior mineral exploration company on December 2, 2021 appealing the Permit extension of time granted by the State Engineer on November 2, 2021. At the time of the Closing, the Petition was unknown to both the Company and to Cypress. At this time, the Company intends to assist Cypress and the State of Nevada in their response to the Petition.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**(e) Lovelock/Treasure Box**

On December 22, 2017, the Company signed a definitive agreement to acquire a 100% interest in the Lovelock cobalt property located in Churchill County, Nevada. On December 22, 2018, the Company paid the vendor US\$5,000 to extend the first payment date from December 22, 2018 to March 22, 2019. The US\$5,000 was repaid to the Company by way of Global Energy Metals Corp. ("GEMC") shares.

To earn the 100% interest, the Company is required to pay cash payments and common share payments over three years from the date of signing of the definitive agreement, subject to a 2% net smelter returns royalty ("NSR") as follows:

- US\$15,000 (paid) and 200,000 common shares (issued at a fair value of \$31,000);
- March 22, 2019: US\$20,000 (paid by GEMC) and 200,000 common shares (issued at a fair value of \$19,000 and repaid to the Company by way of GEMC shares);
- December 22, 2019: US\$25,000 (paid by GEMC) and 250,000 common shares (issued at a fair value of \$11,250 and repaid to the Company by way of GEMC shares);
- December 22, 2020: US\$30,000 (paid by GEMC) and 300,000 common shares (issued by GEMC with GEMC shares as per the April 3, 2020 Amended Agreement below).

The Company has the right to accelerate the cash payments to the vendor at its discretion. On or before the 10th anniversary of the execution of the agreement, the Company shall have the right to purchase 50% of the NSR for US\$1,500,000 (subsequently revised per the April 3, 2020 Amended Agreement below such that GEMC can purchase 50% of the NSR rather than the Company).

The Company has the right to purchase a 100% interest in the Treasure Box copper property under its area of interest agreement with the vendor of the Lovelock cobalt property.

On January 15, 2019, the Company signed a mining option agreement with GEMC for GEMC to acquire an 85% interest in the Lovelock cobalt property and the Treasure Box copper property. The agreement allows for GEMC to acquire the interest subject to the Company first acquiring the interest pursuant to the underlying agreement with the vendor.

In order to exercise the option, GEMC is required to complete the following:

- Issue to the Company of such number of common shares in the capital of GEMC as is equal to US\$200,000 at a deemed price per share equal to the greater of: (a) \$0.15; and (b) the volume weighted average of the closing price of GEMC's shares for the 20 trading days immediately prior to the execution of the agreement. GEMC issued the Company 1,728,133 common shares with a fair value of \$86,407 on February 5, 2019.
- Assume all future cash payments to the vendor payable as scheduled above.
- Reimburse the Company for the issue by the Company of its common shares to the vendor with common shares of GEMC, payable as scheduled below:
 - March 22, 2019: such number of GEMC shares as is equal in value to 200,000 shares of the Company on the day prior to their issuance (issued);
 - March 22, 2019: such number of GEMC shares as is equal in value to US\$5,000 to reimburse the Company for the extension payment made by the Company to the vendor on December 22, 2018 (issued).
 - December 22, 2019: such number of GEMC shares as is equal in value to 250,000 shares of the Company on the day prior to their issuance (issued); and
 - December 22, 2020: such number of GEMC shares as is equal in value to 300,000 shares of the Company on the day prior to their issuance (issued by GEMC with GEMC shares).
- GEMC must also incur exploration expenditures totaling US\$1,000,000 by the third anniversary of the agreement.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**(e) Lovelock/Treasure Box (cont'd...)**

On April 3, 2020, the Company, GEMC and the vendor of the Lovelock and Treasure Box properties entered into an agreement to amend the terms of the GEMC option agreement on the properties and the underlying definitive agreement on the Lovelock property (the "Amended Agreement").

The Amended Agreement provides that GEMC will purchase an 85% interest in the Lovelock and Treasure Box properties, with the Company retaining a 15% interest, subject to a 2% NSR in favour of the vendor as provided for in the underlying definitive agreement between the vendor and the Company. A joint venture between GEMC and the Company will be formed to further explore and develop the Lovelock and Treasure Box properties. Upon closing of the Amended Agreement, GEMC will issue 750,000 GEMC shares to the Company.

Pursuant to the Amended Agreement, the Company is entitled to a management fee equal to 10% of the expenditures incurred other than governmental fees and taxes, provided that if in any one calendar month there is an individual expenditure that exceeds \$50,000, the management fee for that month shall be reduced to 5% of the expenditures for that month. During the three months ended December 31, 2021, the Company recorded \$13,942 (2020 - \$nil) in management fees.

