FINLAY MINERALS LTD.

Condensed Interim Financial Statements
First Quarter ended March 31, 2022

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These interim financial statements of the Company for the period ending March 31, 2022 have been prepared by management and have not been subject to review by the Company's auditors.

FINLAY MINERALS LTD.

Condensed Interim Balance Sheet

AS AT MARCH 31, 2022 AND DECEMBER 31, 2021

See accompanying notes to the condensed interim financial statements

All values expressed in Canadian dollars

	March 31 2022	December 31 2021
ASSETS	**$**	**$**
Current Assets		
Cash and cash equivalents	1,746,781	1,892,589
GST receivable	39,926	35,251
Investment in ATAC Resources Ltd. (Note 4 and Note 5)	56,264	-
Prepaid expenses	43,932	88,226
	1,886,903	2,016,066
Reclamation deposits	91,500	91,500
Exploration and evaluation assets (Note 5)	9,857,571	9,911,108
	11,835,974	12,018,674
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	22,520	47,235
Due to Related Parties (Note 7)	16,838	55,397
Flow-through liability (Note 12)	77,218	87,724
	116,576	190,356
Non-Current Liabilities		
Deferred income taxes	1,708,916	1,729,461
	1,825,492	1,919,817
Shareholders' Equity		
Share capital (Note 8)	12,063,606	12,063,606
Contributed surplus	2,281,282	2,281,282
Investment revaluation reserve	6,264	-
Deficit	(4,340,670)	(4,246,031)
	10,010,482	10,098,857
	11,835,974	12,018,674

Approved by the Board of Directors and authorized for issue on May 30, 2022.

"Robert F Brown" , Director

"Richard T Dauphinee" , Director

FINLAY MINERALS LTD.

Condensed Interim Statement of Comprehensive Loss

FOR THE QUARTER ENDED MARCH 31, 2022

See accompanying notes to the condensed interim financial statements

All values expressed in Canadian dollars

	Three Months Ended March 31, 2022 $	Three Months Ended March 31, 2021 $
Operating Costs and Expenses (Recovery)		
Advertising and promotion	41,748	13,010
Bank charges and interest	3,786	66
Insurance	4,552	4,001
Legal and accounting	35,278	1,625
Office and administration	8,459	1,725
Rent	3,600	3,450
Salaries and benefits	17,486	3,785
Telephone	87	(15)
Travel	121	-
Trust and filing fees	10,794	7,177
	125,911	34,824
Loss before other items	(125,911)	(34,824)
Flow-through recovery (Note 11)	10,506	-
Part XII.6 tax	-	(3,958)
Exchange loss	(236)	-
Interest Income	457	220
Loss before income tax	(115,184)	(38,562)
Deferred income tax recovery	20,545	6,816
Net loss for the period	(94,639)	(31,746)
Other comprehensive income items that may not be reclassified subsequently to profit or loss:		
Net change in fair value of investment in NorthWest Copper Corp.	-	603
Net change in fair value of investment in ATAC Resources Ltd.	6,264	-
Realized gain on sale of shares in NorthWest Copper Corp.	-	5,063
Net loss and comprehensive loss for the period	(88,375)	(26,079)
Weighted average number of common shares	125,916,788	93,274,991
Basic and diluted loss per share	0.00	0.00

FINLAY MINERALS LTD.

