PACIFIC EMPIRE
MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30, 2022

Unaudited – Prepared by management

(Expressed in Canadian Dollars)

Pacific Empire Minerals Corp.
211 - 850 West Hastings Street
Vancouver, BC, V6C 1E1

August 29, 2022

To the Shareholders of
Pacific Empire Minerals Corp.

The accompanying unaudited condensed interim financial statements of Pacific Empire Minerals Corp. (the "Company") for the three months ended June 30, 2022 and 2021 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Yours truly,

"Brad Peters"

President and Chief Executive Officer

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)

ASSETS		**June 30, 2022**		**March 31, 2022**
Current assets				
Cash	$	753,212	$	1,097,135
Receivables (Note 3)		148,969		104,011
Prepaid expenditures		63,455		64,911
Marketable securities (Note 4)		47,790		140,458
Total current assets		1,013,426		1,406,515
Non-current assets				
Restricted cash (Note 5)		23,000		23,000
Property and equipment (Note 6)		49,476		53,012
Reclamation deposits (Note 7)		101,847		84,221
Exploration and evaluation assets (Note 8)		124,455		77,036
Total non-current assets		298,778		237,269
TOTAL ASSETS	$	1,312,204	$	1,643,784
LIABILITIES				
Current liabilites				
Accounts payable and accrued liabilities	$	91,897	$	59,699
Due to related parties (Note 10)		20,565		39,562
Lease liability (Note 11)		9,637		15,165
Total current liabilities		122,099		114,426
SHAREHOLDERS' EQUITY				
Share capital (Note 12)		6,693,369		6,674,340
Reserves (Note 12)		501,044		683,934
Deficit		(6,004,308)		(5,828,916)
TOTAL SHAREHOLDERS' EQUITY		1,190,105		1,529,358
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	1,312,204	$	1,643,784

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Approved on behalf of the Board of Directors August 29, 2022.

"Brad Peters" , Director *"Samantha Shorter"* , Director

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Condensed Interim Statements of Changes in Shareholders' Equity
Unaudited – Prepared by Management

	Number of common shares		Share capital		Reserves		Deficit		Total
Balance as at March 31, 2021	68,788,965	$	5,505,294	$	653,666	$	(4,939,743)	$	1,219,217
Shares issued for cash	21,109,231		1,266,554		-		-		1,266,554
Shares issued for mineral properties	250,000		15,000		-		-		15,000
Share issue costs - cash	-		(101,246)		-		-		(101,246)
Share issue costs - warrants	-		(46,482)		46,482		-		-
Share - based compensation	-		-		71,038		-		71,038
Stock options expired during the period	-		-		(85,773)		85,773		-
Loss for the period	-		-		-		(411,703)		(411,703)
Balance as at June 30, 2021	90,148,196	$	6,639,120	$	685,413	$	(5,265,673)	$	2,058,860
Balance as at March 31, 2022	90,148,196	$	6,674,340	$	683,934	$	(5,828,916)	$	1,529,358
Shares issued for mineral properties	200,000		5,000		-		-		5,000
Share issue costs - cash	-		(1,290)		-		-		(1,290)
Stock options expired during the period	-		-		(167,571)		167,571		-
Finders warrants expired during the period			15,319		(15,319)				-
Loss for the period	-		-		-		(342,963)		(342,963)
Balance as at June 30, 2022	90,348,196	$	6,693,369	$	501,044	$	(6,004,308)	$	1,190,105

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

PACIFIC EMPIRE MINERALS CORP.

