PACIFIC EMPIRE
MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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

February 24, 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 nine months ended December 31, 2021 and 2020 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	December 31, 2021	March 31, 2021
Current assets		
Cash	$ 1,000,419	$ 435,315
Receivables (Note 3)	134,000	51,120
Prepaid expenditures	62,057	139,123
Field supplies	-	194,528
Marketable securities (Note 4)	119,311	96,860
Assets classified as held for sale (Note 5)	225,000	-
Total current assets	1,540,787	916,946
Non-current assets		
Restricted cash (Note 6)	23,000	23,000
Property and equipment (Note 7)	58,031	209,976
Reclamation deposits (Note 8)	84,221	84,221
Exploration and evaluation assets (Note 9)	70,983	56,432
Total non-current assets	236,235	373,629
TOTAL ASSETS	$ 1,777,022	$ 1,290,575
LIABILITIES		
Current liabilites		
Accounts payable and accrued liabilities	$ 57,076	$ 46,955
Due to related parties (Note 11)	35,012	10,660
Current lease liability (Note 12)	20,535	13,743
Total current liabilities	112,623	71,358
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	6,639,120	5,505,294
Reserves (Note 13)	719,154	653,666
Deficit	(5,693,875)	(4,939,743)
TOTAL SHAREHOLDERS' EQUITY	1,664,399	1,219,217
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,777,022	$ 1,290,575

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

Approved on behalf of the Board of Directors February 24, 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, 2020	42,916,707	$	4,254,350	$	419,043	$	(3,890,642)	$	782,751
Shares issued for cash	21,500,000		1,075,000		-		-		1,075,000
Shares issued for mineral properties	150,000		9,750		-		-		9,750
Flow-through shares issued for cash	4,222,258		295,558		-		-		295,558
Flow-through premium liability	-		(84,445)		-		-		(84,445)
Finders' fees in cash	-		(35,976)		-		-		(35,976)
Share issue costs - cash	-		(36,592)		-		-		(36,592)
Share issue costs - warrants	-		(59,795)		59,795		-		-
Share - based compensation	-		-		369,972		-		369,972
Stock options expired during the period	-		-		(33,391)		33,391		-
Loss for the period	-		-		-		(983,807)		(983,807)
Balance as at December 31, 2020	68,788,965	$	5,417,850	$	815,419	$	(4,841,058)	$	1,392,211
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	-		-		104,779		-		104,779
Stock options expired during the period	-		-		(85,773)		85,773		-
Loss for the period	-		-		-		(839,905)		(839,905)
Balance as at December 31, 2021	90,148,196	$	6,639,120	$	719,154	$	(5,693,875)	$	1,664,399

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 December 31, 2021	Three Months December 31, 2020	Nine Months December 31, 2021	Nine Months December 31, 2020
EXPLORATION EXPENDITURES (Note 10)	$ 146,276	$ 243,418	$ 495,649	$ 551,294
Less: Recoveries (Note 10)	(24,660)	(21,241)	(88,124)	(23,106)
Net exploration expenditures	121,616	222,177	407,525	528,188
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative and office	13,389	11,326	53,176	47,191
Amortization (Note 7)	10,661	4,639	28,078	13,916
Consulting and directors fees (Note 11)	42,757	51,500	134,488	118,075
Investor relations and shareholder communication	36,344	143,969	277,324	326,855
Management fees (Note 11)	22,500	22,500	67,500	67,500
Professional fees	6,569	11,460	30,346	45,164
Share - based compensation (Note 11 & 13)	6,469	209,916	104,780	369,972
Travel	186	-	494	118
Total general and administrative expenses	138,875	455,310	696,186	988,791
Loss from operations	(260,491)	(677,487)	(1,103,711)	(1,516,979)
Option income and sale of royalty interests (Note 9)	-	21,661	375,000	75,861
Foreign exchange gain (loss)	104	-	(234)	(118)
Interest income and other	113	873	10,559	1,689
Fair value adjustments on marketable securities (Note 4)	(47,500)	(114,169)	12,451	(114,682)
Impairment on reclassification of assets held for sale (Note 5)	(85,470)	-	(85,470)	-
Gain on sale of marketable securities	-	523,317	-	523,317
Impairment of exploration and evaluation assets (Note 9)	(48,500)	-	(48,500)	(37,340)
Recovery of flow through expenditure commitment	-	37,789	-	84,445
Loss and comprehensive loss for the period	$ (441,744)	$ (208,016)	$ (839,905)	$ (983,807)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding	90,148,196	68,788,965	86,386,780	59,275,293

