Brunswick Exploration Inc. (formerly Komet Resources Inc.)

Consolidated financial statements

For the years ended
December 31, 2021 and 2020

In Canadian Dollars

Raymond Chabot
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Independent Auditor's Report

To the Shareholders of
Brunswick Exploration Inc.

Opinion

We have audited the consolidated financial statements of Brunswick Exploration Inc. (formerly Komet Resources Inc.) (hereinafter "the Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the consolidated financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information other than the consolidated financial statements and our auditor’s report thereon, included in Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report the fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Karine Desrochers.

Raymond Chabot Grant Thornton LLP[1]

Montréal
April 26, 2022

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[1] CPA auditor, CA public accountancy permit no. A127023

Brunswick Exploration Inc. (formerly Komet Resources Inc.)
Consolidated Statements of Financial Position

(in Canadian dollars)	**December 31, 2021**	December 31, 2020
	$	$
ASSETS		
Current		
Cash	**1,489,286**	5,492,705
Investments (Note 7)	**-**	1,372,178
Sales taxes receivable	**659,911**	380,340
Other receivables from related companies	**67,211**	-
Prepaid expenses and deposits	**91,642**	-
	2,308,050	7,245,223
Assets related to discontinued operations (Note 8)	**-**	3,121,094
	2,308,050	10,366,317
Non-current		
Exploration and evaluation assets (Note 9)	**3,871,643**	535,356
Right of use asset	**85,000**	-
Intangible assets	**23,708**	24,638
TOTAL ASSETS	**6,288,401**	10,926,311
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	**812,170**	367,375
Short-term portion of convertible debentures (Note 12)	**264,865**	1,458,151
Due to an administrator (Note 13)	**-**	100,000
	1,077,035	1,925,526
Liabilities related to discontinued operations (Note 8)	**-**	4,228,350
	1,077,035	6,153,876
Non-current		
Convertible debentures (Note 12)	**301,779**	-
Lease obligation	**85,000**	-
TOTAL LIABILITIES	**1,463,814**	6,153,876
EQUITY		
Share capital	**23,148,277**	23,146,477
Warrants	**579,614**	579,614
Stock options	**417,232**	302,693
Equity component of convertible debenture	**-**	163,819
Contributed surplus	**2,510,607**	2,346,788
Deficit	**(21,831,143)**	(21,766,956)
Equity attributable to shareholders	**4,824,587**	4,772,435
TOTAL LIABILITIES AND EQUITY	**6,288,401**	10,926,311

Going concern (Note 1)
Commitments and contingencies (Note 25)
Subsequent events (Note 26)

The accompanying notes form an integral part of these consolidated financial statements.

/s/ Robert Wares
Robert Wares, Chairman

/s/ Killian Charles
Killian Charles, President

Brunswick Exploration Inc. (formerly Komet Resources Inc.)
Consolidated Statements of Loss and Comprehensive Loss

(in Canadian dollars)	For the years ended December 31, **2021**	2020
	$	$
Expenses		
Administrative expenses (Note 19)	**1,364,307**	647,476
Interest expense (Notes 12 and 13)	**180,392**	482,647
Stock-based compensation	**113,983**	38,786
Realized gain on sale of investments (Note 7)	**(359,161)**	-
Gain on amendment of convertible debenture (Note 12)	**(131,969)**	-
Unrealized loss on investments (Note 7)	**-**	151,137
Loss on settlement of debt (Note 13)	**-**	426,121
Interest revenue	**(4,866)**	-
Depreciation of intangible assets	**8,757**	-
Net loss and comprehensive loss from continued activities	**(1,171,443)**	(1,746,167)
Gain on disposal of subsidiaries (Note 8)	**1,107,256**	2,147,767
Expenses associated to discontinued activities	**-**	(180,873)
Net profit associated to discontinued activities	**1,107,256**	1,966,894
Net (loss) profit and comprehensive (loss) income	**(64,187)**	220,727

Per Share (Note 18)		
Basic and diluted – continued activities	**(0.01)**	(0.02)
Basic and diluted – discontinued activities	**0.01**	0.02
Weighted average number of common shares – basic and diluted	**131,372,368**	89,817,334

The accompanying notes form an integral part of these consolidated financial statements.

Brunswick Exploration Inc. (formerly Komet Resources Inc.)
Consolidated Statements of Shareholders' Equity
For the years ended December 31, 2021 and 2020 (in Canadian dollars, except for number of shares)

	Issued and outstanding common shares	Share capital	Warrants	Stock options	Equity component of convertible debentures	Contributed surplus	Deficit	Total equity
	Number	$	$	$	$	$	$	$
Balance as at January 1, 2021	**131,369,712**	**23,146,477**	**579,614**	**302,693**	**163,819**	**2,346,788**	**(21,766,956)**	**4,772,435**
Acquisition of exploration and evaluation assets (Note 9)	12,000	1,800	-	-	-	-	-	1,800
Reimbursement of convertible debenture	-	-	-	-	(163,819)	163,819	-	-
Stock-based compensation	-	-	-	114,539	-	-	-	114,539
Net loss and comprehensive loss	-	-	-	-	-	-	(64,187)	(64,187)
Balance as at December 31, 2021	**131,381,712**	**23,148,277**	**579,614**	**417,232**	**-**	**2,510,607**	**(21,831,143)**	**4,824,587**
Balance as at January 1, 2020	**73,481,385**	**14,320,139**	**-**	**263,907**	**220,276**	**2,290,331**	**(21,733,284)**	**(4,638,631)**
Settlement of due to an administrator by Issuance of common shares (Note 13)	21,305,983	2,982,837	-	-	-	-	-	2,982,837
Issuance of units and flow-through shares (Note 15)	36,582,344	5,843,501	579,614	-	-	-	-	6,423,115
Reimbursement of convertible debenture	-	-	-	-	(56,457)	56,457	-	-
Units and flow-through share issue costs	-	-	-	-	-	-	(254,399)	(254,399)
Stock-based compensation	-	-	-	38,786	-	-	-	38,786
Net profit and comprehensive income	-	-	-	-	-	-	220,727	220,727
Balance as at December 31, 2020	**131,369,712**	**23,146,477**	**579,614**	**302,693**	**163,819**	**2,346,788**	**(21,766,956)**	**4,772,435**

The accompanying notes form an integral part of these consolidated financial statements.