((An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management

	Three Months Ended	
	June 30, 2022	**June 30, 2021**
EXPLORATION EXPENDITURES (Note 9)	$ 143,595	$ 110,229
Less: Recoveries (Note 9)	(28,042)	(12,974)
Net exploration expenditures	115,553	97,255
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative and office	17,442	16,605
Amortization (Note 6)	6,344	6,578
Consulting and directors fees (Note 10)	51,024	52,106
Investor relations and shareholder communication	47,150	154,337
Management fees (Note 10)	22,500	22,500
Professional fees	5,830	7,929
Share - based compensation (Note 10 & 12)	-	71,038
Travel	841	191
Total general and administrative expenses	151,131	331,284
Loss from operations	(266,684)	(428,539)
Foreign exchange loss	(132)	(210)
Interest income and other	226	446
Fair value adjustments on marketable securities (Note 4)	(91,418)	16,600
Gain on sale of marketable securities (Note 4)	15,045	-
Loss and comprehensive loss for the period	$ (342,963)	$ (411,703)
Basic and diluted loss per common share	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding	90,229,515	78,781,279

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
Unaudited – Prepared by Management

	Three Months Ended	
	June 30, 2022	**June 30, 2021**
Cash flows used in operating activities		
Loss for the period	$ (342,963)	$ (411,703)
Item not affecting operating activities:		
Interest income received	(226)	(446)
Items not affecting cash:		
Amortization	8,525	27,012
Interest on lease liability	283	214
Fair value adjustments on marketable securities	91,418	(16,600)
Realized gain on sale of investments	(15,045)	-
Share - based compensation	-	71,038
Accrual for exploration tax credits	(28,042)	(12,974)
Changes in non-cash working capital items:		
Receivables	(16,916)	(3,426)
Prepaid expenditures	1,456	48,162
Accounts payable and accrued liabilities	30,908	49,477
Due to related parties	(18,997)	2,983
Total cash used in operating activities	(289,599)	(246,263)
Cash flows used in investing activities		
Acquisition of exploration and evaluation assets	(42,419)	(38,530)
Interest received on cash	226	446
Proceeds from the sale of marketable securities	16,295	-
Purchase of property and equipment	(4,989)	(20,202)
Purchase of reclamation deposits	(17,626)	-
Total cash used by investing activities	(48,513)	(58,286)
Cash flows from financing activities		
Proceeds from the sale of common shares	-	1,266,554
Repayment of lease liability	(5,811)	(5,503)
Share issuance costs	-	(100,376)
Total cash provided by (used in) financing activities	(5,811)	1,160,675
Change in cash	(343,923)	856,126
Cash, beginning of the period	1,097,135	435,315
Cash, end of the period	$ 753,212	$ 1,291,441

Supplemental disclosure with respect to cash flows (Note 16)

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Pacific Empire Minerals Corp. (the "Company") was incorporated on July 13, 2012, under the Business Corporations Act (British Columbia). The Company's principal business activities are the acquisition and exploration of mineral properties in Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "PEMC" and the OTCQB Venture Market Exchange under the symbol "PEMSF". The Company's head office address is at Suite 804, 525 Seymour Street, Vancouver, British Columbia V6B 3H7, Canada and its registered and records office is located at Suite 1700, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9, Canada.

These condensed interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these condensed interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to find joint venture partners. At the date of these financial statements, the Company has not identified whether any of its properties contain ore reserves that are economically recoverable. At June 30, 2022, the Company has not achieved profitable operations and has accumulated losses since inception.

As at June 30, 2022, the Company had working capital of $891,327, accumulated deficit of $6,004,308 and cash of $753,212. With its current plans for the year and the budgets associated with those plans, in order to continue funding its administrative and exploration expenditures from the date of these financial statements, the Company will need to obtain additional cash and anticipates either financing or selling one or more of its assets. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. The Company continues to adapt to travel restrictions, changes to health policy and recommendations and associated impacts to its business plans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Measurement and Presentation

These condensed financial statements have been prepared on a historical cost basis except for assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency.

Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied in its annual audited financial statements and related note disclosures as at and for the year ended March 31, 2022, and do not include all the information required for full annual audited financial statements in accordance with IFRS.

It is suggested that these condensed interim financial statements be read in conjunction with the annual audited financial statements.

3. RECEIVABLES

The Company's receivables arise from goods and services tax ("GST") and mineral exploration tax credits ("METC") from government taxation authorities.

