ALLIED COPPER

(Formerly Gold Rush Cariboo Corp.)

Condensed Interim Consolidated Financial Statements

For the Three and Six Months ended December 31, 2021 and the period from incorporation on October 08, 2020 to December 31, 2020

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of Allied Copper Corp. (formerly Gold Rush Cariboo Corp.) have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these 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 auditors.

ALLIED COPPER CORP.
(Formerly Gold Rush Cariboo Corp.)
Condensed Interim Consolidated Statements of Financial Position
As at December 31, 2021 and December 31, 2020
(Unaudited and expressed in Canadian Dollars)

	Note	**December 31, 2021** *Unaudited*	June 30, 2021 *Audited*
ASSETS			
Cash		**$5,233,113**	$20,394
Goods and sales tax receivable		**131,299**	-
Prepaid expenses and deposits	*5*	**196,769**	-
		5,561,180	20,394
Mining property and rights acquisition costs	*6*	**337,075**	19,487
Total assets		**5,898,255**	39,881
LIABILITIES			
Accounts payable and accrued liabilities	*7*	**421,936**	2,032
Total liabilities		**421,936**	2,032
SHAREHOLDERS' EQUITY			
Share capital (net of issuance costs)	*9*	**8,349,353**	40,150
Share-based payments reserve	*9*	**369,680**	-
Warrants reserve	*9*	**844,087**	-
Deficit		**(4,086,801)**	(2,301)
		5,476,319	37,849
Total Liabilities and Shareholders' Equity		**$5,898,255**	$39,881

Nature of Operations and Going Concern	*1*
Commitments	*13*
Subsequent Events	*14*

Approved by the Board

"Richard Tremblay" *, CEO & Director*
Richard Tremblay

"Warner Uhl" *, Chairman*
Warner Uhl

ALLIED COPPER CORP.

(Formerly Gold Rush Cariboo Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Three and Six Months ended December 31, 2021 and the period from incorporation on October 08, 2020 to December 31, 2020

(Unaudited and expressed in Canadian Dollars)

	Note	**For the Three Months ended December 31, 2021**	**For the Six Months ended December 31, 2021**	From the date of incorporation on October 08, 2020 to December 31, 2020
Expenses				
Consulting fees	*10*	**136,738**	**136,738**	-
Exploration and evaluation expenditures	*6*	**15,612**	**15,612**	-
Filing and transfer fees		**42,673**	**42,673**	352
General and administrative		**4,182**	**4,207**	-
Insurance		**6,667**	**6,667**	-
Interest on convertible promissory note	*8*	**(11,250)**	**-**	-
Investor relations		**1,332**	**1,332**	-
Stock-based compensation	*9*	**369,680**	**369,680**	-
Marketing and promotion		**172,199**	**172,199**	-
Professional fees		**9,425**	**27,156**	1,680
Loss before Other Items		**747,258**	**776,264**	2,032
Other Items				
Gain on disposal of convertible promissory note	*8*	**2,437,186**	**2,437,186**	-
Listing expense	*4*	**(5,745,422)**	**(5,745,422)**	-
		(3,308,236)	**(3,308,236)**	**-**
Net Loss and Comprehensive Loss for the period		**$4,055,494**	**$4,084,500**	$2,032
Basic and diluted loss per common share		**(0.15)**	**(0.23)**	(0.01)
Weighted average number of common shares outstanding		**26,469,114**	**17,838,590**	2,803,226

ALLIED COPPER CORP.

(Formerly Gold Rush Cariboo Corp.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the six months ended December 31, 2021 and the period from incorporation on October 8, 2020 to December 31, 2020

(Unaudited and expressed in Canadian Dollars)

	Note	Common Shares	Share Capital	Share-based Payments Reserve	Warrants reserve	Deficit	Total Shareholders' Equity
			$	$	$	$	$
Balance October 08, 2020		**-**	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Common shares issued - incorporation shares	*9*	1,000	10				$10
Net loss for the period		-	-	-	-	(2,032)	($2,032)
Balance December 31, 2020		**1,000**	**10**	**$ -**	**$ -**	**($2,032)**	**($2,022)**
Balance July 01, 2021		**6,691,000**	**$40,150**	**$ -**	**$ -**	**($2,301)**	**$37,849**
Shares issued - Allied Copper Corp.	*4*	18,308,748	5,492,624	-	-	-	**5,492,624**
Conversion of subscription receipts	*9*	13,076,004	2,909,693	-	695,166	-	**3,604,859**
Finder warrants issued	*9*	-	-	-	55,806	-	**55,806**
Option granted	*9*	-	-	369,680	-	-	**369,680**
Net loss for the period		-	-	-	-	(4,084,500)	**($4,084,500)**
Balance December 31, 2021		**38,075,752**	**$8,442,468**	**$ 369,680**	**$ 750,972**	**($4,086,801)**	**$5,476,319**

ALLIED COPPER CORP.