Brunswick Exploration Inc. (formerly Komet Resources Inc.)
Consolidated Statements of Cash Flows

(in Canadian dollars)	For the years ended December 31, **2021**	2020
	$	$
Operating activities		
Net (loss) profit	**(64,187)**	220,727
Adjustments		
Share-based compensation	**113,983**	38,786
Depreciation of intangible assets	**8,757**	-
Amortization of convertible debenture issuance cost (Note 12)	**-**	6,500
Non-cash interest on convertible debenture and long-term debt (Note 12)	**73,795**	92,923
Gain on sale of investments (Note 7)	**(359,161)**	-
Unrealized loss on investments (Note 7)	**-**	151,137
Gain on amendment of convertible debenture (Note 12)	**(131,969)**	-
Loss on settlement of debt (Note 13)	**-**	426,121
Gain on disposal of subsidiaries (Note 8)	**(461,806)**	(2,147,767)
Unrealized gain on foreign exchange	**-**	78,355
Changes in working capital items (Note 24)	**(442,698)**	29,996
Net cash flows used in operating activities	**(1,263,286)**	(1,103,222)
Investing activities		
Investments in exploration and evaluation assets	**(2,884,862)**	(437,812)
Investments in intangible assets	**(7,827)**	(24,638)
Proceeds from the disposal of subsidiaries (Note 8)	**-**	1,600,000
Proceeds from the sale of investments (Note 7)	**1,731,339**	182,025
Net cash flows (used in) provided by investing activities	**(1,161,350)**	1,319,575
Financing activities		
Issuance of units and flow-through shares, net of issue costs (Note 15)	**-**	6,168,716
Change in the amount due to an administrator	**(100,000)**	500,000
Reimbursement of convertible debt (Note 12)	**(833,333)**	(1,500,000)
Net cash flows (used in) provided by financing activities	**(933,333)**	5,168,716
Net (decrease) increase in cash	**(3,357,969)**	5,385,069
Cash (overdraft), beginning of year	**4,847,255**	(537,814)
Cash, end of year	**1,489,286**	4,847,255

Supplemental disclosure (Note 24)

The accompanying notes form an integral part of these consolidated financial statements.

1. NATURE OF ACTIVITIES AND GOING CONCERN

Brunswick Exploration Inc. (the "Company" or "BRW") is primarily engaged in the acquisition and exploration of mineral properties. BRW is domiciled in Canada and is governed by the *Business Corporations Act* (Québec). The address of the Company's registered office is 1100, Avenue des Canadiens-de-Montreal, Suite 300, Montreal, Québec, Canada.

The Company is listed on the Toronto Venture Exchange ("TSX-V") under the symbol "BRW". It sold its African assets and is now focused on exploration and development of gold and energy transition metal properties in Eastern Canada, particularly in New Brunswick and Québec. The Company's name change from Komet Resources Inc. to "Brunswick Exploration Inc." was approved at the annual meeting of shareholders on September 15, 2020 and by the TSX-V on October 6, 2020.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of deferred exploration and evaluation expenses is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to continue the exploration, evaluation and development of its properties; and obtaining certain government approvals or proceeds from the disposal of properties. Changes in future conditions could require material impairment of the carrying value of the deferred exploration and evaluation expenses. Although the Company has taken steps to verify title to its mining properties on which it is currently conducting exploration and evaluation work, in accordance with industry standards for the current stage of exploration and evaluation of such properties, 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 consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management of the Company ("Management") takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. As at December 31, 2021, the Company had working capital of $1,231,015 (including a cash balance of $1,489,286), an accumulated deficit of $21,831,143 and had incurred a net loss of $64,187 for the year ended December 31, 2021. As the Company is in the exploration and evaluation stage for its projects, it has not recorded any revenues from operations and has no source of operating cash flow.

The working capital as at December 31, 2021, will not be sufficient to meet the Company's obligations, commitments and budgeted expenditures through December 31, 2022. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

An outbreak of a novel strain of coronavirus, identified as "COVID-19", was declared a global pandemic by the World Health Organization on March 11, 2020. The duration and full financial effect of the COVID-19 pandemic is unknown at this time. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, including suppliers, service providers, employees and on global financial markets limiting our ability to access financing, are also subject to significant uncertainty. The Company is monitoring developments in order to be in a position to take appropriate action. To date, COVID-19 has not had a material impact on the Company's financial condition, liquidity or longer-term strategic development.

1. NATURE OF ACTIVITIES AND GOING CONCERN (*continued*)

The Company's ability to continue future operations and fund its planned exploration activities at its projects is dependent on Management's ability to secure additional financing in the future. Any funding shortfall may be met in the future in a number of ways, including, but not limited to, selling a royalty on its projects and the issuance of debt or equity instruments. While Management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. If Management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than the amounts reflected in these consolidated financial statements.

2. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The accounting policies, methods of computation and presentation applied in these consolidated financial statements are consistent with those of the previous financial year.

These consolidated financial statements were approved by the Company's Board of Directors (the "Board") on April 26, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

(a) Basis of measurement

The consolidated financial statements are prepared on a going concern basis and under the historical cost convention using the accrual basis of accounting, except for certain financial instrument and cash flow information.

(b) Foreign currency translation

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the exchange rate prevailing at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the year-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate at the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statement of income (loss) and comprehensive income (loss) under foreign exchange loss (gain).

(c) Basis of consolidation

A subsidiary is an entity over which the Company has control. The acquisition method is used to account for acquisitions. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A subsidiary is fully consolidated from the date on which control is transferred to the Company. It is deconsolidated from the date that control ceases.

Name of subsidiary	Activity	Country
Komet Ressources Afrique SA ("Komet SA")	Sold in January 2021	Burkina Faso
Guiro Exploration SARL ("Guiro")	Sold in January 2021	Burkina Faso
Komet Mali SARL	Sold in July 2020	Mali

Inter-company transactions, balances and unrealized gains on transactions between the Company and the subsidiary are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by the subsidiary have been adjusted to conform to the Company's accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the management team that makes strategic decisions.