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

	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020
Cash flows from operating activities		
Loss for the period	$ (839,905)	$ (983,807)
Item not affecting operating activities:		
Interest income received	(10,559)	(1,689)
Items not affecting cash:		
Amortization	89,864	75,053
Interest on lease liability	1,522	1,314
Fair value adjustments on marketable securities	(12,451)	114,682
Option income and sale of royalty interests	(10,000)	(4,200)
Realized (gain) loss on sale of investments	-	(523,317)
Share - based compensation	104,779	369,972
Recovery of flow-through share liability	-	(84,445)
Impairment of exploration and evaluation assets	48,500	37,340
Impairment on reclassification of assets held for sale	85,470	-
Accrual for exploration tax credits	(88,124)	(23,106)
Changes in non-cash working capital items:		
Receivables	5,244	107,618
Prepaid expenditures	77,066	(221,154)
Accounts payable and accrued liabilities	10,121	(33,473)
Due to related parties	24,352	(53,230)
Field supplies	-	(72,749)
Total cash used in operating activities	(514,121)	(1,295,191)
Cash flows used in investing activities		
Acquisition of exploration and evaluation assets	(48,051)	(18,540)
Interest received on cash	10,559	1,689
Proceeds from the sale of marketable securities	-	638,317
Purchase of property and equipment	(24,399)	-
Purchase of reclamation deposits	-	(16,816)
Total cash from (used) in investing activities	(61,891)	604,650
Cash flows from financing activities		
Proceeds from the sale of common shares	1,266,554	1,075,000
Proceeds from the sale of flow -through shares	-	295,558
Repayment of lease liability	(24,192)	(13,365)
Share issuance costs	(101,246)	(72,568)
Total cash provided by financing activities	1,141,116	1,284,625
Change in cash	565,104	594,084
Cash, beginning of the period	435,315	14,286
Cash, end of the period	$ 1,000,419	$ 608,370

Supplemental disclosure with respect to cash flows (Note 17)

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 211, 850 West Hastings Street, Vancouver, British Columbia V6C 1E1, 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 December 31, 2021, the Company has not achieved profitable operations and has accumulated losses since inception.

As at December 31, 2021, the Company had working capital of $1,428,164, accumulated deficit of $5,693,875 and cash of $1,000,419. With its current plans and budgets associated with those plans, management believes it will have sufficient capital resources to fund its budgeted exploration programs and administrative expenses for the next twelve months.

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").

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, 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 December 31, 2021 and March 31, 2021, the current receivables consisted of the following:

	December 31, 2021	March 31, 2021
Goods and services tax receivable	$ 32,954	$ 11,683
Mineral exploration tax credits	101,046	37,471
Other	-	1,966
	$ 134,000	$ 51,120

During the nine months ended December 31, 2021, the Company received $21,641 (2021 - $38,798) from GST refunds and $24,549 (2021 - $120,183) in METC's.

4. MARKETABLE SECURITIES

As at December 31, 2021 and March 31, 2021, the Company had the following marketable securities:

	December 31, 2021	March 31, 2021
Fair value through profit or loss		
Cost	$ 88,900	$ 78,900
Accumulated unrealized gain	30,411	17,960
Fair value	$ 119,311	$ 96,860

During the nine months ended December 31, 2020, the Company sold its 460,000 common shares in Nova Royalty Corp. for net proceeds of $638,317.

5. ASSETS HELD FOR SALE

		December 31, 2021
Non-current assets held for sale		
Field equipment, net	$	113,115
Vehicles and related equipment, net		2,827
		115,942
Current assets held for sale		
Field supplies		194,528
Total assets held for sale		310,470
Impairment on reclassification to assets held for sale		(85,470)
Assets held for sale	$	225,000

In December 2021, the Company decided to sell certain field equipment, vehicles and related equipment, and related spare parts and supplies ("the Disposal Group") (Note 7). The Company has an interested party and the sale is expected to be completed before March 31, 2022. The Disposal Group is classified as held for sale as at December 31, 2021 and was measured at the lower of its carrying amount and fair value less costs to sell at the time of reclassification. The measurement resulted in the recognition of an impairment of $85,470 included in loss and comprehensive loss for the period. The fair value of the Disposal Group was determined using the prevailing negotiated price with a third party. This is a level 2 measurement as per the Company's fair value hierarchy (Note 16).