(Formerly Gold Rush Cariboo Corp.)

Condensed Interim Consolidated Statements of Cash Flows

For the Six Months ended December 31, 2021 and the date of incorporation on October 08, 2020 to December 31, 2020

(Unaudited and expressed in Canadian Dollars)

	For the Six Months ended December 31, 2021	From the date of incorporation on October 08, 2020 to December 31, 2020
Operating Activities		
Net loss for the period	**($4,084,500)**	($2,301)
Non cash items		
Listing expense	**5,745,422**	-
Gain on disposal of convertible promissory note	**(2,437,186)**	-
Share-based payments	**369,680**	
Changes in non-cash working capital		
Prepaid expenses and deposits	**(24,633)**	-
GST/HST receivable	**17,974**	-
Accounts payable and accrued liabilities	**69,026**	2,032
Net Cash provided by (used in) operating activities	**(344,217)**	(269)
Investing Activities		
Cash received in reverse take-over	**2,213,856**	-
Mining property and rights acquisition costs	**(317,586)**	(19,487)
Net cash provided by (used in) financing activities	**1,896,270**	(19,487)
Financing Activities		
Issuance of common shares	**-**	40,150
Conversion of subscription receipts (net of issuance costs)	**3,604,859**	
Finder warrants issued	**55,806**	
Net cash provided by (used in) financing activities	**3,660,665**	40,150
Increase (decrease) in cash	**5,212,719**	20,394
Cash, beginning of period	**20,394**	-
Cash, end of period	**$5,233,113**	**$20,394**

1. NATURE OF OPERATIONS AND GOING CONCERN

Allied Copper Corp. (formerly Gold Rush Cariboo Corp.) (the "Company") is principally engaged in the acquisition and exploration of mineral properties in North America. The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain enough mineral deposits, such that their recovery would be economically viable. The Company trades on the TSX Venture Exchange under the symbol "CPR". The address of the Company's corporate office and principal place of business is 520 – 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2.

On October 27, 2021, the Company completed the definitive agreement with 1269280 B.C. Ltd. through its wholly-owned subsidiary 1303288 B.C. Ltd. Pursuant to the agreement 1269280 B.C. Ltd. acquired control of the Company through a reverse takeover acquisition (Note 4).

The Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties; however, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These unaudited condensed interim consolidated financial statements (the "financial statements") have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has incurred losses to date resulting in a cumulative deficit of $4,086,801 as at December 31, 2021 (June 30, 2021 - $2,301). The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful, and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. As of December 31, 2021, the Company had current assets of $5,561,180 (June 30, 2021 - $20,394) to cover current liabilities of $421,936 (June 30, 2021 - $2,032). The Company has no proven history of performance, earnings or success. These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern over the next 12 months should it not be able to obtain the necessary financing to fund exploration programs and working capital requirements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. As such, these financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the period from incorporation on October 8, 2020, to June 30, 2021 ("annual financial statements").

The financial statements were approved and authorized for issuance by the Board of Directors of the Company on February 28, 2022.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting. All dollar amounts presented are in Canadian dollars unless otherwise specified.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, the functional and presentation currency of the Company and its subsidiaries.

(d) Basis of consolidation

Subsidiaries are entities controlled by the Company and are included in these financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly and indirectly, to govern the financial operating policies of an entity and be exposed to the variable returns from its activities

All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation. These financial statements incorporate the accounts of the Allied Copper Corp. and the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership	Functional currency
Gold Rush Cariboo Inc.	Canada	100%	CAD
1303288 B.C. Ltd.	Canada	100%	CAD
Allied Nevada Inc.	USA	100%	CAD

3. SIGNIFICANT ACCOUNT POLICIES

(a) Estimates and critical judgements by management

The preparation of financial statements requires management to make judgements, estimates and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgements, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgements which may cause a material adjustment to the carrying amounts of assets and liabilities.

