TOCVAN VENTURES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2022

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

July 28, 2022

TOCVAN VENTURES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		May 31, 2022		August 31, 2021
ASSETS				
CURRENT				
Cash	$	146,163	$	149,860
Tax receivable		28,212		12,174
Due from related party (Note 7)		–		55,000
Prepaid expenses (Note 3)		199,317		84,455
Marketable securities (Note 4)		250,000		–
TOTAL CURRENT ASSETS		623,692		301,489
Exploration and evaluation assets (Note 4)		3,930,317		2,535,129
TOTAL ASSETS	**$**	**4,554,009**	**$**	**2,836,618**
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 5)	$	58,823	$	64,969
Due to related parties (Note 7)		173,664		17,419
TOTAL CURRENT LIABILITIES		232,487		82,388
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		7,453,053		4,686,655
Reserves (Note 6)		790,390		627,550
Accumulated other comprehensive income		19,897		–
Deficit		(3,941,818)		(2,559,975)
TOTAL SHAREHOLDERS' EQUITY		4,321,522		2,754,230
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**4,554,009**	**$**	**2,836,618**

Nature and continuance of operations (Note 1)
Subsequent events (Note 11)

"Brodie Sutherland"	"Greg Ball"
Director	Director

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

TOCVAN VENTURES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	May 31, 2022	**May 31, 2021**	**May 31, 2022**	**May 31, 2021**
EXPENSES				
Advertising and promotion	$ 194,726	$ 181,881	$ 573,237	$ 525,008
Audit and accounting	1,116	1,183	2,649	2,533
Consulting	25,200	116,000	68,100	143,500
Legal	6,692	1,412	29,515	16,453
Management fees (Note 7)	11,000	15,500	50,500	43,362
Meals and entertainment	–	–	106	2,019
Office and miscellaneous (Note 7)	23,302	15,573	44,429	23,221
Registration and transfer agent fees	19,971	28,184	48,722	42,048
Share-based compensation (Notes 6 and 7)	19,026	139,998	132,236	460,940
Travel	1,509	–	8,379	2,503
Operating expenses	(302,542)	(499,731)	(957,873)	(1,261,587)
Other items				
Loss on sale of mineral property (Note 4)	(423,970)	–	(423,970)	–
NET LOSS	**(726,512)**	**(499,731)**	**(1,381,843)**	**(1,261,587)**
Foreign currency translation	19,897	–	19,897	–
COMPREHENSIVE LOSS	**$ (706,615)**	**$ (499,731)**	**$ (1,361,946)**	**$ (1,261,587)**
Loss per share, basic and diluted	**$ (0.02)**	**$ (0.02)**	**$ (0.04)**	**$ (0.05)**
Weighted average number of shares outstanding – basic and diluted	**32,237,087**	**27,494,966**	**31,407,195**	**25,478,526**

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

TOCVAN VENTURES CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Subscription Receivable	Reserves	Accumulated Other Comprehensive Income	Deficit	Total Equity
Balance at August 31, 2020	**22,970,927**	**$ 2,508,111**	**$ (2,000)**	**$ 217,247**	**$ –**	**$ (1,119,904)**	**$ 1,603,454**
Shares issued on exercise of options	900,000	154,750	–	–	–	–	154,750
Shares issued on exercise of warrants	2,305,901	653,009	2,000	–	–	–	655,009
Shares issued for exploration properties	1,000,000	480,000	–	–	–	–	480,000
Shares issued for cash	1,244,668	746,801	–	–	–	–	746,801
Share issuance costs	–	(94,990)	–	–	–	–	(94,990)
Share-based compensation	–	–	–	487,245	–	–	487,245
Loss for the period	–	–	–	–	–	(1,261,587)	(1,261,587)
Balance at May 31, 2021	**28,421,496**	**$ 4,447,681**	**$ –**	**$ 704,492**	**$ –**	**$(2,381,491)**	**$ 2,770,682**
Balance at August 31, 2021	**29,265,436**	**$ 4,686,655**	**$ –**	**$ 627,550**	**$ –**	**$ (2,559,975)**	**$ 2,754,230**
Shares issued on exercise of options	174,500	65,125	–	–	–	–	65,125
Shares issued on exercise of warrants	101,040	44,958	–	–	–	–	44,958
Shares issued for exploration properties	1,500,000	1,365,000	–	–	–	–	1,365,000
Shares issued for cash	1,651,046	1,444,228	–	–	–	–	1,444,228
Share issuance costs	–	(152,913)	–	30,604	–	–	(122,309)
Share-based compensation	–	–	–	132,236	–	–	132,236
Foreign exchange translation	–	–	–	–	19,897	–	19,897
Loss for the period	–	–	–	–	–	(1,381,843)	(1,381,843)
Balance at May 31, 2022	**32,692,022**	**$ 7,453,053**	**$ –**	**$ 790,390**	**$ 19,897**	**$ (3,941,818)**	**$ 4,321,522**