6. RESTRICTED CASH

As at December 31, 2021, the Company classified $23,000 (March 31, 2021 - $23,000) as restricted cash. This amount is comprised of a GIC held as a deposit for its corporate credit cards.

7. PROPERTY AND EQUIPMENT

During the nine months ended December 31, 2021, amortization of $61,786 (2020 - $61,137) has been included in exploration expenditures (Note 10).

		Office furniture and computer equipment		Field equipment		Vehicles and related equipment		Right-of-use assets		Total
Cost										
As at March 31, 2021	$	25,628	$	376,504	$	31,079	$	44,596	$	477,807
Additions		18,452		5,947		-		29,462		53,861
Reclassification to assets held for sale		-		(361,274)		(10,485)		-		(371,759)
As at December 31, 2021		44,080		21,177		20,594		74,058		159,909
Accumulated amortization										
As at March 31, 2021		17,132		199,859		18,408		32,432		267,831
Additions		4,459		57,124		4,662		23,619		89,864
Reclassification to assets held for sale		-		(248,159)		(7,658)		-		(255,817)
As at December 31, 2021	$	21,591	$	8,824	$	15,412	$	56,051	$	101,878
Net book value										
As at March 31, 2021	$	8,496	$	176,645	$	12,671	$	12,164	$	209,976
As at December 31, 2021	$	22,489	$	12,353	$	5,182	$	18,007	$	58,031

Right-of-use assets consists of leased office spaces (Note 12) and are amortized on a straight-line basis over the term of the leases.

8. 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 December 31, 2021, $84,221 (March 31, 2021 - $84,221) is being held as security on the Company's mineral titles.

As at December 31, 2021, the Company has no material reclamation obligations.

9. EXPLORATION AND EVALUATION ASSETS

Properties		December 31, 2021		Impairment of exploration and evaluation assets		Mineral titles and option payments		March 31, 2021
Jean Marie	$	61,462	$	-	$	32,530	$	28,932
Worldstock		-		(48,500)		21,000		27,500
Abby		9,521		-		9,521		-
	$	70,983	$	(48,500)	$	63,051	$	56,432

9. EXPLORATION AND EVALUATION ASSETS (Continued)

WORLDSTOCK

In May 2019, The Company entered into an option agreement with a private vendor to acquire a 100% interest in the Worldstock Property located in south-central British Columbia. To earn its 100% interest in the property, the Company paid $10,000 cash and issued 50,000 common shares valued at $3,750 or $0.075 per share upon signing and is required to make annual staged option payments starting on the first anniversary of the effective date totaling $75,000 cash and 550,000 common shares over a four-year period, of which $25,000 cash has been paid, and 150,000 common shares valued at $9,750 have been issued representing the total of the first and second anniversary payments.

Upon exercise of the option, the Company shall grant the Worldstock Optionor a 2% Net Smelter Returns ("NSR") royalty which the Company may purchase one half (0.5%) of the NSR royalty from the vendors for $1,000,000.

The Company is currenly evaluating the Worldstock property and related option agreement and has recorded an impairment of $48,500 included in loss and comprehensive loss for the nine months ended December 31, 2021.

ABBY

During the nine months ended December 31, 2021, the Company acquired by staking the Abby property including $9,521 in mineral title costs.

STARS

During the year ended March 31, 2017, the Company purchased a 50% interest in certain tenures forming the Stars Project for $15,000. The other 50% is held by Divitiae Resources Ltd.

On September 29, 2021, the Company closed a purchase and sale agreement with Aurwest Resources Corporation ("Aurwest") to sell its 50% interest in the Stars Property. On closing Aurwest paid PEMC a cash payment of $350,000 (received) and granted to PEMC a 2% net smelter return royalty ("NSR") on all minerals produced from the Stars Property. Aurwest has the right to repurchase at any time one per cent of the NSR (1%) for consideration of $1,000,000. The $350,000 received has been included in income (loss) and comprehensive income (loss) for the period.

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 valuedat $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, issuing 200,000 common shares of the Company, and incurring $250,000 in expenditures ($300,000 cumulative) on or before May 25, 2022;

9. EXPLORATION AND EVALUATION ASSETS (Continued)

- 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 has staked additional areas expanding the Jean Marie position.