The areas which require management to make critical judgements include:

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the consolidated financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position would be necessary (see Note 1).

The areas which require management to make significant estimates and assumptions include:

Common share purchase warrants

The Company determines the fair value of share purchase warrants issued using the Black Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the warrant. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the annual consolidated financial statements.

(Unaudited and Expressed in Canadian dollars, except where noted)

4. REVERSE TAKEOVER TRANSACTION

Allied Copper Corp ("Allied"), with its wholly-owned subsidiary 1303288 B.C. Ltd. ("Subco"), entered into an agreement with 1269280 B.C. Ltd. ("BCCo") on October 27, 2021, whereby the Company acquired from the shareholders of BCCo all the issued and outstanding shares of BCCo, causing BCCo to become a wholly-owned subsidiary of the Company (the "Amalgamation Agreement").

Pursuant to the Amalgamation Agreement, the Company amalgamated Subco and BCCo ("Amalco") in order to form a new company, which is a wholly-owned subsidiary of the Company. As part of the Amalgamation, the Company issued 13,076,004 units to BCCo subscription receipt holders in order to convert BCCo's subscription receipts outstanding as at October 27, 2021 into units of the Company. Each unit consists of one common share and one-half common share purchase warrant, entitling the holders to purchase an additional common share at $0.45 for a period of 24 months from the closing of the Amalgamation. The Amalgamation was completed on October 27, 2021.

The transaction will result in a legal combination of Allied and BCCo to form the resulting issuer (the "Resulting Issuer"), however, the Company does not meet the criteria for a business under IFRS 3, and so the transaction is considered to be a reverse takeover ("RTO"). From an accounting perspective, this is not considered to be a business combination but a capital transaction whereby BCCo is considered to issue additional shares in return for the net assets of the Company. For financial reporting purposes, the Resulting Issuer is considered a continuation of BCCo, the legal subsidiary, except with regard to authorized and issued share capital, which is that of the Allied, the legal parent.

Since BCCo is deemed to be the acquirer for accounting purposes, its assets and liabilities will be included in the consolidated financial statements at their historical carrying values. The identifiable assets and liabilities of the former Allied Copper Corp will be recognized at their fair value at the acquisition date of October 27, 2021, with the excess of the fair value of the equity interest consideration paid over the fair value of the net assets acquired being charged to the consolidated statements of loss and comprehensive loss as a listing expense.

The purchase price and allocation of assets and liabilities are presented as follows:

Consideration paid on RTO	
Fair value of shares retained by Allied shareholders (18,308,748 shares at $0.30 per share)	5,492,624
Total Purchase Price	5,492,624
Net Working Capital Acquired by BCCo	
Cash at Bank	2,213,856
GST/HST receivable	106,666
Prepaid expenses and deposits	214,743
Mining property and rights acquisition costs	2
Accounts payable and accrued liabilities	(427,162)
Due to consultants	(164,943)
Due from other companies	241,227
Interest payable	(187,186)
Current portion of convertible promissory note payable	(2,250,000)
Net Assets Acquired	(252,798)
Listing Fee Expense	**(5,745,422)**

(Unaudited and Expressed in Canadian dollars, except where noted)

4. REVERSE TAKEOVER TRANSACTION (continued)

After the completion of the Transaction, the Company had 38,075,752 common shares, 18,770,344 share purchase warrants and 2,100,000 stock options outstanding.

5. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits were comprised of the following as at December 31, 2021 and June 30, 2021:

	December 31, 2021	June 30, 2021
	$	$
Prepaid expenses	**95,069**	-
Retainer deposit (Note 12)	**101,700**	-
	196,769	-

6. MINING PROPERTY AND RIGHTS ACQUISITION COSTS

	Silver King Project	Klondike Property	Casa Berardi project	Horseshoe Bend project	Total
Cash option payments	19,487	-	-	-	19,487
As at June 30, 2021	**19,487**	**-**	**-**	**-**	**19,487**
Cash option payments	-	50,000	-	-	50,000
Exploration expenditures	238,327	29,260	1	1	267,588
As at December 31, 2021	**257,814**	**79,260**	**1**	**1**	**337,075**

Silver King Property

On February 10, 2021, the company entered into an option agreement with Goodsprings Exploration LLC ("Optionors") to purchase 100% of the rights to the Silver King project in the State of Nevada. To earn a 100% interest the Company must complete the following:

- make aggregate cash payments of US$420,000 to be paid as follows:
    - US$15,000 within 45 days of the effective date (CDN$19,487 paid);
    - US$20,000 on or before the 12-month anniversary of the effective date (CDN $25,605 paid subsequent to period-end);
    - US$25,000 on or before the 24-month anniversary of the effective date;
    - US$30,000 on or before the 36-month anniversary of the effective date; and
    - US$330,000 on or before the 48-month anniversary of the effective date.