As at June 30, 2022 and March 31, 2022, the current receivables consisted of the following:

	June 30, 2022	March 31, 2022
Goods and services tax receivable	$ 16,916	$ -
Mineral exploration tax credits	132,053	104,011
	$ 148,969	$ 104,011

During the three months ended June 30, 2022, the Company received $7,210 (2021 - $8,173) from GST refunds.

4. MARKETABLE SECURITIES

As at June 30, 2022 and March 31, 2022, the Company had the following marketable securities:

	June 30, 2022	March 31, 2022
Fair value through profit or loss		
Cost	$ 139,208	$ 86,475
Accumulated unrealized gain	(91,418)	53,983
Fair value	$ 47,790	$ 140,458

5. RESTRICTED CASH

As at June 30, 2022, the Company classified $23,000 (March 31, 2022 - $23,000) as restricted cash. This amount is comprised of a GIC held as a deposit for its corporate credit cards.

6. PROPERTY AND EQUIPMENT

During the three months ended June 30, 2022, amortization of $2,181 (2021 - $20,434) has been included in exploration expenditures (Note 9).

	Office furniture and computer equipment	Field equipment	Vehicles and related equipment	Right-of-use assets	Total
Cost					
As at March 31, 2022	$ 44,080	$ 24,917	$ 20,594	$ 74,058	$ 163,649
Additions	-	4,989	-	-	4,989
As at June 30, 2022	44,080	29,906	20,594	74,058	168,638
Accumulated amortization					
As at March 31, 2022	23,288	9,945	16,442	60,962	110,637
Additions	1,434	1,495	686	4,910	8,525
As at June 30, 2022	24,722	11,440	17,128	65,872	119,162
Net book value					
As at March 31, 2022	$ 20,792	$ 14,972	$ 4,152	$ 13,096	$ 53,012
As at June 30, 2022	$ 19,358	$ 18,466	$ 3,466	$ 8,186	$ 49,476

Right-of-use assets consists of leased office spaces (Note 11) and are amortized on a straight-line basis over the term of the leases.

7. RECLAMATION DEPOSITS

Reclamation deposits are held as security towards future exploration work and the related future potential cost of reclamation of the Company's land and unproven mineral interests. Once reclamation of the properties is complete, the deposits will be returned to the Company. As at June 30, 2022, $101,847 (March 31, 2022 - $84,221) is being held as security on the Company's mineral titles.

As at June 30, 2022, the Company has no material reclamation obligations.

8. EXPLORATION AND EVALUATION ASSETS

Properties	June 30, 2022	Impairment of exploration and evaluation assets	Mineral titles and option payments	March 31, 2022
Jean Marie	$ 112,644	$ -	$ 45,129	$ 67,515
Col	2,290	-	2,290	-
Abby	9,521	-	-	9,521
	$ 124,455	$ -	$ 47,419	$ 77,036

8. EXPLORATION AND EVALUATION ASSETS (Continued)

ABBY

Acquired by staking during the year ended March 31, 2022, the Company holds certain mineral title costs comprising the Abby property.

JEAN MARIE

On May 25, 2020, the Company entered into an option agreement to acquire a 100% interest in the Jean Marie Project in central British Columbia from three private vendors. To earn its 100% interest, the Company is required to pay $675,000 in cash, issue 1,500,000 common shares and spend a total of $2,700,000 in work commitments within 6 years of the effective date, being May 25, 2020, as follows:

- Making an initial cash payment of $15,000 (paid) within 45 days of the effective date and issuing 100,000 common shares of the Company (issued) valued at $6,000 or $0.06 per common share, within 7 days of the effective date;
- Making a cash payment of $20,000 (paid) issuing 150,000 common shares (issued) of the Company valued at $9,000 or $0.06 per share, and incurring $50,000 in expenditures on or before May 25, 2021 (completed)
- Making a cash payment of $40,000 (paid), issuing 200,000 common shares of the Company (issued) valued at $5,000 or $0.025 per common share, and incurring $250,000 in expenditures ($300,000 cumulative) on or before May 25, 2022 (completed);
- Making a cash payment of $100,000, issuing 250,000 common shares of the Company, and incurring $500,000 in expenditures ($800,000 cumulative) on or before May 25, 2023;
- Making a cash payment of $150,000, issuing 300,000 common shares of the Company, and incurring $800,000 in expenditures ($1,600,000 cumulative) on or before May 25, 2024; and
- Making a cash payment of $350,000, and issuing 500,000 common shares of the Company, and incurring $1,100,000 in expenditures ($2,700,000 cumulative) on or before May 25, 2025;