(e) Cash

Cash consist of cash, bank balances and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

(i) Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortized cost;
- At fair value through profit or loss; and
- At fair value through other comprehensive loss.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income. All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs or finance income.

i. Amortized cost

Financial assets classified at amortized cost are financial assets that are held within a business model whose objective is achieved by collecting contractual cash flows and meet the criteria of the contractual cash flow test performed to determine whether cash flows are solely payments of principal and interest. After initial recognition, they are measured at amortized cost using the effective interest method, less a provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The elements in this category include cash and other receivables from related parties.

ii. At fair value through profit and loss

Financial assets classified at fair value through profit or loss include financial assets that do not meet the criteria of the contractual cash flow test performed to determine whether cash flows are solely payments of principal or interest and derivative financial instruments, if applicable. They are measured at fair value with gains or losses recognized in net loss. Short-term investments are included in this category.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(f) Financial instruments (*continued*)

(i) Financial assets (*continued*)

iii. At fair value through other comprehensive loss

Financial assets classified at fair value through other comprehensive loss include financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and meet the criteria of the contractual cash flow test performed to determine whether cash flows are solely payments of principal or interest. They are measured at fair value with gains or losses recognized in other comprehensive loss until realized; the cumulative gain or loss is then transferred to net loss. Interest calculated using the effective interest rate method and dividends are recognized in profit or loss within finance income. The Company has no financial assets in this category.

iv. Impairment of financial assets

A loss allowance for expected credit losses is recognized in net loss for financial assets measured at amortized cost. At each financial position date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and, if any, FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has deteriorated significantly since initial recognition and whose credit risk is low.

(ii) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified into the following categories upon initial recognition:

- Amortized cost; and
- At fair value through profit or loss.

i. Amortized cost

Financial liabilities classified at amortized cost are financial assets that are not classified in the "At fair value through profit or loss" category. They are initially recognized at fair value less transaction costs directly attributable. Thereafter, they are measured at amortized cost using the effective interest method, and the corresponding adjustment is attributed to net loss. Financial liabilities at amortized cost include:

- bank overdraft;
- accounts payable and accrued liabilities;
- long-term debt;
- convertible debentures; and
- due to an administrator.

All interest-related charges are reported in profit or loss within finance costs.

ii. At fair value through profit or loss

Financial liabilities classified at fair value through profit or loss consist of derivative financial instruments and other financial liabilities as held-for-trading, if applicable. Liabilities in this category are measured at fair value with gains or losses recognized in net loss. The Company has no financial liabilities in this category.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(g) Impairment of non-financial assets (except exploration and evaluation assets)

The carrying value of non-current assets is reviewed regularly and whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Non-current assets that are not depreciated are subject to an annual impairment test. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized in net loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the estimated recoverable amount, but not exceeding the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in net loss.

(h) Exploration and evaluation expenditures, and exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of the initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of defining and extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as mining properties and are carried at cost less any accumulated impairment losses. No depreciation expense is recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts and the difference is then immediately recognized in profit or loss.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs). As a result, some assets are tested individually for impairment and some are tested at a CGU level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or CGU is reviewed for impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(i) Exploration and evaluation expenditures, and exploration and evaluation assets (*continued*)

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single CGU. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the areas; and
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or CGU's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the asset’s or CGU’s recoverable amount exceeds its carrying amount.

(j) Property, equipment and intangible assets

Property, equipment and intangible assets are accounted for at cost less accumulated depreciation and impairment losses. Depreciation is recognized according to the straight-line method. The depreciable amount is determined after deducting the residual value of property and equipment and intangible assets. The periods generally applicable are as follows:

5 years	Office equipment
5 to 10 years	Machinery and equipment
3 years	Computer equipment
4 years	Rolling stock
5 years	Software

The residual value, the depreciation method and the useful life of each asset are reviewed at the end of each financial reporting period.

Property, equipment and intangible assets are reviewed for impairment in accordance with IAS 36 *Impairment of Assets* when there are indicators that the carrying value may not be recoverable.

(k) Share based compensation

The Company offers a share option plan for its eligible directors, employees and consultants.

All goods and services received in exchange for the grant of any share-based compensation are measured at their fair value. Where employees are rewarded using share-based compensation, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is evaluated at the grant date.

All equity-settled share-based compensation is recognized as an expense in net loss with a corresponding credit to stock option in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(k) Share based compensation (*continued*)

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are credited to share capital. Share-based compensation is recorded at fair value as determined by the Black-Scholes option-pricing model.

(l) Equity

Share capital represents the amount received when the shares were issued. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as warrants and stock options.

In addition, if shares are issued for the acquisition of a mining property or some other form of non-monetary asset, they are measured at their fair value unless this fair value cannot be estimated reliably, in which case the fair value is estimated according to the quoted price on the day of the conclusion of the agreement.

Proceeds from unit placements are allocated between shares and warrants issued according to the respective fair values.

Issuance of flow-through shares represents in substance an issue of ordinary shares and the sale of the right to tax deductions to the investors.

When the flow-through shares are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the consolidated statement of financial position.

The proceeds received from flow-through shares are allocated between share capital and the other liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, and the residual proceeds are allocated to the other liability.

(m) Income taxes

The Company uses the deferred tax assets and liabilities method. According to this method, deferred income taxes are determined using the difference between the accounting and tax bases of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the statement of financial position date and that are expected to apply when the deferred income taxes are expected to be recovered or settled. Deferred income tax assets are recognized when it is probable that the asset will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(n) Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The diluted net loss per share is equal to the basic net loss per share due to the anti-dilutive effect of the stock options and warrants.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(o) Provision and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the related asset, as soon as the obligation to incur such costs arises and to the extent that such cost can be reasonably estimated.

4. ACCOUNTING STANDARDS ISSUED BUT NOT APPLIED

At the date of authorization of these financial statements, the Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2021. These updates are not expected to have a significant impact on the Company's consolidated financial statements and are therefore not discussed herein.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

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.

a) Going concern

The assessment of the Company's ability to continue on a going concern basis, to obtain sufficient funds to cover ongoing expenses and to meet its obligations for the coming year involves a large part of judgment based on past experience and other factors, including expectations of future events that are considered reasonable in the circumstances.

b) Impairment of mining properties

Determining if there are any facts and circumstances indicating loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or CGU must be estimated.

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (*continued*)

b) Impairment of mining properties (*continued*)

In assessing impairment, management makes estimates and assumptions regarding future circumstances, whether an economically viable operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development, and renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the capitalized amount is written-off in the consolidated statement of comprehensive loss in the period information becomes available.

c) Impairment of property, plant and equipment and intangible assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process that often involves judgment and a number of estimates and interpretations. In assessing impairment, management estimates the recoverable amount of each cash-generating asset based on discounted future cash flows. There was no impairment recorded in the reporting periods.

d) Fair value of stock options and warrants

Determining the fair value of stock options and warrants (collectively, the Instruments) requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life and the time of exercise of the instruments and expected extinguishments. The model used by the Company is the Black-Scholes valuation model. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results.

6. SEGMENT REPORTING

The chief operating decision-maker organizes and manages the business under a single operating segment, consisting of acquiring, exploring and developing mining property assets. All the Company's assets and liabilities are attributable to this single operating segment.