In addition, the Company granted a 2% net smelter returns royalty (the "Royalty") to the Optionors. At any time prior to commencement of commercial production, the Company can repurchase 1% of the Royalty by making a payment of US$1,500,000.

6. MINING PROPERTY AND RIGHTS ACQUISITION COSTS (continued)

During the six months ended December 31, 2021, the Company incurred exploration and evaluation expenditures of $238,327 related to the Silver King project (2020 - $nil).

Klondike Property

On December 3, 2021, Cloudbreak Discovery (Canada) Ltd. (a company with a director in common) and Alianza Minerals Ltd ("the Optionors") optioned the Klondike Project to the Company. Under the agreement, the Company will be required to complete the following:

- make aggregate payments of $400,000 CAD to be incurred as follows:
  - $50,000 on the effective date (paid);
  - $150,000 on or before the closing date (paid);
  - $100,000 on or before the 36-month anniversary of the closing date; and
  - $100,000 on or before the 48-month anniversary of the closing date.
- issue a total of 7,000,000 ordinary shares as follows:
  - 2,000,000 on or before the closing date (issued);
  - 2,000,000 on or before the 12-month anniversary of the closing date; and
  - 3,000,000 on or before the 24-month anniversary of the closing date.
- incur $4,750,000 CAD in exploration expenditures on the property as follows:
  - $500,000 on or before the 12-month anniversary of the closing date; and
  - $750,000 on or before the 24-month anniversary of the closing date.
  - $1,500,000 on or before the 36-month anniversary of the closing date; and
  - $2,000,000 on or before the 48-month anniversary of the closing date.

In addition, upon the Company filing an NI 43-101 technical report indicating an inferred resource of at least 50,000,000 tonnes of copper or copper equivalent, the Company will issue an additional 3,000,000 warrants, in aggregate, to the Optionors. Each Additional Warrant will allow the holder thereof to acquire one common share of the Optionee for a period of three years from the date of issuance of such Additional Warrant at an exercise price equal to the 10-day VWAP of the common shares of the Optionee at the time of the issuance of the Additional Warrant. Upon completion of the option agreement obligations, the Optionors will transfer 100% interest in the property to the Company. The Optionors will retain a 2% NSR, of which one-half (1.0%) can be re-purchased from the Optionors for $1,500,000 CAD.

During the six months ended December 31, 2021, the Company incurred exploration and evaluation expenditures of $29,260 related to the Klondike Property (2020 - $nil).

Casa Berardi Project and Horseshoe Bend Project

The Company currently holds a 70% interest in a total of 114 mining claims in the Casa Berardi area. The claims are located in the townships of Casa Berardi, Collet, Laberge and Estrees. The Company's 30% owner in these claims is Explorers Alliance Corp.

On October 31, 2017, the Company entered into an agreement for the acquisition of all of the issued and outstanding shares of Gold Rush Cariboo Inc. which has previously entered into an agreement with Goldlands Inc. ("Goldlands") with respect to the purchase of the alluvial gold and platinum mining rights known as the Horseshoe Bend Project consisting of the rights to mine on one Placer Lease and six Placer Claims that total approximately 254.9 acres.

(Unaudited and Expressed in Canadian dollars, except where noted)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As a result of inactivity in furthering the development of these projects along with no recognized revenue stream in the future as a result of the assets not meeting management's expectations in generating the expected future benefits, the Casa Berardi project and Horseshoe Bend project are impaired.