The Amended Agreement closed on October 6, 2020, and the Company received 750,000 GEMC shares valued at \$142,500.

(f) Coronado

On September 25, 2018, the Company entered into a definitive option agreement ("Coronado Option Agreement") to acquire a 100% interest in the Coronado copper property located in the Tobin Sonoma Range of Pershing County, Nevada in consideration for cash and share payments, and minimum exploration expenditures as described below:

Payment Due Dates	Cash Payments	Share Payments	Minimum Exploration Expenditures
On October 24, 2018	US\$30,000 (paid)	200,000 (issued with a fair value of \$14,000)	US\$50,000 (incurred)
On or before September 25, 2019 ⁽¹⁾⁽²⁾	US\$35,000 (paid)	300,000 (issued with a fair value of \$15,000)	US\$100,000 (incurred)
On or before September 25, 2020	US\$40,000 (paid)	400,000 (issued with a fair value of \$98,000)	US\$150,000 (incurred)
On or before September 25, 2021 ⁽³⁾	US\$50,000 (paid subsequent to December 31, 2021)	500,000	US\$300,000
On or before September 25, 2022	US\$1,250,000	600,000	US\$500,000
Total	US\$1,405,000	2,000,000	US\$1,100,000

- (1) On September 25, 2019, the Company paid the vendors US\$5,000 to extend the due date of the US\$35,000 option payment to December 25, 2019.
- (2) On December 14, 2019, the Company paid the vendors US\$5,000 to extend the due date of the US\$35,000 option payment to February 24, 2020.
- (3) As at December 31, 2021, the cash and share payments due on or before September 25, 2021 was not paid as the company was in negotiations with the vendor regarding amendments to the terms of the Coronado Option Agreement, which was amended subsequent to the period ended December 31, 2021.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

The vendor shall retain a 2% net smelter returns royalty, half of which can be purchased by the Company at any time for US\$1,500,000, less any advance royalty payments made by the Company. An advance royalty payment of US\$500,000 would be payable to the vendors upon completion of a feasibility study.

(f) Coronado (cont'd...)

Subsequent to December 31, 2021, the Company entered into an amended agreement for the Coronado Option Agreement whereby the US\$1,250,000 cash payment, 600,000 share payment, and US\$500,000 work commitment due on or before September 25, 2022 were revised (Note 13).

8. RECLAMATION BONDS AND RIGHT OF WAY

At December 31, 2021 and September 30, 2021, the Company has posted reclamation bonds on its mineral properties with the Nevada Bureau of Land Management ("BLM") as a guarantee of exploration site restoration. In addition, the Company has prepaid a right of way for the Golden Arrow property.

	December 31, 2021	September 30, 2021
Golden Arrow – right of way	\$ 4,059	\$ 4,062
Coronado – Note 7(f)	18,283	18,300
Roulette	8,510	8,518
Neptune	20,542	20,561
Jackson Wash – Note 7(b)	17,969	17,988
Gemini – Note 7(c)	8,767	8,776
Aquarius	24,009	24,032
	<u>\$ 102,139</u>	<u>\$ 102,237</u>

Subsequent to December 31, 2021, the Company received \$24,009 from the BLM for the refund of the Aquarius property reclamation bond.

9. SHARE CAPITAL AND CONTRIBUTED RESERVES**a) Authorized:**

Unlimited common shares without par value

b) Issued:***During the Three Months Ended December 31, 2021:***

The Company did not issue any shares during the three months ended December 31, 2021.

During the Year Ended September 30, 2021:***Private placements***

- On February 12, 2021, the Company issued 2,922,000 private placement units at \$0.10 per unit for gross proceeds of \$292,200. Each unit contained one common share and one-half of one common share purchase warrant entitling the holder to purchase an additional common share at \$0.16 until February 12, 2023. The Company paid finders' fees of \$9,170 and issued 91,700 finders' warrants entitling the holders to purchase one common share for each warrant held at \$0.16 until February 12, 2023. The finders' warrants had a fair value of \$11,579.

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9. SHARE CAPITAL AND CONTRIBUTED RESERVES (cont'd...)

- On February 26, 2021, the Company issued 1,078,000 private placement units at \$0.10 per unit for gross proceeds of \$107,800. Each unit contained one common share and one-half of one common share purchase warrant entitling the holder to purchase an additional common share at \$0.16 until February 26, 2023.

Property Option Payments

- On December 21, 2020, the Company issued 500,000 common shares with a fair value of \$60,000 for the Water Right (Note 7(d)).