As at December 31, 2021, the Company’s assets and liabilities were entirely in Canada. The Company's assets and liabilities by geographic areas for the year ended December 31, 2020, are as follows:

	Canada	Burkina Faso	Total
	$	$	$
Assets			
Cash	5,492,705	-	5,492,705
Investments	1,372,178	-	1,372,178
Sales taxes receivables	380,340	-	380,340
Exploration and evaluation assets	535,356	3,121,094	3,656,450
Intangible assets	24,638	-	24,638
Total assets	7,805,217	3,121,094	10,926,311
Liabilities			
Bank overdraft	-	645,450	645,450
Accounts payable and accrued liabilities	367,375	2,336,128	2,703,503
Long-term debt	-	1,246,772	1,246,772
Convertible debentures	1,458,151	-	1,458,151
Due to an administrator	100,000	-	100,000
Total liabilities	1,925,526	4,228,350	6,153,876

The operating segment of Burkina Faso represents discontinued operations as at December 31, 2020 (note 8).

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

7. INVESTMENTS

The Company obtained 4,060,336 common shares of Roscan Gold Corporation ("Roscan"), a quoted mining exploration company from the sale of its wholly-owned subsidiary Komet Mali SARL, located in Mali ("Komet Mali") in July 2020. In August 2020, the Company sold 450,000 common shares to an administrator. At December 31, 2020, the Company held 3,610,336 common shares in Roscan with a value of $1,372,178.

During the year ended December 31, 2021, the Company sold all of these marketable securities, recording a gain of $359,161 in earnings ($ nil during the year ended December 31, 2020).

8. DISCONTINUED ACTIVITIES

Sale of Burkina Subsidiaries
In April 2019, the Company entered into a share purchase agreement with CINI SOLUTIONS for the sale of all the shares of two of the Company's wholly owned subsidiaries; Komet SA and Guiro (the "Burkina Subsidiaries"). The sale was concluded on January 20, 2021, the parties have been discharged of all responsibilities as at this date and the closing of this transaction allows the Company to cease all activities in Africa.

The details of the operation of the Company's discontinued activities as at December 31, 2021 and 2020, are as follows:

	2021	**2020**
	$	**$**
Assets classified as discontinued activities	-	3,121,094
Liabilities classified as discontinued activities	-	4,228,350
Expenses associated with discontinued activities	-	180,873
Gain on disposal of subsidiaries	461,806	2,147,767
Cash flow from operating activities associated with discontinued activities	-	176,637
Cash flow from investing activities associated with discontinued activities	-	-
Cash flow from financing activities associated with discontinued activities	-	-

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS

The Company has incurred the following costs on its exploration and evaluation assets for the years ended December 31, 2021 and 2020:

Property	Balance as at January 1, 2020	Additions	Balance as at December 31, 2020	Additions	Balance as at December 31, 2021
	$	$	$	$	$
Quebec					
Waconichi (a)					
Mining rights	-	2,584	2,584	-	2,584
Exploration expenses	-	109,813	109,813	713,594	823,407
	-	112,397	112,397	713,594	825,991
Lac Edouard (b)					
Mining rights	-	-	-	108,652	108,652
Exploration expenses	-	-	-	866,589	866,589
	-	-	-	975,241	975,241
New Brunswick					
Bathurst (c)					
Mining rights	-	100,000	100,000	41,503	141,503
Exploration expenses	-	-	-	702,231	702,231
	-	100,000	100,000	743,734	843,734
Fundy (d)					
Mining rights	-	151,454	151,454	59,296	210,750
Exploration expenses	-	171,505	171,505	791,368	962,873
	-	322,959	322,959	850,664	1,173,623
Other					
Mining rights	-	-	-	34,062	34,062
Exploration expenses	-	-	-	18,992	18,992
	-	-	-	53,054	53,054
Summary					
Mining rights	-	254,038	254,038	243,513	497,551
Exploration expenses	-	281,318	281,318	3,092,774	3,374,092
	-	**535,356**	**535,356**	**3,336,287**	**3,871,643**

(a) Waconichi, Québec: On September 1, 2020, the Company staked the Waconichi base metal property, located 40 km northeast of the town of Chibougamau in the northern section of the Abitibi greenstone belt, Eeyou Istchee, Quebec. This property comprises 260 map-staked claims covering a surface area of 14,297 ha.

(b) Lac Edouard, Québec: On February 19, 2021, in addition to completing staking, the Company concluded option and purchase agreements from a private company and prospectors to acquire a 100% interest in the Lac Edouard Project, located 40 km northeast of the town of La Tuque, Québec, and 125 km northwest of Québec City.

The Company optioned 25 claims representing 1,375 ha from Les Ressources Tectonic Inc. This option allows the Company to acquire a 100% interest in this property over a three-year period for total cash consideration of $170,000 and exploration expenditures of $500,000 under the following terms:

- Upon closing of the formal agreement, the Company paid $15,000;
- Upon the first-year anniversary of the closing, the Company will pay $45,000 and will have completed $100,000 in exploration;
- Upon the second-year anniversary of the closing, the Company will pay $50,000 and will have completed and additional $150,000 in exploration; and
- Upon the third-year anniversary of the closing, the Company will pay $60,000 and will have completed and additional $250,000 in exploration.

The Company also granted a 2% net smelter return (“NSR”) on the claims covered by this option agreement. The first half (1%) of the NSR may be repurchased upon payment of $1,500,000 from the Company to the optionor. The Company retains a first right of purchase of the second half of the NSR. Additionally, the Company purchased a 100% interest in eight peripheral claims (464 ha) to the optioned property from local prospectors for a cash consideration of $14,400. The Company also granted a 2% NSR on the purchased claims. The first half (1%) of the NSR may be repurchased upon payment of $1,000,000 from the Company to the vendors. The second half may be purchased for $2,000,000. If the Company elects to complete both payments, it will have repurchased the entirety of the royalty on the eight purchased claims.

9. EXPLORATION AND EVALUATION ASSETS (*continued*)

c) Bathurst, New-Brunswick: In August 2020, the Company entered into an option agreement (amended in April 2021) with Osisko Metals Incorporated ("Osisko Metals") whereby it can acquire a majority interest in the Brunswick Belt exploration property located in the eastern portion of the Bathurst mining camp. This property covers 72 km of the prolific Brunswick Belt and includes the Key Anacon and Gilmour South base metal deposits. This option allows the Company to earn an interest of up to 51% by spending an aggregate of $10,000,000 in two stages over a five-year period.