RED

In December 2021, the Company signed a purchase and sale agreement with Engold Mines Ltd. ("Engold") to sell its 100% interest in the Red property in exchange for a 2% NSR royalty on prospective ground within EnGold's Lac La Hache property. One half (1%) of the NSR royalty is purchasable by EnGold at any time for $1,000,000.

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 upon the expiry or termination of an option agreement dated July 12, 2016 between the Company and M3 Metals. As a result of M3 Metals terminating this option agreement, Nova exercised its right to acquire the 1% NSR Pinnacle Reef Royalty. The Company has also agreed to grant Nova a right of first refusal on any future royalty or streaming transactions on the Projects.

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, 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, 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 December, 2021, the Company has received cash payments totalling $40,000 and 200,000 common shares of 1111 Exploration valued at $10,000 or $0.05 per share being the initial and secondary payments. The value of the shares received was based on 1111 Exploration's listing price.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

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.

KITIMAT

On December 7, 2020, the Company entered into a definitive agreement with Cavu Mining Corp. ("CAVU") granting CAVU the option to earn a 100% interest in the Kitimat property. As consideration for the option, CAVU will make aggregate cash payments in the amount of $390,000, issue a total of 2,650,000 common shares to the Company, and incur a minimum of $1,000,000 in exploration expenditures on the project over a three-year period. Upon exercise of the option, the Company will be granted a 2.0% NSR royalty, one half (1%) of which can be purchased at any time for cash consideration of $1,000,000.

Pursuant to the Kitimat option agreement, as at December 31, 2021, the Company has received cash payments totalling $40,000 and 250,000 common shares of CAVU valued at $12,500 being the initial and secondary payments upon listing. Subsequent to December 31, 2021 and prior to the second anniversary payments of cash and shares, CAVU provided notice to the Company of its intention to terminate the option. The Company has regained its 100% interest and the Kitimat claims remain in good standing.

10. EXPLORATION EXPENDITURES

During the nine months ended December 31, 2021, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Jean Marie	Copper King	Target Generation*	Total
Administration Cost	$ 2,126	$ -	$ -	$ 2,126
Amortization	53,744	4,549	3,492	61,785
Drilling and related field costs	98,429	-	10,677	109,106
Geophysics	121,320	42,000	-	163,320
Personnel	116,055	917	3,275	120,247
Travel	39,065	-	-	39,065
Total Expenditures	430,739	47,466	17,444	495,649
Exploration tax credits**	(75,501)	(12,600)	(23)	(88,124)
Total Recoveries	(75,501)	(12,600)	(23)	(88,124)
Net Expenditures	$ 355,238	$ 34,866	$ 17,421	$ 407,525

* Substantially all expenditures included in "Target Generation" are not project specific and are general exploratory expenditures for the nine months ended December 31, 2021.

10. EXPLORATION EXPENDITURES (Continued)

During the nine months ended December 31, 2020, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Jean Marie	Weedon	Worldstock	Pinnacle	Target Generation*	Total
Administration Cost	$ 3,430	$ 1,318	$ 225	$ -	$ -	$ 4,973
Amortization	23,039	5,353	16,799	1,296	14,650	61,137
Geophysics	92,787	15,223	42,294	-	10,086	160,390
Drilling and related field costs	12,500	450	2,950	-	-	15,900
Personnel	119,324	19,350	52,650	2,200	33,013	226,537
Travel	61,424	9,113	11,820	-	-	82,357
Total Expenditures	312,504	50,807	126,738	3,496	57,749	551,294
Exploration tax credits**	(15,555)	(2,486)	(5,065)	-	-	(23,106)
Total Recoveries	(15,555)	(2,486)	(5,065)	-	-	(23,106)
Net Expenditures	$ 296,949	$ 48,321	$ 121,673	$ 3,496	$ 57,749	$ 528,188

* Components of "Target Generation" exploration expenditures for the nine months ended December 31, 2020 were Wildcat - $2,358 and Others - $55,391.