Exercise of Warrants and Options

- The Company issued 725,000 common shares pursuant to the exercise of warrants for proceeds of \$72,500.
- The Company issued 225,000 common shares pursuant to the exercise of options for proceeds of \$28,250. As a result, the fair value of the options of \$23,500 was reallocated to share capital.

Debt Settlement

- The Company settled \$18,793 owing to directors of the Company through the issuance of 221,099 common shares with a fair value of \$12,160 (Note 11).

c) Finder's Warrants:

At December 31, 2021, there were 189,816 finders' warrants outstanding entitling the holders to purchase one common share for each warrant. 91,700 finders' warrants have an exercise price of \$0.16 per share until February 12, 2023 and were initially recorded with a fair value of \$11,579 and 98,116 finders' warrants have an exercise price of \$0.30 per share until September 16, 2022 and were initially recorded with a fair value of \$14,910.

The fair values of the finders' warrants were calculated using the Black-Scholes Option Pricing Model using the weighted average assumptions below. Fair value is particularly impacted by stock price volatility, determined using historical price data for a term equivalent to the expected life of the warrant.

	2021
Risk-free interest rate	0.19%
Expected life of warrants	2 years
Annualized volatility	157%
Dividend rate	0%
Weighted average fair value per warrant	\$0.13

Finder's warrant transactions and the number of finder's warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at September 30, 2020	98,116	\$ 0.30
Warrants issued	91,700	0.16
Balance at September 30, 2021 and December 31, 2021	189,816	\$ 0.23

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9. SHARE CAPITAL AND CONTRIBUTED RESERVES (cont'd...)**d) Warrants:**

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at September 30, 2020	22,205,134	\$ 0.14
Warrants exercised	(725,000)	0.10
Warrants issued – private placements	2,000,000	0.16
Warrants expired	(6,825,000)	0.15
Balance at September 30, 2021 and December 31, 2021	16,655,134	\$ 0.14

At December 31, 2021, there were 16,655,134 warrants outstanding and exercisable entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of Warrants	Exercise Price	Expiry Date
2,220,133	\$0.25	July 5, 2023 ⁽¹⁾
685,000	\$0.25	July 17, 2023 ⁽²⁾
7,000,000	\$0.05	July 10, 2022
3,000,000	\$0.16	August 19, 2022
1,750,001	\$0.30	September 16, 2022
1,461,000	\$0.16	February 12, 2023
539,000	\$0.16	February 26, 2023

(1) On June 28, 2021, the expiry date of the warrants was extended from July 5, 2021 to July 5, 2023.

(2) On June 28, 2021, the expiry date of the warrants was extended from July 7, 2021 to July 17, 2023.

At December 31, 2021, the warrants had a weighted average remaining life of 0.81 years.

e) Options

The Company has a stock option plan whereby it may grant options to employees, directors, officers, consultants and certain other service providers. The maximum number of options that may be granted under the plan is 10% of the issued and outstanding common shares. Options are exercisable for a maximum of 10 years. The exercise price of the options is set in accordance with the policies of the TSX-V. Stock options are subject to vesting requirements as determined by the Company's Board of Directors.

On March 3, 2021, the Company granted 2,500,000 stock options to officers and directors of the Company. The stock options are exercisable at \$0.125 per share until May 3, 2026 and vest immediately. The fair value of the options granted is \$288,312

On March 9, 2021, the Company granted 600,000 stock options to consultants. The stock options are exercisable at \$0.125 per share until March 9, 2026 and vest immediately. The fair value of the options granted is \$52,386.

During the three months ended December 31, 2021 and 2020, the Company recognized share-based compensation of \$nil (2020 - \$nil).

The fair values of stock options were calculated using the Black-Scholes Option Pricing Model using the range of assumptions below. Fair value is particularly impacted by stock price volatility, determined using historical price data for a term equivalent to the expected life of the option.

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9. SHARE CAPITAL AND CONTRIBUTED RESERVES (cont'd...)**(e) Options (cont'd...)**

	2021
Risk-free interest rate	0.83 – 0.87%
Expected life of options	5 years
Annualized volatility	140-141%
Dividend rate	0%
Weighted average fair value per option	\$0.09 – 0.12

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance at September 30, 2020	3,535,000	\$ 0.18
Options exercised	(225,000)	0.13
Options granted	3,100,000	0.13
Options expired / cancelled	(1,065,000)	0.29
Balance at September 30, 2021 and December 31, 2021	5,345,000	\$ 0.13