As at December 31, 2021 and June 30, 2021, the Company's accounts payable and accrued liabilities were composed of the following:

	December 31, 2021	June 30, 2021
	$	$
Accounts payable	**396,936**	2,032
Accrued liabilities	**25,000**	-
	421,936	2,032

8. CONVERTIBLE PROMISSORY NOTE

On September 4, 2017, the Company issued a $2,250,000 convertible promissory note (the "Note") in connection with the acquisition of the Horseshoe Bend project mining rights. The Note bears an interest of 2% per annum calculated semi-annually and is convertible at $6.00 per share. The Note originally matured on September 2, 2024, and was payable in certain installments. As a result of administrative delays pending the resolution of certain other matters related to the acquisition, principal repayments were not made according to the terms of the Note resulting in the Note entering default and becoming due on demand.

On October 29, 2021, the Company assigned the Note to 2362516 Ontario Inc. (the "Assignee"), whereby the Assignee assumes all liabilities of the Company associated with the Note. As a result of the assignment, the Company realized a gain on the assignment of $2,437,186, comprising of the $2,250,000 principal outstanding and $187,186 accrued interest as at October 29, 2021.

9. SHARE CAPITAL

(a) Authorized

An unlimited number of voting common shares without par value.

(b) Issued and outstanding

As at December 31, 2021, 38,075,752 common shares were issued and outstanding (June 30, 2021 – 6,691,000).

On October 8, 2020, the Company issued 1,000 incorporation shares at $0.01 per share for $10.

On March 11, 2021, the Company issued 6,690,000 common shares at $0.006 per share for gross proceeds of $40,140.

On August 11, 2021, the Company issued 13,076,004 subscription receipts, inclusive of the 522,381 subscription receipts issued to certain eligible finder's in lieu of cash commissions, at a price of $0.30 per subscription receipt, for proceeds of $3,660,665, net of finder's subscription receipts and share issuance costs.

(Unaudited and Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

The 522,381 finder subscription receipts are valued at $165,714. Each subscription receipt unit shall consist of one common share and one-half warrant. Each whole warrant will be exercisable at a price of $0.45 per Allied share for a period of 24 months from the closing date. The Company issued 58,380 broker warrants with each warrant exercisable into common shares at a price of $0.45 per share, expiring October 27, 2023.

The subscription receipt warrants were fair valued at $1,321,041 and the broker warrants were fair valued at $11,796 using the Black-Scholes Option Pricing Model using the following assumptions: average risk-free interest rate – 0.78%; dividend yield – 0.00%; volatility rate – 100%; expected life 2 years.

On October 27, 2021, the Company converted 13,076,004 subscription receipt units issued on August 11, 2021. Each Unit comprised of one Common Share and one-half of one Warrant. Each Warrant entitles the holder thereof to purchase one Warrant Share, subject to certain adjustments, at an exercise price of $0.45 per Warrant Share for a period of twenty-four months.

On October 27, 2021, the Company entered into a reverse take-over transaction (Note 4). 18,308,748 common shares at an ascribed fair value of $5,492,624 were issued for all of the issued and outstanding shares of Allied Copper Corp.

The following share purchase warrants and options were retained by shareholders after the reverse take-over transaction:

(c) Share purchase warrants

The continuity of the Company's share purchase warrants is as follows:

	Warrants outstanding	Weighted average exercise price
	#	$
Issued	18,770,344	0.39
Outstanding, December 31, 2021 and June 30, 2021	**18,770,344**	**0.39**

The Company's share purchase warrants outstanding and exercisable at December 31, 2021 and June 30, 2021 are as follows:

Expiry date	Exercise price	**December 31, 2021**	June 30, 2021
	$	#	#
April 30, 2023	0.45	**4,198,779**	-
March 31, 2024	0.30	**7,333,319**	-
October 26, 2023	0.45	**7,238,246**	-
Total		**18,770,344**	-
Weighted average remaining contractual life		**1.88 years**	

(d) Stock options

(Unaudited and Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and a maximum term of five years. The maximum number of shares that may be issued under the program shall not exceed 10% of the issued and outstanding shares.

The continuity of the Company's stock options is as follows:

	Stock options outstanding	Weighted average exercise price
		$
Retained from RTO	775,000	0.405
Granted October 27, 2021	1,325,000	0.405
Outstanding December 31, 2021	**2,100,000**	**0.405**

On October 27, 2021, the Company granted an aggregate of 1,325,000 stock options with a term of four years, and an exercise price of $0.405 per share to certain directors, officers and consultants of the Company.

During the six months ended December 31, 2021, the Company recorded a stock-based compensation expense of $369,680 (2020 - $nil) related to the vesting of stock options.