This option agreement has two distinct earn-in requirements:

- Option 1: The Company can acquire an initial 15% interest in this property by making a $100,000 cash payment and financing a total of $2,000,000 in exploration work no later than the second anniversary of signing this option. The Company made the $100,000 cash payment in 2020.
- Option 2: The Company can acquire an additional 36% interest (a total interest of 51%), by financing a total of $10,000,000 (taking into account the amount of $2,000,000 incurred as part of Option 1) in exploration work in accordance with the following schedule:
    - A cumulative total of $4,000,000 no later than the third anniversary;
    - A cumulative total of $6,500,000 no later than the fourth anniversary;
    - A cumulative total of $10,000,000 no later than the fifth anniversary.

Upon completion of any or all phases (at the Company's discretion), a joint venture may be formed between the Company and Osisko Metals. Osisko Metals is considered a related party due to common officers and directors. On June 8, 2021, the Company announced that this transaction received approval from the TSX-V.

d) Fundy, New-Brunswick: In October 2020, the Company staked a gold-silver property totaling 37,260 ha. These properties are located west of Saint John, New Brunswick, which cover 40 km of strike length along the Fundy Shear Zone, a regional, deep-rooted, sparsely explored Appalachian fault system.

In tandem with this staking program, on October 14, 2020, the Company closed an option agreement, which was amended on April 19, 2021, related to 6 claims (116 units) totaling 2,639 ha. Under the terms of this agreement, the Company may acquire a 100% interest in the claims in exchange for:

- At closing and at the amendment date, payments of $10,000 ($20,000 total). These amounts have been paid as at December 31, 2021.
- On the first anniversary of the closing, the payment of $22,500 and issuance of 12,000 shares. These amounts were paid as at December 31, 2021.
- On the second anniversary of the closing, the payment of $22,500 and issuance of 22,000 shares.
- On the third anniversary of the closing, the payment of $22,500 and issuance of 22,000 shares.
- On the fourth anniversary of the closing, the payment of $32,500 and issuance of 54,000 shares.
- On the fifth anniversary of the closing, the payment of $35,000 and issuance of 110,000 shares.

The timeline can be accelerated at the Company's option and no minimum exploration expenses have to be incurred to complete the acquisition. The Company also granted a 2% NSR on the claims covered by the option agreement. The first 1% of the NSR may be redeemed following payment by the Company of $1,000,000. The second 1% NSR may be redeemed following payment by the Company of $2,000,000.

e) Sale of Mali Assets: On June 15, 2020, the Company entered into an agreement to sell all of its issued and outstanding shares of Komet Mali. The sales price under this agreement was $3,200,000, consisting of 50% cash and 50% in shares of Roscan, at the five-day volume weighted average price of the Roscan shares prior to the transaction. On July 2, 2020, the Company received 4,060,336 shares at a fair value of $0.42 per share.

10. BANK OVERDRAFT

The Burkina Subsidiaries had an authorized bank overdraft of 300,000,000 CFA francs, refundable upon request and bearing interest at 7%. As at December 31, 2020, the balance of this bank overdraft was 231,383,139 CFA francs ($645,450) and was included in the liabilities related to discontinued activities. On January 20, 2021, the Company sold the Burkina Subsidiaries (Note 8) and have been discharged of all responsibilities including this bank overdraft.

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	$	$
Trade payables and accrued liabilities	812,170	2,703,503
	812,170	2,703,503
Included in liabilities related to discontinued activities (Note 8)	-	2,336,128
	812,170	367,375

12. CONVERTIBLE DEBENTURES

Convertible debentures 2015

In June 2015, the Company completed a private placement in the form of convertible debentures (the "2015 Debentures") for gross proceeds of $2,000,000 for which a finder's fee of $65,000 was paid. These debentures were bearing interest at a rate of 12%, payable semi-annually, on June 1st and December 1st of each year. Each debenture was convertible at any time prior to the maturity date at the discretion of the subscriber for common shares at a conversion price of $0.65 per common share.

These debentures matured on June 8, 2020. On July 3, 2020, the Company repaid $1,500,000, including the related interest. At December 31, 2020, the outstanding balance totaled $500,000. On May 4, 2021, the Company repaid the balance and related interest.

Convertible debentures 2018

On September 27, 2018, the Company completed a private placement in the form of convertible debentures (the "2018 Debentures") for gross proceeds of $1,000,000 (the "Principal"), with a maturity date of September 1, 2021 (the "Maturity Date"). These debentures bear interest at a rate of 12%, payable semi-annually, on March 1st and September 1st of each year. Each debenture is convertible at any time prior to the Maturity Date at the discretion of the subscriber (the "Subscriber") for common shares at a conversion price of $0.40 per share.

At its discretion and up to a maximum of three times before the due date, the Company had the option to pay accrued interest by issuing shares based on the market price on the date of the payment. After the end of the third year, the Company had the right to force the conversion of these debentures in the event that the shares of the issuer are traded at more than $1.00 per share for more than 10 consecutive days.

At the date of issue, the fair value of the conversion option was determined to be $145,000. The fair value of these debentures was determined by discounting the cash flows related to these debentures at a rate of 19.5%, which is the interest rate that the Company would have expected to pay if these debentures did not have a conversion option, representing the excess of the fair value of debentures and their nominal value. Therefore, the fair value of these debentures was $855,000 at the initial transaction date.

In September 2021, the Company and the Subscriber agreed to a repayment schedule (the "Amendment") for the Principal and interest owing at the Maturity Date. As per the Amendment, the Company will repay the balance over three annual payments and no additional interest will apply to the 2018 Debentures subsequent to the Maturity Date. A gain of $131,969 was recognized on the Amendment in the income statement for the year ended December 31, 2021, using a discount rate of 12% (the interest rate that the Company would have expected to pay if the Amendment was not signed). The first payment was made in November 2021. Transactions affecting convertible debentures for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
	$	$
Balance, January 1st	1,458,151	2,892,912
Amortization of issuance costs	-	6,500
Reimbursement of debenture	(833,333)	(1,500,000)
Gain on amendment of debenture	(131,969)	-
Interest accretion	73,795	58,739
Balance, December 31st	566,644	1,458,151
Balance, Short-term	264,865	1,458,151
Balance, Long-term	301,779	-

13. DUE TO AN ADMINISTRATOR

As at December 31, 2019, a director and an officer of the Company (the "Administrator") had advanced to the Company an amount of $1,900,000, with annual interest of 12%.

During the year ended December 31, 2020, additional advances totaling $500,000 were made to the Company. On July 8, 2020, the Company concluded a settlement of debt with the Administrator for an amount of $2,982,837 ($2,300,000 plus related interest). Pursuant to the debt settlement, the Company issued to the Administrator 21,305,983 common shares at a fair value of $0.14 per share, resulting in a loss of settlement of debt of $426,121. The balance owing to the Administrator on December 31, 2020 was $100,000, which was reimbursed by the Company in July 2021.