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

TOCVAN VENTURES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

		Nine months ended May 31, 2022		Nine months ended May 31, 2021
CASH FLOWS USED IN OPERATING ACTIVITIES				
Net loss	$	(1,381,843)	$	(1,261,587)
Items not involving cash:				
Share-based compensation		132,236		487,245
Loss on sale of mineral properties		423,970		–
Changes in non-cash working capital items				
GST receivable		(16,038)		(11,216)
Due to related parties		55,615		(5,667)
Due from related party		55,000		–
Prepaid expenses		(114,862)		(90,251)
Accounts payable and accrued liabilities		(16,387)		(43,898)
Net cash used in operating activities		(862,309)		(925,374)
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES				
Issuance of shares		1,554,311		1,554,560
Share issuance costs		(122,309)		(94,990)
Subscriptions receivable		–		2,000
Net cash provided by financing activities		1,432,002		1,461,570
CASH FLOWS USED IN INVESTING ACTIVITIES				
Exploration and evaluation asset expenditures		(593,287)		(840,828)
Net cash used in investing activities		(593,287)		(840,828)
Exchange differences		19,897		–
Change in cash		(3,697)		(304,632)
Cash, beginning		149,860		897,222
Cash, ending	$	146,163	$	592,590
NON-CASH TRANSACTIONS				
Exploration and evaluation assets included in due to related parties	$	100,630	$	164,350
Fair value of finders' warrants issued	$	30,604	$	–
Shares issued for exploration properties	$	1,365,000	$	480,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018, under the Alberta Business Corporations Act. Effective March 1, 2019, the Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "TOC".

The Company's head office address is Suite 820 – 1130 West Pender St., Vancouver, British Columbia V6E 4A4, Canada. The registered and records office address is Suite 1150 – 707 7 Avenue SW, Calgary, Alberta T2P 3H6, Canada.

The Company is primarily engaged in the acquisition, exploration, and development of mineral properties. At May 31, 2022, the Company had not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These condensed consolidated interim financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At May 31, 2022, the Company had an accumulated deficit of $3,941,818 and expects to incur further losses, and requires additional equity financing in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which constitutes a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing sufficient to cover its operating costs. These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary 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 different from those reflected in the accompanying consolidated condensed interim financial statements. These adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

Basis of Preparation

These condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended August 31, 2021.

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary, Burgencio S.A. de C.V. ("Burgencio"), which was incorporated on September 15, 2020, under the laws of Mexico, is the Mexican peso, which is determined to be the currency of the primary economic environment in which Burgencio operates. All amounts in these condensed interim consolidated financial statements are expressed in Canadian dollars, the Company's reporting currency.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on July 28, 2022.

Subsidiaries
Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. The Company has one subsidiary, Burgencio. Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with those used by the Company.

Basis of consolidation
These condensed consolidated interim financial statements include the financial statements of the Company and its subsidiary, Burgencio. The financial statements of Burgencio are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

b) Use of estimates, assumptions and judgments

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to provisions for restoration and environmental obligations and contingent liabilities, share-based compensation and deferred taxes.