The fair value of warrants is estimated using the Black-Scholes option-pricing model. The assumptions used during the six months ended December 31, 2021, and 2020 are as follows:

	10/27/2021 (Options)	10/27/2021 (Warrants)
Risk-free interest rate	0.98%	0.78%
Expected life	4 years	2 years
Expected volatility	100%	100%
Forfeiture rate	0%	0%
Dividend rate	0%	0%

The Company's stock options outstanding and exercisable at December 31, 2021, and June 30, 2021, are as follows:

Expiry date	Exercise price	**December 31, 2021**	June 30, 2021
	$		
August 18, 2023	0.405	**775,000**	-
October 27, 2025	0.405	**1,325,000**	-
Total		**2,100,000**	-
Weighted average remaining contractual life		**3.01 years**	-

(Unaudited and Expressed in Canadian dollars, except where noted)

10. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers.

The Company incurred expenses / (received recoveries) as a result of transactions with directors and officers, or to companies associated with these individuals during the six months ended December 31, 2021, and 2020:

	2021	2020
	$	$
Stock-based compensation	**369,680**	-
Consulting fees	**104,814**	-

As at December 31, 2021, $2,463 (June 30, 2021 - $Nil) was owing to companies with directors in common. These balances are non-interest bearing, payable on demand and included in accounts payable and accrued liabilities.

As at December 31, 2021, $101,700 (June 30, 2021 - $Nil) was held as a retainer deposit for CFO and consulting services.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value of financial instruments

As at December 31, 2021, and June 30, 2021, the Company's financial instruments consist of cash, goods and sales tax receivable, accounts payable and accrued liabilities, interest payable and convertible promissory note payable. Cash and goods and sales tax receivable are measured at amortized cost. Accounts payable and accrued liabilities, interest payable and convertible promissory note payable are measured at amortized cost.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value including their classification within a hierarchy that prioritized the inputs to fair value measurement. The three-level hierarchy is:

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

Level 2 – Inputs other than quoted prices included in Level that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at December 31, 2021, the Company believes that the carrying values of cash, sales tax receivable, accounts payable and accrued liabilities, approximate their fair values because of their nature and relatively short maturity dates or duration.

(b) Financial instruments risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

i. Credit risk

Credit risk exposure primarily arises with respect to the Company's cash and receivables. The risk exposure is limited because the Company places its instruments in banks of high creditworthiness within Canada and continuously monitors the collection of other receivables.

ii. Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at December 31, 2021, the Company had cash of $5,233,113 and a working capital surplus of $5,140,384 with total liabilities of $421,936.

iii. Market risk

a. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A change of 100 basis points in the interest rates would not be material to the financial statements.

b. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables constant, an increase or a decrease of 10% of the U.S. dollar against the Canadian dollar, the net loss of the Company and the equity for the six months ended December 31, 2021, would have varied by a negligible amount.

c. The Company had no hedging agreements in place with respect to foreign exchange rates.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

i. to safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders.
ii. To maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk.
iii. To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to the risk and future development and exploration opportunities.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, equity or similar instruments to reduce debt levels or make adjustments to its capital expenditure program.

There were no changes in the Company’s approach to capital management during the six months ended December 31, 2021, and capital management is consistent with the year ended June 30, 2021. The Company is not subject to any externally imposed capital requirements.

(Unaudited and Expressed in Canadian dollars, except where noted)

13. COMMITMENTS AND CONTINGENCIES

A summary of undiscounted liabilities and future operating commitments as at December 31, 2021, are as follows:

	Total	Within 1 year	2 - 5 years
	$	$	$
Maturity analysis of financial liabilities			
Accounts payable and accrued liabilities	**421,936**	421,936	-
Total financial liabilities and commitments	**421,936**	421,936	-

14. SUBSEQUENT EVENTS

On February 9, 2022, the Company entered into an agreement to option the Stateline property located in Colorado, USA from Cloudbreak Discovery (Canada) Ltd and Alianza Minerals Ltd. Under the agreement, the Company will be required to incur $3,750,000 CAD in exploration expenditures on the property, issue a total of 4,250,000 ordinary shares and make aggregate payments of $315,000 CAD over four years to the Optionors. Upon completion of the option agreement obligations, the Optionors will transfer 100% interest in the property to the Company. The Optionors will retain a 2% NSR, of which is not subject to a buydown provision. This transaction is subject to regulatory approval.