Condensed Interim Statement of Cash Flow

FOR THE QUARTER ENDED MARCH 31, 2022

See accompanying notes to the interim financial statements

All values expressed in Canadian dollars

	Three Months Ended March 31, 2022 $	Three Months Ended March 31, 2021 $
CASH PROVIDED BY (USED FOR):		
Operating Activities		
Net loss for the period	(94,639)	(4,372)
Add (deduct) non-cash items		
Flow-through recovery	(10,506)	(26,245)
Deferred income tax recovery	(20,545)	13,084
	(125,690)	(17,533)
Changes in non-cash working capital		
GST receivable	(4,675)	14,943
Prepaid expenses	44,294	4,811
Accounts payable and accrued liabilities	(24,715)	(297)
Due to related parties	(51,207)	(144)
	(161,993)	1,780
Investing Activities		
Mineral property costs	(33,815)	(37,741)
Cash received pursuant to Option Agreement	50,000	-
Proceeds from sale of shares in NorthWest Copper Corp.	-	24,562
	16,185	(13,179)
DECREASE IN CASH POSITION	(145,808)	(32,428)
Cash position, beginning of the period	1,892,589	226,086
CASH POSITION, END OF PERIOD	1,746,781	193,658
Cash position includes cash and short term investments.		
Cash	*127,860*	*42,153*
Short-term deposits	*13,027*	*12,921*
Term deposit and high interest savings account	*1,605,894*	*138,584*
	1,746,781	*193,568*

FINLAY MINERALS LTD.
Interim Statement of Changes in Equity
FOR THE QUARTER ENDED MARCH 31, 2022

See accompanying notes to the interim financial statements
All values expressed in Canadian dollars

	Number of Shares	Share Capital	Contributed Surplus	Investment Revaluation Reserve	Deficit	Total Equity
		$	$	$	$	$
December 31, 2021	125,916,788	12,063,606	2,281,282	-	(4,246,031)	10,098,857
Other comprehensive income for the period	-	-	-	6,264	-	6,264
Net loss for the period	-	-	-	-	(94,639)	(94,639)
March 31, 2022	**125,916,788**	**12,063,606**	**2,281,282**	**6,264**	**(4,340,670)**	**10,010,482**
December 31, 2020	93,274,991	9,370,241	1,436,196	34,871	(3,257,263)	7,584,045
Other comprehensive income for the period	-	-	-	5,666	-	5,666
Net loss for the period	-	-	-	-	(31,746)	(31,746)
March 31, 2021	93,274,991	9,370,241	1,436,196	40,537	(3,289,009)	7,557,965

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act (British Columbia) and its principal business activity is the acquisition and exploration of resource properties. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search. There is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is not possible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Although the Company has taken steps to verify title to resource properties 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 unregistered prior agreements and noncompliance with regulatory requirements.

These financial statements have been prepared on a going-concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses since inception with a comprehensive loss for the three months ended March 31, 2022 of $88,375, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The application of the going-concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going-concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Management plans to continue to pursue equity or debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going-concern will be impaired. The outcome of these matters cannot be predicted at this time.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, these Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of preparation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and 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 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going-concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluations assets may not be recoverable.

Exploration and evaluation expenditures

Once a license to explore an area has been secured, expenditures on mineral properties are capitalized to exploration and evaluation assets.

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration and evaluation expenditures are not expected to be recovered they are charged to operations.

Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

Impairment of non-financial assets

At the end of each reporting year, and when relevant triggering events and circumstances occur, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year.

2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

The Company uses the statement of financial position method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow-through shares

The Company has issued common shares as flow-through shares, whereby the investor may claim the tax deductions arising from the related resource expenditures. When flow-through shares are issued, the sale of the tax deduction is valued (using the residual method) and deferred as a flow-through liability. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, the flow-through liability is reversed, and a deferred income tax liability is recognized.

Previously unrecognized deferred income tax assets may be used to reduce the deferred income tax liability amount recognized, and the Company will recognize a future income tax recovery to this extent.

Share-based payments

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to exploration and evaluation assets with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and a corresponding amount is transferred to share capital from contributed surplus.

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

All values expressed in Canadian dollars

2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Reclamation deposits

The Company maintains cash deposits as required by regulatory bodies as assurance for the funding of reclamation costs. These funds are restricted to that purpose and are not available to the Company until the reclamation obligations have been fulfilled. Reclamation deposits are classified as non-current assets.

Mineral Exploration Tax Credit ("METC")

The Company recognizes METC amounts when the Company's METC application is approved by the Canada Revenue Agency or when the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Financial assets

Cash and cash equivalents are classified as subsequently measured at amortized cost.