14. LONG-TERM DEBT

The Company had a loan (the "Loan") from a financial institution in the Burkina Subsidiaries. As at December 31, 2020, the Loan balance is presented in liabilities directly associated with assets classified as discontinued activities (Note 8). The Loan was unsecured, bearing interest at 6% annually and was repayable in monthly instalments of capital and interest of 15,516,494 CFA francs plus an 18% tax on interest, for a period of 72 months, maturing on November 15, 2021.

The sale of the Company's Burkina Subsidiaries was concluded on January 20, 2021, and the Company has been discharged of all responsibilities as at this date.

15. SHARE CAPITAL

Authorized:
Unlimited number of common shares, voting and participating, without par value.
Unlimited number of preferred shares, non-voting, without par value, issuable in series

Financing activities for the years ended December 31, 2021 and 2020, not already disclosed:

In September 2020, the Company completed a non-brokered private placement of 12,500,000 units at a price of $0.13 per unit for gross proceeds of up to $1,625,000 to be used for general corporate purposes and 10,000,000 flow-through shares to be used for the exploration in Quebec at a price of $0.17 for gross proceeds of $1,700,000. Each unit is composed of one common share and one-half warrant. Each warrant entitles the holder to acquire one common share for a price of $0.20 for a period of 24 months. These warrants have been recorded at a value of $355,851 based on the Black-Scholes option pricing model using the assumptions described below (Note 16).

In December 2020, the Company completed a non-brokered private placement of 5,000,000 units at a price of $0.22 per unit for gross proceeds of up to $1,100,000 to be used for general corporate purposes and 9,082,344 flow-through shares to be used for the exploration of newly acquired Canadian properties at a price of $0.22 for gross proceed of $1,998,115. Each unit is composed of one common share and one-half warrant. Each warrant entitles the holder to acquire one common share for a price of $0.28 for a period of 24 months. These warrants have been recorded at a value of $223,763 based on the Black-Scholes option pricing model using the assumptions described below (Note 16).

In connection with these private placements, the Company paid finder's fees and share issuance fees totaling $254,399 in cash.

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

16. WARRANTS

The following table sets out the activity for the years ended December 31, 2021 and 2020 in warrants:

	Number of warrants	Exercise price ($)
Balance – January 1, 2020	-	-
Issued	8,750,000	0.22
Balance – December 31, 2020	8,750,000	0.22
Balance – December 31, 2021	**8,750,000**	**0.22**

The warrants outstanding at December 31, 2021, are as follows:

Exercise price ($)	Number of Warrants	Expiry date	Weighted average remaining contractual life (years)
0.20	6,250,000	September 29, 2022	0.75
0.28	2,500,000	December 17, 2022	0.95
	8,750,000		

For the year ended December 31, 2020, the Company determined the fair value of the warrants issued pro rata to the fair value of the shares at the previous day's price, the fair value of the warrants using the Black-Scholes valuation method and the cash consideration obtained on the issue. The assumptions used to value the warrants are as follows:

Risk-free interest rate	0.25%
Expected life of Warrants	2 years
Annualized volatility	105.6%
Dividend rate	0%
Share price	0.22$
Exercise price	0.22$

The underlying expected volatility was determined by reference to historical data of the Company’s shares over the expected average life of the warrants.

17. STOCK OPTIONS

The Company has adopted a share-based compensation plan (the “Plan”) under which members of the Board of Directors may award stock options to directors, staff members and consultants. The maximum number of stock options issuable under the Plan is 5,000,000. The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the common shares on the day prior to the award, and the term of the options cannot exceed 10 years.

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

17. STOCK OPTIONS (*continued*)

The following table sets out the activity in stock options for the years ended December 31, 2021 and 2020:

	Number	Weighted average exercise price ($)
Balance – January 1, 2020	1,200,000	0.44
Granted	2,400,000	0.21
Balance – December 31, 2020	3,600,000	0.29
Granted	700,000	0.16
Forfeited	(300,000)	0.21
Balance – December 31, 2021	**4,000,000**	**0.27**
Exercisable options – December 31, 2021	**1,800,000**	**0.35**

Share options outstanding at December 31, 2021 are as follows:

Exercise price ($)	Number of options outstanding	Number of options exercisable	Weighted average remaining life (Years)
$0.48	500,000	500,000	2.4
$0.50	200,000	200,000	3.1
$0.21	2,100,000	525,000	3.7
$0.20	300,000	75,000	3.9
$0.37	400,000	400,000	4.3
$0.13	400,000	-	4.9
$0.40	100,000	100,000	5.2
	4,000,000	**1,800,000**	

For the years ended December 31, 2021 and 2020, the Company determined the fair value of the options using the Black-Scholes valuation method. The volatility was determined by reference to historical data of the Company's shares over the expected average life of the stock options. The assumptions used to value the stock options are as follows:

	2021	2020
Share price	$0.13	$0.20
Exercise price	$0.13	$0.21
Risk-free interest rate	1.06%	0.47%
Expected volatility	80.0%	66.1%
Dividend yield	-	-
Expected life	5 years	5 years
Weighted average fair value at grant date	$0.083	$0.106

For the year ended December 31, 2021, the share-based compensation costs amounted to $114,539 ($38,786 for the year ended December 31, 2020) for which $113,983 was recorded in the income statement for the year ended December 31, 2021 ($38,786 in 2020) and $556 was capitalized to exploration assets as at December 31, 2021 ($ nil in 2020). The offsetting credit is recorded as contributed surplus.

18. NET LOSS PER SHARE

Due to the net loss from continued operations for the years ended December 31, 2021 and 2020, all potentially dilutive common shares (Notes 16 and 17) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

19. ADMINISTRATIVE EXPENSES

	For the years ended December 31,	
	2021	2020
	$	$
Salaries	**390,056**	23,831
Professional fees	**223,251**	254,129
Investor relations	**254,224**	108,016
Office	**126,935**	37,308
Management fees	**51,771**	188,603
Travel	**13,063**	-
Other	**-**	35,589
Misappropriation of assets (a)	**305,007**	-
Total	**1,364,307**	647,476

(a) In June 2021, Management identified certain transactions, which raised suspicions of misappropriation of Company assets by a former employee relating to prior transactions, which were brought to the attention of the Company's board of directors, auditors and external legal counsel. Management performed a formal investigation and based on key findings, the Company identified unauthorized transactions totaling $979,000 having taken place between April 2018 and June 2021. Of these amounts, approximately $473,993 had been recognized in expenses at the time the transactions were entered into and had no impact on the consolidated net loss as previously reported for each of the periods ended December 31, 2018, 2019 and 2020.