** 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.

11. 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 Period ended December 31, 2021	Salary and fees	Share-based Payments	Total
Management	$ 88,000	$ 29,616	$ 117,616
Outside Directors	17,000	21,089	38,089
Seabord Services Corp.**	67,500	9,035	76,535
	$ 172,500	$ 59,740	$ 232,240

For the Period ended December 31, 2020	Salary and fees	Share-based Payments	Total
Management	$ 136,200	$ 105,872	$ 242,072
Outside Directors	14,000	49,157	63,157
Seabord Services Corp.**	67,500	16,277	83,777
	$ 217,700	$ 171,306	$ 389,006

11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Amounts due to related parties as of December 31, 2021 and March 31, 2021 are as follows:

Related party liabilities	Items or services	December 31 2021	March 31, 2021
President *	Management fees and reimbursable expenses	$ 29,882	$ 9,660
Directors	Fees	5,130	1,000
		$ 35,012	$ 10,660

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

** Seabord Services Corp. ("Seabord") provides the following services: A Chief Financial Officer ("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.

12. LEASE LIABILITY

The Company's right-of-use asset consists of office space and is included in property and equipment (Note 7).

Lease liabilty net carry amount as at March 31, 2021	$ 13,743
Additions	29,462
	43,205
Lease payments made	(24,192)
Interest expense on lease liabilities	1,522
	20,535
Less: current portion	(20,535)
As at December 31, 2021	$ -

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 December 31, 2021, expected remaining cash commitments were $21,419 (2023).

13. 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 December 31, 2021.

During the nine months ended December 31, 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.

13. EQUITY (Continued)

In consideration for arranging the private placement, the Company paid finder's fees of $70,669 in cash and issued 1,177,808 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 9). The common shares were valued using the observable market price on the issuance date.

During the nine months ended December 31, 2020:

In May 2020, the Company completed a private placement raising an aggregate of $275,000 through the issuance of 5,500,000 units. Each unit was issued at a price per unit of $0.05 and is comprised of one common share of the Company and one common share purchase warrant entitling the holder to acquire one common share at an exercise price of $0.10 exercisable until May 21, 2023. Pursuant to the application of the residual value method with respect to measurement of shares and warrants issued in private placements, there was no residual value allocated to the warrant component of the unit.

In consideration for arranging the private placement, the Company paid $3,000 in cash commissions and issued 60,000 finder’s warrants valued at $2,151. Each finder’s warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share until May 21, 2023. 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 0.29%, dividend yield of 0%, volatility of 146% and an expected life of 3 years. The Company paid an additional $5,214 in legal and regulatory costs related to the private placement.

In July 2020, the Company completed a private placement raising an aggregate of aggregate of $1,095,558, of which $800,000 was raised on the issuance of 16,000,000 units (“Units”) and $295,558 was raised on the issuance of 4,222,258 flow-through shares (“Flow-Through Shares”). Each unit was issued at a price per Unit of $0.05 and is comprised of one common share and one half of one Common Share purchase warrant. Each full warrant is exercisable for one common share for a period of 24 months at an exercise price of $0.10 per share. Each Flow-Through share was issued at a price of $0.07 per share.

Pursuant to the application of the residual value method with respect to the measurement of shares and warrants issued in private placements, and the determination of any flow-through share premium on the issuance of flow-through shares, there was no residual value allocated to the warrant component, and a flow-through premium liability of $84,445 or $0.02 per share related to the difference between the subscription price of a flow-through share compared to the Units issued concurrently.

Funds raised from the issuance of flow-through shares require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company. As at December

13. EQUITY (Continued)

31, 2020, the Company had no remaining qualifying exploration expenditures to be incurred within 24 months from the date of the flow-through agreement and the full flow-through premium liability has been recovered.

In consideration for arranging the private placement, the Company paid $32,976 in cash commissions and issued 617,490 finder's warrants valued at $57,644. Each finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share until July 24, 2022. 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 0.27%, dividend yield of 0%, volatility of 151% and an expected life of 2 years. The Company paid an additional $31,378 in legal and regulatory costs related to the private placement.

The Company issued 50,000 common shares valued at $0.075 per share or $3,750 related to the Worldstock acquisition agreements (Note 9). The common shares were valued using the observable market price on the issuance date.

The Company issued 100,000 common shares valued at $0.06 per share or $6,000 related to the Jean Marie acquisition agreements (Note 9). The common shares were valued using the observable market price on the issuance date.

Stock Option Plan

As at December 31, 2021, 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 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 nine months ended December 31, 2021, the change in stock options outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2021	6,715,000	$ 0.13
Cancelled and expired unexercised	(875,000)	0.16
Balance, December 31, 2021	5,840,000	0.13
Exercisable as at December 31, 2021	5,840,000	$ 0.13

During the nine months ended December 31, 2021, 875,000 options expired unexercised, and $85,773 has been reallocated from reserves to deficit related to the fair value of the expired options.