The vendors of the property will be granted a 2.5% NSR royalty, one half (1.25%) of which can be purchased at any time for $1,500,000. A further 0.25% of the NSR royalty can be purchased at any time for $1,000,000, thereby reducing the NSR royalty to 1.0%.

In addition to the option agreement, the Company incurred $129 in staking costs expanding the Jean Marie position.

PINNACLE

On March 4, 2019 the Company entered into a royalty purchase agreement pursuant to which Nova Royalty Corp. (“Nova”) was granted a right to acquire a 1% NSR royalty on the production from the Pinnacle Reef Property for 115,000 common shares valued at $28,750 . The Company has also agreed to grant Nova a right of first refusal on any future royalty or streaming transactions on the Pinnacle Reef project.

On December 21, 2020 with an August 25, 2020 effective date, the Company entered into a definitive agreement with 1111 Exploration Corp. (“1111 Exploration” formerly 1111 Acquisition Corp.) granting 1111 Exploration the option to earn a 70% interest in the Pinnacle property. As consideration for the option, 1111 Exploration will make aggregate cash payments in the amount of $375,000, issue a total of 3,500,000 common shares to the Company,

8. EXPLORATION AND EVALUATION ASSETS (Continued)

and incur a minimum of $5,700,000 in exploration expenditures on the project over a four-year period as follows:

- Making an initial cash payment of $15,000 (received) by September 3, 2020;
- Making a cash payment of $25,000 (received), issuing to the Company 200,000 common shares (received), and incurring a minimum of $100,000 (completed) in exploration expenditures by December 31, 2021;
- Making a cash payment of $35,000 (received subsequent to June 30, 2022), issuing to the Company 300,000 common shares, and incurring an additional $500,000 in exploration expenditures by August 25, 2022;
- Making a cash payment of $50,000, issuing to the Company 500,000 common shares, and incurring an additional $2,100,000 in exploration expenditures by August 25, 2023; and
- Making a cash payment of $250,000 (with an option to pay up to 50% in an equivalent value of common shares), issuing to the Company 2,500,000 common shares, and incurring an additional $3,000,000 in exploration expenditures by August 25, 2024.

Pursuant to the Pinnacle agreement, as at June 30, 2022, the Company has received cash payments totalling $75,000 and 200,000 common shares of 1111 Exploration valued at $10,000 or $0.05 per share being the initial and secondary payments, and second anniversary cash payment.

The Company will retain a 30% free-carried interest in the project up until the date that 1111 Exploration publishes a NI 43-101 compliant Pre-Feasibility Study ("PFS") on the project. Following completion of the PFS, the Company and 1111 Exploration will form a joint venture with 1111 Exploration holding a 70% initial interest and the Company holding a 30% initial interest. If the total cumulative common shares granted to the Company is less than 5% of the total issued and outstanding common shares of 1111 Exploration as of the date of the PFS, 1111 Exploration will issue to the Company such number of common shares which will bring the Company ownership level to 5% of the total issued and outstanding common shares of 1111 Exploration.

COL

In June 2022, the Company completed the acquisition of 100% interest in the Col Property. Pursuant to the terms of a purchase agreement amongst the Company, Indata Resources Ltd. and Nation River Resources Ltd. (together, the "Vendors"), the Company acquired a 100% interest in the Col Property in exchange for granting the Vendors a 2% net smelter return royalty on the claims, one-half (1%) of such 2% net smelter return royalty may be purchased for $500,000 by the Company.

In addition to the acquisition, the Company incurred $2,290 in staking costs expanding the Col position.