On August 13, 2021, the Company entered into a transaction agreement with the former employee, who acknowledged the misappropriation of assets and has agreed to a reimbursement timeline. The Company has recognized a 100% credit loss on this receivable for a net accounting value of nil as at December 31, 2021 and will record future reimbursement payments in the statement of comprehensive loss as funds are received. In December 2021, the Company was reimbursed $200,000 related to this transaction agreement.

Administrative expenses of $305,007 include unauthorized transactions made in the year ended December 31, 2021 and the reimbursement received in December 2021 ($200,000).

20. RELATED PARTIES

Related party transactions and balances, not otherwise disclosed, are summarized below:

Key management includes directors and officers of the Company. The compensation paid or payable to key management for employee services is presented below for the years ended December 31, 2021 and 2020:

	2021	**2020**
	$	**$**
Salaries and short-term employee benefits (including management fees)	306,746	203,246
Share-based compensation	113,254	38,786
	420,000	242,032

During the years ended December 31, 2021 and 2020, the Company undertook transactions with certain related companies. Osisko Metals and Osisko Gold Royalties Ltd ("OGR") are both related parties as they have a significant influence on the Company due to common officers and directors.

During the year ended December 31, 2021, OGR invoiced an amount of $115,000 ($37,308 for the year ended December 31, 2020) in relation to professional services and rental of offices. As at December 31, 2021, $30,000 is included in trade and other payables ($5,000 as at December 31, 2020).

During the year ended December 31, 2021, an amount of $48,000 ($14,643 for the year ended December 31, 2020) was invoiced by Osisko Metals for professional services, of which $48,000 is included in trade and other payables as at December 31, 2021 ($5,000 as at December 31, 2020).

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

20. RELATED PARTIES (*continued*)

As at December 31, 2021, there is no interest payable on the 2015 Convertible Loan held by a related party ($60,000 as at December 31, 2020). Interest incurred on the 2015 Convertible Loan held by a related party for the year ended December 31, 2021 totaled $20,000 ($60,000 for the year ended December 31, 2020).

As at December 31, 2021, interest payable on the 2018 Convertible Loan amounted to $114,000 ($120,000 as at December 31, 2020). Interest incurred on the 2018 Convertible Loan for the year ended December 31, 2021 totaled $80,000 ($120,000 for the year ended December 31, 2020).

As at December 31, 2021, there is no interest payable on the Due to Administrator ($6,000 as at December 31, 2020). Interest incurred on the Due to Administrator for the year ended December 31, 2021 totaled $6,000 ($136,307 for the year ended December 31, 2020).

Management is of the opinion that these transactions were undertaken under the same conditions as transactions with non-related parties. These operations were incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

21. INCOME TAXES

A reconciliation of income taxes at statutory rates (26.5%) with the taxes reported in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2021 (26.5% for the year ended December 31, 2020), is as follows:

	2021	2020
	$	$
Net (loss) profit before income taxes	(64,187)	220,727
Expected income tax (recovery) expense	(17,010)	58,493
Non-taxable portion of gain on sale of a subsidiary	(1,647,438)	(190,108)
Non-deductible expenses	211,137	238,038
Expiration of tax rates in other jurisdictions	-	(2,006)
Recognition of previously unrecognized tax benefits	801,303	(104,417)
Flow-through share exploration expenditures	652,008	-
Net income tax recovery	-	-

As at December 31, 2021, deductible timing differences for which the Company has not recognized deferred tax asset are as follows:

	Federal	Provincial
	$	$
Property and equipment and Intangibles assets	37,875	37,875
Financing fees	216,574	216,574
Non-capital losses	6,809,398	8,201,414
Capital losses	4,971,514	4,971,514
	12,035,361	13,427,377

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

21. INCOME TAXES (*continued*)

As at December 31, 2021, the Company has tax losses that can be used to reduce future taxable income. These losses expire as follows:

Expiry year	Federal	Provincial
	$	$
2031	-	541,718
2032	-	194,017
2033	-	418,638
2034	-	61,341
2035	703,894	894,058
2036	1,065,161	1,063,546
2037	849,495	844,062
2038	1,698,301	1,692,122
2039	1,553,988	1,553,353
2040	938,559	938,559
	6,809,398	**8,201,414**

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, deferred tax assets in the amount of $3,349,453 have not been recognized.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

Financial instruments that are not measured at fair value at the statement of financial position date consist of cash, other receivables from related companies, bank overdraft, accounts payable and accrued liabilities, long-term debt, convertible debentures and due to an administrator. The fair values of cash, other receivables from related companies, bank overdraft, accounts payable and accrued liabilities (except tax payable, salaries payable, vacations payable and deductions at source payable), approximate their carrying values due to their short-term nature. The fair value of long-term debt, convertible debentures and due to an administrator, which are level 2 and are not materially different from its carrying value because there was no material change in the assumptions used for fair value determination at inception, using the discounted cash flow method.

The fair value of Investments, which are level 1, are measured based on the quoted price. Financial instruments of the Company are measured at fair value on a recurring basis in periods subsequent to initial recognition according to a fair value hierarchy.

The fair value hierarchy has the following levels:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in level 1 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 assets or liabilities that are not based on observable market data.

There were no transfers between levels during the years ended December 31, 2021 and 2020.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

Risk Management

The Company is exposed to various financial risks through its financial instruments: market risk (including interest rate risk, foreign currency risk, and other price risk), credit risk and liquidity risk.

Market risks

Interest rate risk
Interest rate risk is the risk that the fair value on future cash flows of a financial instrument will fluctuate because of a change in market interest rates.

Bank overdraft, long-term debt, due to an administrator and convertible debentures are not exposed to interest rate risk because they bear interest at a fixed rate.

Other financial instruments are non-interest bearing.

Foreign currency risk
The Company is exposed to foreign currency risk from currency exposures, primarily with respect to the CFA franc (“FCFA”), which fluctuates with the euro. The Company does not enter into arrangements to hedge its foreign currency risk. Monetary assets and liabilities denominated in CFAF, translated into Canadian dollars at the closing rate, and which expose the Company to currency risk as at December 31, 2021 and 2020 are as follows:

	2021	2020
	FCFA	FCFA
Bank overdraft	-	(231,383,139)
Accounts payable and accrued liabilities	-	(979,641,601)
Long-term debt	-	(523,143,143)
Net balance	-	(1,734,167,883)
Equivalent in Canadian dollars	-	(4,228,350)

Based on the balances as at December 31, 2020, a 10% fluctuation in the FCFA rate vs the $CA on that date, with all other variables being constant, would have resulted in a variation in net loss, comprehensive loss and deficit of $422,835.