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's condensed consolidated interim financial statements include:

1) the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
2) the determination that the company will continue as a going concern for the next years; and
3) the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets.

c) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Costs incurred once the Company has obtained the legal rights to explore an area are capitalized.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time-to-time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Although the Company has taken steps that it considers adequate to verify title to exploration and evaluation assets which it has an interest in, these procedures do not guarantee the Company's title.

d) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized 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.

e) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

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. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Provision for closure and reclamation

The Company recognizes liabilities for statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at May 31, 2022.

g) Share-based payment transactions

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 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 corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

h) Basic and diluted loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The company has no dilutive instruments.

i) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

j) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties which are all classified at amortized cost.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

k) Leases

The Company adopted the requirements of IFRS 16 effective September 1, 2019. This new standard replaces IAS 27 Leases and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting of lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low valued assets.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases. As the Company does not have any lease agreements, the adoption of IFRS 16 has not impacted the Company's condensed consolidated interim financial statements.

The Company does not have a right-of-use asset or lease liability. It has leased office spaces on a short-term basis in Calgary Alberta. Expenses relating to these short-term leases in the nine months ended May 31, 2022, were $4,500 (2021– $5,125).

(Expressed in Canadian Dollars)

3. PREPAIDS

As at May 31, 2022, total prepaids were $199,317 (2021 –$84,455) and are summarized as follows:

	May 31, 2022	August 31, 2021
Advertising and promotions	$ 179,223	$ 49,700
Consulting	1,900	16,900
Regulatory filing fees	18,194	14,520
E&E expenditures	–	3,335
	$ 199,317	**$ 84,455**

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets

Title to exploration and evaluation ("E&E") asset interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

As at May 31, 2022, total exploration and evaluation assets were $3,930,317 (August 31, 2021 – $2,535,129).

Nine months ended May 31, 2022

Total costs incurred on exploration and evaluation assets are summarized as follows:

	Rogers Creek	Pilar	El Picacho	Total
Acquisition costs				
Balance, August 31, 2021	$ 125,000	$ 990,000	$ 94,196	$ 1,209,196
Cash	–	25,000	–	25,000
Shares issued	465,000	900,000	–	1,365,000
Disposition of assets	(590,000)			(590,000)
Balance, May 31, 2022	$ –	$ 1,915,000	$ 94,196	$ 2,009,196
Deferred exploration expenditures				
Balance, August 31, 2021	$ 83,970	$ 1,241,963	$ –	$ 1,325,933
Geologist fees and assays	–	546,281	56,617	602,898
Other exploration expenses	–	36,600	39,660	76,260
Disposition of assets	(83,970)			(83,970)
Balance, May 31, 2022	–	1,824,844	96,277	1,921,121
Total E&E assets, May 31, 2022	**$ –**	**$ 3,739,844**	**$ 190,473**	**$ 3,930,317**

(Expressed in Canadian Dollars)

Year ended August 31, 2021

	Rogers Creek	Pilar	El Picacho	Total
Acquisition costs				
Balance, August 31, 2020	$ 125,000	$ 385,000	$ –	$ 510,000
Cash	–	125,000	94,196	219,196
Shares issued	–	480,000	–	480,000
Balance, August 31, 2021	$ 125,000	$ 990,000	$ 94,196	$ 1,209,196
Deferred exploration expenditures				
Balance, August 31, 2020	$ 96,140	$ 188,642	$ –	$ 284,782
Geologist fees and assays	1,500	1,016,057	–	1,017,557
Other exploration expenses	–	37,264	–	37,264
Mining exploration tax credits	(13,670)	–	–	(13,670)
Balance, August 31, 2021	83,970	1,241,963	–	1,325,933
Total E&E Assets, August 31, 2021	**$ 208,970**	**$ 2,231,963**	**$ 94,196**	**$ 2,535,129**

Rogers Creek, British Columbia

On May 23, 2018, the Company entered into a purchase agreement with C3 Metals Inc. ("C3 Metals") to earn an 80% interest in certain mineral claims known as the Rogers Creek property ("Rogers Creek") in the province of British Columbia. The terms of the agreement were modified on May 20, 2020. To acquire the 80% interest, the Company agreed to:

i. pay $25,000 to C3 Metals within five days after being listed on the CSE (the "Listing Date", February 28, 2019) (paid March 1, 2019);
ii. issue a total of 500,000 common shares to C3 Metals on the Listing Date (issued March 7, 2019);
iii. issue 200,000 common shares to C3 Metals by May 31, 2020 (issued June 4, 2020).