9. EXPLORATION EXPENDITURES

During the three months ended June 30, 2022, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Jean Marie	Target Generation*	Total
Administration Cost	$ 8,762	$ 1,933	$ 10,695
Amortization	2,140	41	2,181
Drilling and related field costs	37,454	700	38,154
Geophysics	6,890	-	6,890
Personnel	38,733	648	39,381
Travel	46,294	-	46,294
Total Expenditures	140,273	3,322	143,595
Exploration tax credits**	(28,042)	-	(28,042)
Total Recoveries	(28,042)	-	(28,042)
Net Expenditures	$ 112,231	$ 3,322	$ 115,553

* Substantially all expenditures included in "Target Generation" are not project specific and are general exploratory expenditures for the three months ended June 30, 2022.

During the three months ended June 30, 2021, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Jean Marie	Target Generation*	Total
Administration Cost	$ 1,127	$ -	$ 1,127
Amortization	18,594	1,839	20,433
Drilling and related field costs	26,131	6,387	32,518
Geophysics	13,660	-	13,660
Personnel	36,251	1,360	37,611
Travel	4,880	-	4,880
Total Expenditures	100,643	9,586	110,229
Exploration tax credits**	(12,974)	-	(12,974)
Total Recoveries	(12,974)	-	(12,974)
Net Expenditures	$ 87,669	$ 9,586	$ 97,255

* Substantially all expenditures included in "Target Generation" are not project specific and are general exploratory expenditures for the three months ended June 30, 2021.

** All of the Company's exploration activities are located in British Columbia, Canada. As such, the Company is eligible for the Mining Exploration Tax Credits on qualifying expenditures. The credit is 20% of the qualifying expenditures, and an enhanced 30% credit is available for expenditures incurred in Mountain Pine Beetle affected areas. All the Company's current projects are in areas qualifying for the 30% enhanced credit.

The Company has accrued a credit at the 30% qualifying rate on expected qualifying expenditures. Actual credits and refunds are subject to review and potential adjustment by tax authorities.

10. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into certain transactions with key management personnel, which the Company has defined as Officers and Directors of the Company. The aggregate value of these transactions and outstanding balances are as follows:

For the three months ended June 30, 2022	Management & Consuting fees	Share-based Payments	Total
Management	$ 33,500	$ -	$ 33,500
Outside Directors	6,000	-	6,000
Seabord Management Corp.**	22,500	-	22,500
	$ 62,000	$ -	$ 62,000

For the three months ended June 30, 2021	Management & Consuting fees	Share-based Payments	Total
Management	$ 28,800	$ 19,886	$ 48,686
Outside Directors	6,000	14,454	20,454
Seabord Management Corp.**	22,500	6,060	28,560
	$ 57,300	$ 40,400	$ 97,700

Amounts due to related parties as of June 30, 2022 and March 31, 2022 are as follows:

Related party liabilities	Items or services	June 30, 2022	March 31, 2022
President *	Management fees and reimbursable expenses	$ 14,175	$ 31,302
Directors	Fees	6,390	8,260
		$ 20,565	$ 39,562

*BJP Consulting is controlled by Brad Peters, President and Chief Executive Officer.

** Seabord Management Corp. ("Seabord") is partially controlled by the Chief Financial Officer ("CFO") and provides the following services: A CFO, a Corporate Secretary, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

11. LEASE LIABILITY

The Company's right-of-use asset consists of office space and is included in property and equipment (Note 6).

	June 30, 2022	March 31, 2022
Lease liabilty net carry amount - Opening balance	$ 15,165	$ 13,743
Additions	-	29,462
	15,165	43,205
Lease payments made	(5,811)	(29,955)
Interest expense on lease liabilities	283	1,915
	9,637	15,165
Less: current portion	(9,637)	(15,165)
Non-current - Ending balance	$ -	$ -

11. LEASE LIABILITY (Continued)

In May 2021, the Company entered into a lease agreement with 525 Seymour Inc. for office space in Vancouver, BC. The lease is for 18 months until November 30, 2022. As at June 30, 2022, expected remaining cash commitments were $9,845 to be paid during the balance of fiscal 2023.

12. EQUITY

Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value.

Share Capital

No preferred shares have been issued from incorporation to June 30, 2022.