Investment in ATAC Resources Ltd. is irrevocably classified, at the Company's election, as subsequently measured at fair value through other comprehensive income. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the statement of financial position date.

Reclamation deposits are classified as subsequently measured at amortized cost.

Financial liabilities

Trade payables are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Trade payables are subsequently measured at amortized cost.

Due to related parties is subsequently measured at amortized cost.

3) NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

The Company has not adopted any new IFRS pronouncements as at January 1, 2022 as any new standards are not applicable to the Company's financial statements.

4) INVESTMENT IN ATAC RESOURCES LTD.

At March 31, 2022, the Company owned 375,094 (2021 – nil) shares of ATAC Resources Ltd., the shares of which are traded on the TSX Venture Exchange.

	Three Months Ended March 31, 2021	**Year Ended December 31, 2021**
	$	**$**
Marketable securities -- fair value	56,264	-
Marketable securities -- cost	50,000	-

See Note 5.

5) EXPLORATION AND EVALUATION ASSETS

Omineca Mining Division
British Columbia

Silver Hope Claims

The Company has a 100% interest in 41 mineral tenures, eight of which are subject to a 1½% Net Smelter Returns royalty ("NSR"), and were acquired during 2006 by the issue of two million common shares. One half of the NSR (3/4%) is purchasable prior to a production decision for one million dollars.

PIL-Gold Claims

The Company has a 100% interest in 39 mineral tenures (formerly 376 mineral claim units) of which 23 mineral claims were acquired from a private company controlled by common directors of the Company with consideration for the issuance to that private company of nine million common shares (post subdivision) and a 3% NSR. The Company is also obligated to issue a further two million shares to this private company when the property is put into commercial production and may also, prior to that date, purchase a 1½ % NSR (½ of the 3% NSR) for two million dollars (the "Buy Back Right").

On February 21, 2022, and subsequently amended on February 28, 2022, the Company entered into a Property Option Agreement with ATAC Resources Ltd. ("ATAC") whereby ATAC has the option to earn a 70% interest in the Company's wholly-owned PIL Property. Pursuant to the Property Option Agreement, ATAC may exercise the option and acquire a 70% interest in the property by making cash and share payments having an aggregate cash equivalent value of $1,900,000 and incurring an aggregate of $12,000,000 in exploration expenditures, in staged amounts, on or before December 31, 2026. Following the exercise of the option, ATAC and the Company will hold interests in the property of 70% and 30%, respectively, and a joint venture will be formed.

Upon exercise of the option and formation of the joint venture, the Company will transfer the Buy Back Right to the joint venture in consideration for ATAC assuming the obligation to fully fund the $2,000,000 Buy Back Right as long as ATAC's interest in the joint venture exceeds 50%.

On March 1, 2022, the Company received Exchange acceptance for the transaction.

ATTY Claims

The Company has a 100% interest in 12 mineral tenures which are all in good standing until 2030.

On March 1, 2018, in connection with entering into the OA, the Company and the RH entered into an amending agreement to amend the purchase agreement between the Company and the RH dated as of July 29, 1999 (the "PA") so that (i) certain clauses only apply to the ATTY claims and not the PIL claims; and (ii) to provide for a separate royalty agreement between the Company and the RH relating to the PIL claims. The PA was amended as follows:

- As additional consideration for the original purchase, the Company will issue 500,000 shares of the Company to the RH immediately following an ATTY Project Production Decision (as defined in the OA); and

- Prior to an ATTY Project Production Decision (as defined in the OA), the Company may, at its sole discretion, purchase one half (1.5%) of the NSR from RH by paying $1 million.

On March 1, 2018, the Company and the RH entered into a royalty agreement (the "RA") in respect of the PIL claims. The RA incorporates the mineral claims acquired under the Purchase Agreement with the RH dated as of October 1, 2001, as well as the rights and interest pertaining to the PIL claims, into the RA, and terminates the 2001 Purchase Agreement. As additional consideration for the purchase of the PIL claims, the Company:

- Will issue 1 million shares of the Company to RH immediately following a PIL Project Production Decision (as defined in the RA);

- Will pay an NSR of 3% to the RH; and

- May, at its sole discretion, and prior to a PIL Project Production Decision, purchase one half (1.5%) of the NSR from RH by paying $2 million.