13. EQUITY (Continued)

The following table summarizes the stock options outstanding and exercisable as at December 31, 2021:

Date Granted	Number of Options	Exercisable		Exercise Price	Expiry Date
June 23, 2017	690,000	690,000	$	0.20	June 23, 2022
July 4, 2017	150,000	150,000		0.20	July 4, 2022
September 23, 2019	850,000	850,000		0.08	Sept 23, 2022
August 12, 2020	1,950,000	1,950,000		0.19	August 12, 2023
August 21, 2020	50,000	50,000		0.19	August 21, 2023
March 10, 2021	2,150,000	2,150,000		0.06	March 10, 2024
	5,840,000	5,840,000			

The weighted average remaining life of the exercisable stock options is 1.54 years (March 31, 2021 – 1.86 years).

Share-based Payments

During the nine months ended December 31, 2021, the Company recorded a share-based compensation expense of $104,780 (2020 - $369,972), which represents the fair value of options vested during the period with the offsetting amount credited to reserves.

Warrants

During the nine months ended December 31, 2021, the change in warrants outstanding is as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2021	26,250,247	$	0.12
Issued	22,287,039		0.10
Cancelled and expired unexercised	(1,060,000)		0.30
Balance, December 31, 2021	47,477,286	$	0.11

The following table summarizes the warrants outstanding and exercisable as at December 31, 2021:

Date Granted	Number of Warrants		Exercise Price	Expiry Date
May 22, 2019 Private Placement	10,672,857	$	0.14	May 22, 2022
May 22, 2019 Finders' Warrants	339,900		0.14	May 22, 2022
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
	47,477,286			

14. 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.

15. 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 December 31, 2021, 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.

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 December 31, 2021, included $57,076 of accounts payable and accrued liabilities, $35,012 in amounts due to related parties and $20,535 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 December 31, 2021, 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 December 31, 2021 value of marketable securities a 10% increase or decrease in the share prices of these companies would have an immaterial impact on income (loss) or comprehensive income (loss).

15. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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 as well as cash. 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 nine months ended December 31, 2021. Management believes that the Company will have sufficient capital to fund its operations for the next twelve months. The Company is not subject to externally imposed capital requirements.

16. FINANCIAL INSTRUMENTS BY CATEGORY

The Company classified its financial instruments as follows:

		December 31, 2021		March 31, 2021
Financial assets				
Amortized cost:				
Cash	$	1,000,419	$	435,315
Restricted cash		23,000		23,000
Reclamation deposits		84,221		84,221
Fair value through profit or loss:				
Marketable securities		119,311		96,860
	$	1,226,951	$	639,396
Financial liabilities				
Amortized cost:				
Accounts payable and accrued liabilities	$	57,076	$	46,955
Due to related parties		35,012		10,660
	$	92,088	$	57,615

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.

16. FINANCIAL INSTRUMENTS BY CATEGORY

As at December 31, 2021, there were no changes in the levels in comparison to the year ended March 31, 2021.

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

The fair value of the Company's lease liability is approximated by its carrying value as its imputed interest rates are comparable to current interest rates.

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.

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions during the nine months ended December 31, 2021, included:

- The issuance of 250,000 common shares valued at $15,000 pursuant to the Worldstock and Jean Marie property agreements (Note 9);
- The reallocation of $85,773 from reserves to deficit for stock options expired in the period (Note 13);
- The recording of $46,482 in share capital and reserves related to the fair value of finders' warrants (Note 13).
- The recognition of $29,462 of right-of-use assets and lease liabilities related to an office lease (Note 7 and Note 12).
- The reclassification of $115,942 (Note 7) in net property and equipment, and $194,528 in supplies to assets held for sale (Note 5).

Significant non-cash investing and financing transactions during the nine months ended December 31, 2020 included:

- The issuance of 150,000 common shares valued at $9,750 pursuant to the Worldstock and Jean Marie property agreements (Note 9);
- The reallocation of $33,391 from reserves to deficit for stock options forfeited in the period,
- The reduction of capital stock by $84,445 related to the flow-through share premium (Note 13), and
- The recording of $59,795 in share capital and reserves related to the fair value of finders’ warrants (Note 13).