On September 29, 2021, the Company signed an agreement with C3 Metals to purchase 100% of the Rogers Creek. On October 5, 2021, the Company issued 500,000 shares for a 100% interest in Rogers Creek property subject to 2% NSR of which 1% can be repurchased for $1,000,000. The shares were subject to re-sale restrictions with 200,000 shares becoming free-trading on February 6, 2022, 150,000 shares becoming free-trading on May 5, 2022, and final 150,000 shares becoming free-trading on August 5, 2022 (Note 6).

On April 22, 2022, The Company executed an assignment agreement for the sale of Rogers Creek to Cascade Copper Corp. ("Cascade Copper"). The transaction consisted of the sale of Rogers Creek in exchange for 5,000,000 common shares of Cascade Copper (the "Cascade Shares"), a privately-held company, with a deemed issue price of $0.05 per Cascade share for an aggregate consideration of $250,000. The Company agreed to distribute Cascade Shares to the shareholders of the Company as of the close of business on May 31, 2022, on the date Cascade Copper completes its initial public offering.

As at May 31, 2022, the Company recorded $423,970 as loss on the disposition of Rogers Creek and an investment in Cascade Copper of $250,000. At the time of sale, Rogers Creek had a total book value of $673,970.

Pilar Project, Sonora, Mexico

On September 22, 2019, the Company signed an option agreement to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project") from Colibri Resource Corp. ("Colibri"). The agreement was amended on August 31, 2021, and the updated conditions are as follows.

To acquire 51% of the Pilar Project from Colibri the Company agreed to:

i. Pay a deposit of $25,000 (paid);
ii. Pay $100,000 after completing a due diligence program (paid);
iii. Issue Colibri 2,000,000 Common Shares (issued);
iv. Complete $175,000 in exploration (completed) and pay $125,000 by September 21, 2020 (paid Sept 17, 2020);
v. Issue Colibri 1,000,000 Common Shares by September 21, 2020 (issued Sept 17, 2020);
vi. Complete an additional $425,000 in exploration by September 21, 2021 (completed);
vii. Issue Colibri 1,000,000 Common Shares by September 21, 2021 (issued Sept 21, 2021) and pay $25,000 (paid Sept 21, 2021);
viii. Complete an additional $400,000 in exploration by September 21, 2022;
ix. Issue Colibri 1,000,000 Common Shares and pay $75,000 by September 21, 2022;
x. Complete an additional $500,000 in exploration by September 21, 2023;
xi. Issue Colibri 1,000,000 Common Shares and pay $75,000 to Colibri by September 21, 2023; and
xii. Complete an additional $500,000 in exploration expenditures and pay Colibri $75,000 by September 21, 2024.

Once the Company has fulfilled the above commitments it will have earned into a 51% interest in the property and will have a six-month option to decide to purchase the remaining 49% interest in the property or establish a joint venture agreement with Colibri. The option to acquire the additional interest will require a $2,000,000 cash payment and granting Colibri a 2% NSR, 1% of which can be repurchased for an additional cash payment of $1,000,000.

As at May 31, 2022, Pilar Project has a total exploration and evaluation assets of $3,739,844 (2021 – $2,231,963).

El Picacho Project, Sonora, Mexico

On June 7, 2021, the Company signed a letter of commitment to purchase the El Picacho Project ("El Picacho") from Recursos Millrock S. de R.L. de C.V. ("Millrock") a Mexican corporation. On signing of the letter of commitment the Company made an initial payment of $94,196 (USD$78,000).

On September 15, 2021, the Company entered into an assignment of option agreement with Millrock, which transferred to the Company the initial 5-year option to acquire El Picacho within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho consists of 12 mining concessions covering 6,428 hectares.