All values expressed in Canadian dollars

5) EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

	December 31 2020	Net Additions	December 31 2021	Net Additions	March 31 2021
BRITISH COLUMBIA					
Silver Hope Claims					
Acquisition	166,873	-	166,873	-	166,873
Assay	214,018	66,127	280,145	9,235	289,380
Camp and travel	167,016	159,594	326,610	(3,502)	323,108
Drilling	1,413,386	268,728	1,682,114	-	1,682,114
Equipment rental	35,135	39,104	74,239	305	74,544
Field office	15,132	10,885	26,017	-	26,017
Geological	508,716	288,585	797,301	25,983	823,284
Geophysical	670,331	246,882	917,213	-	917,213
Road construction	45,239	-	45,239	-	45,239
Tenure management	50,026	1,591	51,617	73	51,690
BCMETC refund	(19,495)	(47,984)	(67,479)	-	(67,479)
	3,266,377	1,033,512	4,299,889	32,094	4,331,983
PIL Claims					
Acquisition	28,536	-	28,536	-	28,536
Assay	262,918	-	262,918	-	262,918
Camp and travel	888,090	1,134	889,224	1,502	890,726
Drilling	1,466,687	-	1,466,687	-	1,466,687
Equipment rental	110,607	-	110,607	-	110,607
Field office	105,081	-	105,081	-	105,081
Geological	998,243	12,006	1,010,249	4,048	1,014,297
Geophysical	527,360	-	527,360	-	527,360
Road construction	402,273	-	402,273	-	402,273
Tenure management	35,215	-	35,215	-	35,215
Recovery	-	-	-	(100,000)	(100,000)
BCMETC refund	(94,188)	-	(94,188)	-	(94,188)
	4,730,822	13,140	4,743,962	(94,450)	4,649,512
ATTY Claims					
Acquisition	540	-	540	-	540
Assay	38,826	2,579	41,405	-	41,405
Camp and travel	331,714	10,544	342,258	-	342,258
Equipment rental	27,158	1,262	28,420	-	28,420
Field office	12,674	-	12,674	-	12,674
Geological	40,343	27,284	67,627	8,819	76,446
Geophysical	489,198		489,198	-	489,198
Tenure management	20,135	-	20,135	-	20,135
Recovery	(125,000)	-	(125,000)	-	(125,000)
Royalty buyback payment	(10,000)	-	(10,000)	-	(10,000)
	825,588	41,669	867,257	8,819	876,076
Total exploration and evaluation expenditures	8,822,787	1,088,321	9,911,108	(53,537)	9,857,571

All values expressed in Canadian dollars

6) RELATED PARTY TRANSACTIONS

	Three Months Ended March 31, 2022 $	Three Months Ended March 31, 2021 $
Key management personnel compensation:		
Mineral property geological consulting	34,033	858
Wages and benefits, and other compensation	23,390	3,785

7) DUE TO RELATED PARTIES

At March 31, 2022, the Company owes $4,190 (December 31, 2021 - $33,679) to two officers of the Company. The amounts are unsecured, do not bear interest and have no fixed terms of repayment.

8) SHARE CAPITAL

a) The authorized share capital of the Company consists of:
an unlimited number of common shares.
100,000,000 Class A preference shares
100,000,000 Class B preference shares

	Three Months Ended March 31, 2022		Year Ended December 31, 2021	
	Number of Shares	$	Number of Shares	$
Opening balance	125,916,788	12,063,606	93,274,991	9,370,241
Issued for:				
Private Placements	-	-	29,200,131	2,678,479
Options exercised	-	-	1,850,000	218,114
Warrants exercised	-	-	1,591,666	159,167
Share issue costs	-	-	-	(362,395)
Ending Balance	125,916,788	12,063,606	125,916,788	12,063,606