At December 31, 2021, there were 5,345,000 options outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Shares	Exercise Price	Expiry Date
850,000	\$0.18	January 25, 2023
920,000	\$0.105	October 31, 2023
475,000	\$0.09	March 26, 2024
2,500,000	\$0.125	March 3, 2026
600,000	\$0.125	March 9, 2026

At December 31, 2021, the stock options had a weighted average remaining life of 3.11 years.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the three months ended December 31, 2021 and 2020, the following non-cash transactions were excluded from the statements of cash flows:

	2021	2020
Shares received for sale on Water Right	\$ 973,498	\$ -
Reclassification on exercise of options to share capital from contributed reserves	\$ -	16,000
Fair value of common shares issued for exploration and evaluation assets	\$ -	\$ 60,000
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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11. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Chief Executive Officer, Chief Financial Officer, Corporate Secretary, and Board of Directors.

Remuneration attributed to key management personnel or companies controlled by key management personnel during the three months ended December 31, 2021 and 2020 is summarized as follows:

	2021		2020	
Directors' fees	\$	12,000	\$	-
Management fees		21,750		19,266
	\$	33,750	\$	19,266

The Company incurred the following charges by a law firm in which a director of the Company is a partner and by another public company with a director in common with the Company during the three months ended December 31, 2021 and 2020:

	2021		2020	
Legal	\$	1,435	\$	188
Rent		9,015		8,584
	\$	10,450	\$	8,772

At December 31, 2021, prepaid expenses and deposits includes \$5,000 (September 30, 2021 - \$5,000) paid to a company with a director in common with the Company as a rent deposit.

At December 31, 2021, accounts payable and other liabilities includes \$55,576 (September 30, 2021 - \$48,704) payable to the Chief Executive Officer of the Company for management fees and expense reimbursement.

At December 31, 2021, accounts payable includes \$36,183 (September 30, 2021 - \$25,975) payable to a company with a director in common with the Company for rental fees.

At December 31, 2021, accounts payable includes \$95 (September 30, 2021 - \$95) payable to the Chief Financial Officer of the Company for expense reimbursement.

At December 31, 2021, accounts payable includes \$6,140 (September 30, 2021 - \$4,638) payable to a law firm in which a director of the Company is a partner for legal fees.

At December 31, 2021, accounts payable includes \$nil (September 30, 2021 - \$2,363) payable to the Corporate Secretary of the Company for corporate services.

At December 31, 2021, other liabilities includes \$nil (September 30, 2021 - \$1,500) payable to a director of the Company for director's fees.

At December 31, 2021, other liabilities includes \$nil (September 30, 2021 - \$1,250) payable to a director of the Company for director's fees.

At December 31, 2021, other liabilities includes \$nil (September 30, 2021 - \$1,148) payable to a director of the Company for director's fees.

Amounts due from/to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

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11. RELATED PARTY TRANSACTIONS (cont'd...)

During the year ended September 30, 2021, the Company issued shares to settle debt with the following related parties (Note 9):

- 77,691 shares to settle debt of \$6,604 with the director of the Company, recognizing a gain of \$2,331.
- 73,326 shares to settle debt of \$6,232 with the director of the Company, recognizing a gain of \$2,200.
- 70,082 shares to settle debt of \$5,957 with the director of the Company, recognizing a gain of \$2,102.

12. CAPITAL MANAGEMENT

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 assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes components of equity as capital.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings or the sale of assets to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital, intends to continue to receive cash and shares pursuant to option agreements (Note 7), sell assets (Note 7), and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended December 31, 2021. The Company is not currently subject to externally imposed capital requirements.

13. SUBSEQUENT EVENTS

- a) On January 20, 2022, the Company granted 1,600,000 stock options to the directors, officers and consultants of the Company exercisable at \$0.06 per common share until January 20, 2027.
- b) Subsequent to December 31, 2021, the Company amended the terms of the Coronado Option Agreement. The provisions for the US\$1,250,000 cash payment, 600,000 share payment, and US\$500,000 work commitment due on or before September 25, 2022 were amended and replaced as follows:

Payment Due Dates	Cash Payments	Share Payments	Minimum Exploration Expenditures
On or before September 25, 2022	US\$50,000	500,000	US\$300,000
On or before September 25, 2023	US\$50,000	500,000	US\$300,000
On or before September 25, 2024	US\$50,000	500,000	US\$300,000
On or before September 25, 2025	US\$50,000	500,000	US\$300,000
On or before September 25, 2026	US\$1,000,000	600,000	US\$500,000

Subsequent to December 31, 2021, the Company paid US\$50,000 for the cash payment due on September 25, 2021 upon executing the amendment.