To acquire 100% interest in the El Picacho Project, the Company is required to pay USD$1,985,600 and an additional payment of USD$60,000 will be required to gain surface rights to use Picacho Ranch. Both payments are to be paid in series of instalments ending on April 1, 2026. Millrock is to retain a 2% NSR with option for the Company to purchase back 1% for USD$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of USD$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on commencement of production.

As at May 31, 2022, El Picacho Project has a total exploration and evaluation assets of $190,473 (2021 – $94,196).

(Expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2022	**August 31, 2021**
Accounts payable	$ 58,823	$ 42,969
Accrued liabilities	–	22,000
	$ 58,823	**$ 64,969**

6. SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common shares (each a "Common Share") without par value and an unlimited number of shares designated as preferred shares.

Issued and outstanding – Common Shares

As at May 31, 2022, total issued and outstanding Common Shares was 32,692,022 (August 31, 2021 – 29,265,436).

Share Issuances

During the nine months ended May 31, 2022, the Company issued a total of 3,426,586 new common shares (August 31, 2021 – 6,294,509) with a total gross value of $2,919,311 (August 31, 2021 – $2,273,534),

On September 20, 2021, the Company issued 1,000,000 shares with a fair value of $900,000 as payment on the Pilar property pursuant to the Property Option Agreement dated September 22, 2019, and amended August 31, 2021, between the Company and Colibri. (Note 4)

On October 7, 2021, the Company issued 500,000 shares with a fair value of $465,000 for the Rogers Creek property for a 100% interest in Rogers Creek property. (Note 4)

On November 30, 2021, the Company closed the first tranche of a non-brokered private placement of units (the "November Units") issuing 471,225 November Units for gross proceeds of $471,225 (the "November Offering"), and on December 13, 2021, the Company closed the second tranche of the November Offering issuing 266,000 November Units for gross proceeds of $266,000.

Each November Unit consisted of one Common Share and one-half Common Share purchase warrant (the "November Warrant"). Each November Warrant entitles the holder thereof to acquire one Common Share at a price of $1.50, for a period of 24 months from the closing of the November Offering.

In connection with the November Offering, the Company paid $25,500 in legal fees associated with the November Offering, and paid aggregate cash commissions to finders who assisted with the November Offering of approximately $40,791.

In addition, the Company issued a total of 21,378 finders' warrants (the "November Finders' Warrants"). Each November Finder's Warrant is exercisable at a price of $1.00 per Common Share for a period of 24 months from the closing of the November Offering. 20,098 November Finders' Warrants were valued at $11,045 using the Black Scholes option pricing model using the following assumptions: Share price - $0.98; Exercise price - $1.00; Expected life – 2 years; Expected volatility – 109.35%; Risk free interest rate – 1.05%. Remaining 1,280 November Finders' Warrants were valued at $678 using the following assumptions: Share price - $0.96; Exercise price - $1.00; Expected life – 2 years; Expected volatility – 108.29%; Risk free interest rate – 1.00%.

(Expressed in Canadian Dollars)

On March 21, 2022, the Company closed a non-brokered private placement of 481,071 units (the “March Units”) at a price of $0.75 per unit for gross proceeds of $360,803 (the “March Offering”). Each March Unit consisted of one common share and one common share purchase warrant (the “March Warrant”). Each March Warrant entitles the holder to acquire one Common Share at a price of $1.35 which expires September 21, 2023.(Note 7)

In connection with the March Offering, the Company paid $4,000 in legal fees associated with the March Offering, and paid cash commissions to arm’s length finders of approximately $14,322 and issued 19,096 finders’ warrants exercisable at a price of $0.75 per common share expiring on September 21, 2023. The Company calculated share issuance costs of $6,237 using Black Scholes option pricing model with the following assumptions: Share price - $0.73; Exercise price - $0.75; Expected life – 1.5 years; Expected volatility – 97%; Risk free interest rate – 2.03%.

On May 9, 2022, the Company closed a non-brokered private placement of 432,750 units at a price of $0.80 per unit (the “May Unit”) for gross proceeds of $346,200 (the “May Offering”). Each May Unit consisted of one Common Share and one purchase warrant (the “May Warrant”). Each May Warrant entitles the holder to acquire one Common Share at a price of $1.40 which expires May 9, 2024.