During the three months ended June 30, 2022:

In May 2022, the Company Issued 200,000 common shares for the Jean Marie property valued at $5,000 or $0.025 per share pursuant to an acquisition agreement (Note 8).

During the three months ended June 30, 2021:

In May and June 2021, the Company completed a non-brokered private placement in two tranches and issued 21,109,231 units at a price of $0.06 per unit for gross proceeds of $1,266,554. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.10 per share for 24 months from the closing of the offering or June 2, 2023.

In consideration for arranging the private placement, the Company paid finder's fees to: (i) Haywood Securities Inc. consisting of $59,468 in cash and issued 991,132 finder's warrants; (ii) Research Capital Corp., consisting of $10,500 in cash and issued 175,000 finder's warrants; and (iii) Hampton Securities Ltd. consisting of $701 in cash and issued 11,676 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.10 per common share for 24 months from the closing of the offering or June 2, 2023. The Company recorded $46,482 in share capital and reserves related to the fair value of the finders' warrants. The fair value of the finder's warrants issued as part of the private placement was estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 0.32%, dividend yield of 0%, volatility of 151% and an expected life of 2 years.. The Company paid an additional $30,577 in legal and regulatory costs related to the private placement.

In May 2021, the Company Issued 150,000 common shares for the Jean Marie property valued at $9,000 or $0.06 per share and 100,000 common shares related to the Worldstock property valued at $6,000 or $0.06 per share as required pursuant to the acquisition agreements (Note 8). The common shares were valued using the observable market price on the issuance date.

Stock Option Plan

As at March 31, 2022, the Company had a stock option plan that allows the Board of Directors to grant incentive stock options to the Company's officers, directors, related company employees and consultants to purchase up to that number of common shares equal to 10% of its outstanding shares for a term of up to ten years. The exercise

12. EQUITY (Continued)

price of each option is to be not less than the fair market value of the Company's stock as determined by the Plan administrator. The vesting terms are determined at the time of the option grant.

During the three months ended June 30, 2022, the change in stock options outstanding is as follows:

	Number of Options		Weighted Average Exercise Price
Balance, March 31, 2022	5,840,000	$	0.13
Cancelled and expired unexercised	(1,340,000)		0.17
Balance, June 30, 2022	4,500,000		0.11
Exercisable as at June 30, 2022	4,500,000	$	0.11

During the three months ended June 30, 2022, 1,340,000 (2021 – 875,000) options expired unexercised and $167,571 (2021 - $85,773) has been reallocated from reserves to deficit related to the fair value of the expired options.

The following table summarizes the stock options outstanding and exercisable as at June 30, 2022:

Date Granted	Number of Options	Exercisable		Exercise Price	Expiry Date
September 23, 2019	650,000	650,000	$	0.08	Sept 23, 2022
August 12, 2020	1,750,000	1,750,000		0.19	August 12, 2023
August 21, 2020	50,000	50,000		0.19	August 21, 2023
March 10, 2021	2,050,000	2,050,000		0.06	March 10, 2024
	4,500,000	4,500,000			

The weighted average remaining life of the exercisable stock options is 1.25 years (March 31, 2022 – 1.29 years).

Share-based Payments

During the three months ended June 30, 2022, the Company recorded share-based compensation expense of $Nil (2021 - $71,038), which represents the fair value of options vested during the period with the offsetting amount credited to reserves.

Warrants

During the three months ended June 30, 2022, the change in warrants outstanding is as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2022	47,477,286	$	0.11
Cancelled and expired unexercised	(11,012,757)		0.30
Balance, June 30, 2022	36,464,529	$	0.10

12. EQUITY (Continued)

The following table summarizes the warrants outstanding and exercisable as at June 30, 2022:

Date Granted	Number of Warrants		Exercise Price	Expiry Date
May 21, 2020 Private Placement	5,500,000	$	0.10	May 21 , 2023
May 21, 2020 Finders' Warrants	60,000		0.10	May 21 , 2023
July 24, 2020 Private Placement*	8,000,000		0.10	July 24 , 2022
July 24, 2020 Finders' Warrants*	617,490		0.10	July 24 , 2022
May 14, 2021 Private Placement	16,275,898		0.10	May 14 , 2023
May 14, 2021 Finders' Warrants	839,475		0.10	May 14 , 2023
June 02, 2021 Private Placement	4,833,333		0.10	June 02 , 2023
June 02, 2021 Finders' Warrants	338,333		0.10	June 02 , 2023
	36,464,529			

*expired unexercised subsequent to June 30, 2022.