All values expressed in Canadian dollars

8) SHARE CAPITAL *(continued)*

b) Share purchase options

The following is a summary of the changes in the Company's outstanding stock options:

	Three Months Ended March 31, 2022		Year Ended December 31, 2021	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Balance, beginning of the period	6,100,000	0.13	3,750,000	0.07
Expired	-	-	(650,000)	0.08
Issued	-	-	4,850,000	0.14
Exercised	-	-	(1,850,000)	0.06
Balance, end of the period	6,100,000	0.13	6,100,000	0.13
Exercisable, end of the period	6,100,000	0.13	3,750,000	0.13
Weighted average years to expiry		3.75		4.00

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	Three Months Ended March 31, 2022		Year Ended December 31, 2021	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of the period	42,325,131	0.16	16,207,166	0.19
Expired	-	-	(1,490,500)	0.19
Issued	-	-	29,200,131	0.14
Exercised	-	-	(1,591,666)	0.10
Balance, end of the period	42,325,131	0.16	42,325,131	0.16
Weighted average years to expiry		1.44		1.68

All values expressed in Canadian dollars

8) SHARE CAPITAL *(continued)*

d) Compensation Options

The continuity of the Compensation Options is as follows:

	Three Months Ended March 31, 2022		Year Ended December 31, 2021	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of the year	1,511,323	0.100	-	-
Issued	-	-	1,511,323	0.10
Balance, end of the year	1,511,323	0.10	1,511,323	0.10
Weighted average years to expiry		1.27		1.52

e) Contributed surplus

Contributed surplus records the fair value of share-based payments, agent options and agent warrants until such time that the options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going-concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements except to maintain sufficient cash and deposit balances to meet exploration commitments.

10) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents, amounting to $1,746,781 at March 31, 2022 (December 31, 2021 - $1,892,589). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and related party balance obligations. The Company maintained sufficient cash and cash equivalent balances to meet these needs at March 31, 2022.

All values expressed in Canadian dollars

10) FINANCIAL INSTRUMENT RISKS (*continued)*

Interest Rate Risk

The Company has cash balances and only fixed interest-bearing guaranteed investment certificates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking insititutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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 are not based on observable market data.

The fair value classification of the company's financial instruments as at March 31, 2022 and December 31, 2021 is as follows:

		Three Months Ended March 31, 2022	**Year Ended December 31, 2021**
	Fair value level	**Fair value through other comprehensive income $**	**Fair value through other comprehensive income $**
Financial assets:			
Investment in ATAC Resources Ltd.	**1**	56,264	-

During the quarter ended March 31, 2022 and year ended December 31, 2021, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities.

11) LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

During the year ended December 31, 2021, the Company issued an aggregate of 11,315,050 units on a flow-through basis for gross proceeds of $1,383,040 and recognized a flow-through liability of $314,218.

As at March 31, 2022, the Company had spent $947,999 of the flow-through funds and recognized a flow-through recovery of $10,506 for the period ended March 31, 2022.

The Company must incur an additional $435,041 in qualifying flow-through expenditures prior to December 31, 2022 pursuant to its renunciation to investors. As at March 31, 2022, the Company has a flow-through liability of $77,218 related to the unspent funds.

See Note 8.

All values expressed in Canadian dollars

12) SUPPLEMENTARY CASH FLOW INFORMATION

	Three Months Ended March 31, 2021 $	Three Months Ended March 31, 2021 $
Exploration and evaluation assets included in accounts payable and accrued liabilities	-	2,449
Exploration and evaluation assets included in due to related parties	12,648	-

See Note 5.

13) SUBSEQUENT EVENTS

On May 19, 2022, the Company received notification from the Ministry of Mines and Energy acknowledging receipt of the Company's multi-year exploration permit application for its Silver Hope Property submitted July 3, 2021. The Ministry further indicated that they had assessed an increase in the existing Silver Hope reclamation security deposit from $19,500 to $35,500. The difference of $16,000 was placed into a safekeeping guaranteed investment certificate on May 26, 2022.