In connection with the May Offering, the Company paid $10,000 in legal fees, paid cash commissions to arm’s length finders of approximately $27,696, and issued 34,620 finders’ warrants exercisable at a price of $0.80 per common share expiring on May 9, 2024. The Company calculated share issuance costs of $12,644 using Black Scholes option pricing model with the following assumptions: Share price - $0.75; Exercise price - $0.80; Expected life – 2 years; Expected volatility – 93%; Risk free interest rate – 2.53%.

During the nine-month period ended May 31, 2022, the Company issued 174,500 shares on exercise of options to acquire shares for total proceeds of $65,125. (Note 7)

During the nine-month period ended May 31, 2022, the Company issued 101,040 shares on exercise of warrants for total proceeds of $44,958.

Stock Options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company’s stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at August 31, 2020	1,275,000	$ 0.17
Exercised	(920,000)	0.17
Expired	(125,000)	0.37
Granted	1,450,000	0.38
Balance at August 31, 2021	1,680,000	0.31
Exercised	(174,500)	0.37
Balance at May 31, 2022	**1,505,500**	**$ 0.38**

(Expressed in Canadian Dollars)

As at May 31, 2022, the following incentive stock options are outstanding:

Number of Stock Options		Exercise Price	Years remaining	Expiry Date	Exercisable at May 31, 2022
355,000	$	0.15	2.40	October 24, 2024	355,000
331,500		0.35	3.28	September 11,2025	137,500
369,000		0.40	3.31	September 21, 2025	162,500
100,000		0.40	3.54	December 15, 2025	100,000
150,000		0.35	3.64	January 19, 2026	150,000
200,000		0.80	3.93	May 3, 2026	200,000
1,505,500	$	0.38	3.22		1,105,000

No options were issued during the nine months ended May 31, 2022.

Share-based compensation

On September 11, 2020, the Company granted 500,000 stock options to certain consultants, directors and officers of the Company which entitle the holder to purchase one common share for each option held at a price of $0.35 per share up to September 11, 2025.

In connection with this grant, the Company recognized share-based compensation of $112,132 using the Black Scholes option pricing model with the following assumptions: Share price - $0.39; Exercise price - $0.35; Expected life – 5 years; Expected volatility – 118.38%; Risk free interest rate – .36%.

On September 21, 2020, the Company granted 500,000 stock options to certain consultants, directors and officers of the Company which entitle the holder to purchase one common share for each option held at a price of $0.40 per share up to September 18, 2025.

In connection with this grant, the Company recognized share-based compensation of $116,581 using the Black Scholes option pricing model with the following assumptions: Share price - $0.42; Exercise price - $0.40; Expected life – 5 years; Expected volatility – 118.38%; Risk free interest rate – 0.36%.

On December 15, 2020, the Company granted 100,000 stock options to a consultant of the Company which entitle the holder to purchase one common share for each option held at a price of $0.40 per share up to December 15, 2025.

In connection with this grant, the Company recognized share-based compensation of $33,563 using the Black Scholes option pricing model with the following assumptions: Share price - $0.41; Exercise price - $0.40; Expected life – 5 years; Expected volatility – 118.38%; Risk free interest rate – 0.41%.

On January 19, 2021, the Company granted 150,000 stock options to a director of the Company which entitle the holder to purchase one common share for each option held at a price of $0.35 per share up to January 19, 2026.

In connection with this grant, the Company recognized share-based compensation of $47,060 using the Black Scholes option pricing model with the following assumptions: Share price - $0.39; Exercise price - $0.35; Expected life – 5 years; Expected volatility – 112.41%; Risk free interest rate – 0.41%.

On May 3, 2021, the Company granted 200,000 stock options to a consultant of the Company which entitle the holder to purchase one common share for each option held at a price of $0.80 per share up to May 3, 2026.

(Expressed in Canadian Dollars)

In connection with this grant, the Company recognized share-based compensation of $74,661 using the Black Scholes option pricing model with the following assumptions: Share price - $0.80; Exercise price - $0.80; Expected life – 5 years; Expected volatility – 106.00%; Risk free interest rate – 0.87%.