During the three months ended June 30, 2022, 11,012,757 (2021 – 1,060,000) warrants expired unexercised, and $15,319 (2021 – $Nil) has been reallocated from reserves to share capital related to the fair value of the expired warrants.

13. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition and exploration of mineral properties. As such, all of the Company's property and equipment and exploration and evaluation assets are located in Canada.

14. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk, interest rate risk, and market risk.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Although the Company operates only in Canada and all expenditures are incurred in Canadian dollars, U.S. dollars are sometimes held by the Company. As at June 30, 2022, the Company did not hold a significant balance of U.S. dollars. Therefore, a change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar would have an immaterial effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no concentration of credit risk other than on cash deposits and receivables. The Company's cash deposits are primarily held with a Canadian chartered bank. Further, receivables comprise amounts due from the federal government. Therefore, credit risk is considered low.

14. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at June 30, 2022, included $91,897 of accounts payable and accrued liabilities, $20,565 in amounts due to related parties and $9,637 of current lease liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Interest Rate Risk

When the Company has sufficient cash, it will invest in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at June 30, 2022, the Company did not have any interest-bearing loans. Accordingly, the Company does not have a significant interest rate risk.

Market Risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the June 30, 2022 value of marketable securities a 10% increase or decrease in the share prices of these companies would have an immaterial impact on loss and comprehensive loss.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. There have been no changes in the approach to managing capital during the three months ended June 30, 2022. Management believes that it may seek additional capital to continue its exploration programs and general and administrative costs. The Company is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS BY CATEGORY

The Company classified its financial instruments as follows:

	June 30, 2022	March 31, 2022
Financial assets		
Amortized cost:		
Cash	$ 753,212	$ 1,097,135
Restricted cash	23,000	23,000
Reclamation deposits	101,847	84,221
Fair value through profit or loss:		
Marketable securities	47,790	140,458
	$ 925,849	$ 1,344,814
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	$ 91,897	$ 59,699
Due to related parties	20,565	39,562
	$ 112,462	$ 99,261

Fair Values

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the marketplace.
- Level 3: inputs that are less observable, unavoidable or where the observable data does not support the majority of the instruments' fair value.

As at June 30, 2022, there were no changes in the levels in comparison to the year ended March 31, 2022.

Financial instruments which are measured using the fair value hierarchy include marketable securities, which are categorized as Level 1.

The carrying values of cash, restricted cash, receivables, reclamation deposits, accounts payable and accrued liabilities and due to related parties approximate their fair value because of the short-term nature of these instruments.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions during the three months ended June 30, 2022 included:

- The issuance of 200,000 common shares valued at $5,000 pursuant to the Jean Marie property agreement (Note 8);
- The reallocation of $167,571 from reserves to deficit for stock options expired in the period (Note 12);
- The reallocation of $15,319 from reserves to share capital for warrants expired in the period (Note 12); and
- The recording of $1,290 in share issue costs included in accounts payable and accrued liabilities.

Significant non-cash investing and financing transactions during the three months ended June 30, 2021 included:

- The issuance of 250,000 common shares valued at $15,000 pursuant to the Worldstock and Jean Marie property agreements (Note 8);
- The reallocation of $85,773 from reserves to deficit for stock options expired in the period (Note 12);
- The recording of $46,482 in share capital and reserves related to the fair value of finders' warrants (Note 12);
- The recording of $20,202 in additions to property and equipment included in accounts payable and accrued liabilities (Note 6); and
- The recording of $870 in share issue costs included in accounts payable and accrued liabilities.