As at May 31, 2022, total share-based compensation recognized based on the vesting continuity schedule was $132,236 (2021 – $460,940).

Warrants

A summary of the Company's agent warrants are as follows:

	Expiry Date	Number of Agent Warrants	Weighted Average Exercise Price	Years Remaining
Balance at August 31, 2020	–	112,690	$ –	–
Exercised	–	(112,690)	–	–
Balance at August 31, 2021	–		–	–
March 31, 2021	September 30, 2022	51,267	0.60	0.33
November 30, 2021	November 29, 2023	20,098	1.00	1.50
December 13, 2021	December 13, 2023	1,280	1.00	1.54
March 21,2022	September 21, 2023	19,096	0.75	1.31
May 9, 2022	May 9, 2024	34,620	0.80	1.94
Balance at May 31, 2022		**126,361**	**$ 0.75**	**1.12**

The following table summarizes the warrants activity in the nine-month period ending May 31, 2022:

	Number of Regular Warrants	Weighted Average Exercise Price
Balance at August 31, 2020	2,946,877	$ 0.23
Exercised	(2,614,841)	0.30
Exercised	(370,310)	0.20
Issued (private placement)	1,244,668	0.75
Issued (finders warrants)	83,267	0.60
Issued (from exercised agent warrants)	112,690	0.20
Exercised (finders' warrants)	(32,000)	0.60
Expired	(1,976)	0.30
Balance at August 31, 2021	1,368,375	0.72
Exercised	(56,040)	0.20
Exercised	(45,000)	0.75
Expired	(16,400)	0.20
Issued (finders' warrants)	19,096	0.75
Issued (finders' warrants)	34,620	0.80
Issued (finders' warrants)	21,378	1.00
Issued (private placement)	235,613	1.50
Issued (private placement)	133,000	1.50
Issued (private placement)	481,071	1.35
Issued (private placement)	432,750	1.40
Balance at May 31, 2022	**2,608,463**	**$ 0.96**

(Expressed in Canadian Dollars)

The weighted average exercise price of the outstanding warrants as at May 31, 2022, is $0.96 and the weighted average remaining life of the warrants as at May 31, 2022, is 0.98 year.

At May 31, 2022, the following warrants are outstanding:

Number of Warrants	Exercise Price	Years Remaining	Expiry Date
1,199,668	$ 0.75	0.33	September 30, 2022
51,267	$ 0.60	0.33	September 30, 2022
235,613	$ 1.50	1.50	November 29, 2023
20,098	$ 1.00	1.50	November 29, 2023
133,000	$ 1.50	1.53	December 13, 2023
1,280	$ 1.00	1.53	December 13, 2023
481,071	$ 0.75	1.31	September 21, 2023
19,096	$ 0.75	1.31	September 21, 2023
432,750	$ 1.40	1.94	May 9, 2024
34,620	$ 0.80	1.94	May 9, 2024
2,608,463	**$ 0.96**	**0.98**	

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The remuneration of directors and key management personnel during the nine months ended May 31 2022, and 2021 was as follows:

	Nine months ended May 31,	
	2022	**2021**
Share-based compensation	$ 53,650	$ 202,183
Management fees	50,500	–
Rent expenses	4,500	–
Exploration expenses	321,042	–
	$ 429,692	**$ 202,183**

Related party balances

At May 31, 2022, $25,200 was owed to a director of the Company and former CEO (August 31, 2021 – $3,769).

At May 31, 2022, $90,484 was owed to companies controlled by directors of the Company (August 31, 2021 – $3,150).

At May 31, 2022, $52,500 was owed to a company controlled by the new CEO of the Company, who was appointed on January 14, 2022 (August 31, 2021 –$10,500).

At May 31, 2022, $5,480 was owed to the new CEO of the Company (August 31, 2021 – $Nil).

The amounts owed to related parties are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian Dollars)

Equity transactions with related parties

On January 11, 2022, 37,500 shares were issued on exercise of 37,500 options at $0.35 per option by a director of the company for total proceeds of $13,125. (Note 6)

On January 14, 2022, 25,000 shares were issued on exercise of 25,000 options at $0.40 per option by a director of the company for total proceeds of $10,000. (Note 6)

On March 21, 2022, 5,600 units were issued to CEO of the Company who participated in March Offering for total proceeds of $4,200. (Note 6)

8. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

a) Fair Value

The Company's financial instruments consist of cash, tax receivable, marketable securities, accounts payable and accrued liabilities, and due from/to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	May 31, 2022	August 31, 2021
Financial assets at amortized cost (i)	$ 424,375	$ 217,034
Financial liabilities at amortized cost (ii)	$ 232,487	$ 82,388

(i) Cash, tax receivable, marketable securities, and due from related party
(ii) Due to related parties, accounts payable and accrued liabilities

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institution and GST receivable from the Government of Canada and amounts due from a related party. As such the Company's credit risk exposure is minimal.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has offices in Canada and Mexico, and holds cash in Canadian, United States, and Mexican Peso currencies. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar and Mexican Peso could have an effect on the Company's results of operations, financial position, and/or cash flows. At May 31, 2022, the Company had no hedging agreements in place with respect to foreign exchange rates. As the majority of the transactions of the Company are denominated in CAD and Mexican Peso currencies, movements in the foreign exchange rates are not expected to have a material impact on the consolidated statements of comprehensive loss.

e) Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

f) Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investment in marketable securities following the sale of the Rogers Creek Property in exchange for common shares of Cascade Copper.

10. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographical segments with all current exploration activities being conducted in Mexico:

	May 31, 2022			**August 31, 2021**		
	Canada	**Mexico**	**Total**	**Canada**	**Mexico**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Current Assets	557,098	66,594	623,692	301,489	–	301,489
Exploration and Evaluation Assets	–	3,930,317	3,930,317	208,970	2,326,159	2,535,129
	557,098	3,996,911	4,554,009	510,459	2,326,159	2,836,618

11. SUBSEQUENT EVENTS

Subsequent to May 31, 2022, a total of 80,250 common shares were issued for gross proceeds of $23,025 on exercise of options, of which 61,250 common shares were issued to related parties.

On June 14, 2022, the Company issued 243,500 common shares at $0.82 per share for total gross proceeds of $199,670 in connection with a non-brokered private placement of 243,500 units at $0.82 per unit. Each unit is comprised of one common share of the Company and a common share warrant which will entitle the holder to acquire additional common share exercisable at $1.40 and will expire on June 14, 2024; In connection with the private placement, the Company paid cash commissions of $9,971 as finders fees and issued 12,160 finders warrants with an exercise price of $0.82 exercisable until June 14, 2024.

On June 14, 2022, the Company issued 54,878 common shares at a price of $0.82 per share to an arm's-length consultant to settle an account of $45,000 for services rendered to the Company.

On June 14, 2022, the Company issued 81,522 common shares to a UK-based institutional investor at $0.92 per share as refundable due diligence deposit of $75,000 ("Deposit Shares") for a financing facility of $5,125,000 which closed on June 28, 2022.

On June 28, 2022, the Company completed a private placement with a UK-based institutional investor and issued 3,118,478 common shares at $0.82 per share and 3,200,000 common share purchase warrants for total gross proceeds of $2,557,152. The deposit shares issued on June 14, 2022, valued at $75,000 comprise the aggregate of the private placement. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $1.20 per share exercisable until June 28, 2025.

On June 28, 2022, the Company issued 2,501 convertible loan notes in the principal amount of $1,000 per note bearing an interest of 1% per annum maturing on June 28, 2025. Each note is convertible at $0.82 per common share into 1,220 common shares and detachable warrants to acquire upto an additional 1,220 common shares, of which 610 warrants can be exercised at a price of $1.30 per common share and 610 warrants at a price of $1.40 per common share. The Company also issued an additional 308 convertible notes on the same terms under the Sharing Agreement as financing fee for the private placement. Conversion of the notes is limited to only when common shares issued combined with current holdings of the holder will not exceed than 9.9% ownership of the Company.