Market risk (continued)

Other price risk
The Company is directly related to the market price of gold. Fluctuations in the gold price could create volatility in future cash flows. The Company is exposed to commodity price risk (e.g., gas prices).

As at December 31, 2020, the Company held an investment in an entity that is subject to fluctuations in fair value which result from changes in equity markets. The investment was measured at fair value based on quoted price for a value of $1,372,178 as at December 31, 2020 (none as at December 31, 2021).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and other receivables from related companies. The Company reduces its credit risk by investing its cash in a Canadian institution with an A+ credit rating and by exchanging services with companies in good financial position.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities that are settled by delivering cash. The Company finances its exploration programs, its cash flow requirements and its acquisitions of property and equipment through bank overdraft, long-term debt, convertible debentures, due to an administrator and share capital.

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

The following tables present contractual maturities (including interest payments where applicable) of the Company's liabilities:

		2021
	Less than one year	**More than one year**
	$	**$**
Accounts payable and accrued liabilities	774,619	-
Convertible debentures	333,333	333,333
Lease liability	-	85,000
Total	1,107,952	418,333

		2020
	Less than one year	**More than one year**
	$	**$**
Bank overdraft	645,450	-
Accounts payable and accrued liabilities	2,703,503	-
Long-term debt	1,246,772	-
Convertible debentures	1,548,151	-
Due to an administrator	100,000	-
Total	6,243,876	-

23. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure its ability to continue as a going concern, to increase the value of the assets of the business, and to provide an adequate return to its shareholders. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, with or without partners. The Company monitors capital on the basis of the carrying amount of its equity. Capital for the reporting year is summarized in the consolidated statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements, except when the Company issues flow-through shares for which an amount should be used for exploration work. See Note 25 for more information related to this.

The Company finances its exploration and evaluation activities principally by raising additional capital either through bank loans, long-term debt, convertible debentures, share capital issuance or public offerings.

When financing conditions are not optimal, the Company may enter into option agreements or use other solutions to continue its activities, or it may slow down its activities until conditions improve.

For the years ended December 31, 2021 and 2020 (in Canadian dollars)

24. SUPPLEMENTAL DISCLOSURE – STATEMENTS OF CASH FLOW

	For the year ended December 31,	
Changes in non-cash working capital items:	**2021**	**2020**
	$	**$**
Sales taxes and other receivable	(346,782)	(140,625)
Prepaid expenses and deposits	(91,642)	-
Accounts payable and accrued liabilities	(4,274)	170,621
	(442,698)	**29,996**

	For the year ended December 31,	
Net cash:	**2021**	**2020**
	$	**$**
Canadian dollars	1,489,286	5,492,705
Bank overdraft	-	(645,450)
Total	**1,489,286**	**4,847,255**

	For the year ended December 31,	
Other information not otherwise disclosed:	**2021**	**2020**
	$	**$**
Exploration and evaluation asset expenditures included in trade and other payables		
Beginning of period	97,544	-
End of period	546,613	97,544
Interest paid	420,000	260,102

25. COMMITMENTS AND CONTINGENCIES

Flow-through shares

The Company is partially financed through the issuance of flow-through shares, and accordingly, the Company is engaged to complete mining exploration activities. These tax rules also set deadlines for carrying out the exploration work no later than the first of the following dates:

a. Two years following the flow-through placements;
b. One year after the Company has renounced the tax deductions relating to the exploration work.

In September 2020, the Company received $1,700,000 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2020. As at December 31, 2021, this commitment is complete.

In December 2020, the Company received $1,998,115 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2020. As at December 31, 2021, $440,000 remains to be incurred by December 31, 2022.

Royalties

The Burkina Subsidiaries had a royalty with Stremco SA for 2% of the amount of gold sales, made above the price of $1,300 per ounce up to $2,000,000. As at December 31, 2020, royalties amounting to $216,122 were due.

In Burkina Faso, all shipments with gold prices lower or equal to US$1,000 per ounce are subject to a government royalty rate of between 3% and 5% (4% in 2020). For the year ended December 31, 2020, government royalties amounted to $ nil.

The Company sold the Burkina Subsidiaries on January 20, 2021 and the Company has been discharged of all responsibilities related to these royalties as at this date.

26. SUBSEQUENT EVENTS

North Shore Lithium Project
On April 19, 2022, the Company announced that a total of 300 claims (16,121 ha) were acquired or optioned (collectively, the "North Shore Lithium Project") in Quebec. The claim package includes an option agreement with Kintavar Exploration Inc. ("Kintavar") for their BJB property. The Company has signed a letter of intent ("LOI") to enter into a four-year option agreement to acquire 100% of the BJB property with the following terms:

- Total payment of $1,020,000 over the four-year period:
  - Cash of $20,000 upon signing of the agreement;
  - Payment of $100,000 at the first-year anniversary;
  - Payment of $200,000 at the second-year anniversary;
  - Payment of $300,000 at the third-year anniversary;
  - Payment of $400,000 at the fourth-year anniversary;
  - Each anniversary payment will be a combination of cash and shares with a minimum 20% in cash and up to a maximum of 80%.

- BRW will commit to the following exploration expenditures totaling $2,000,000 over the four-year period:
  - Expenditures of $150,000 at the first-year anniversary;
  - Expenditures of $250,000 at the second-year anniversary;
  - Expenditures of $400,000 at the third-year anniversary;
  - Expenditures of $1,200,000 at the fourth-year anniversary;

- 2% NSR of which the first 1% can be bought back for $1,000,000. BRW will retain a Right of First Refusal on the second 1% tranche.

- Additional milestone payments:
  - Payment of $250,000 upon completion of a Mineral Resource Estimate;
  - Payment of $750,000 upon completion of Preliminary Economic Assessment;
  - Each milestone payment will be a mixture of cash and shares with a minimum 20% in cash and up to a maximum of 80%.

Private Placement
On April 20, 2022, the Company announced a non-brokered private placements of up to $4,000,000, consisting of a combination of (i) 6,000,000 units of the Company (each, a "Unit") at a price of $0.175 per Unit and (ii) 10,000,000 Canadian flow-through shares of the Company (the "FT Shares"), at a price of $0.20 per FT Share (collectively, the "Offerings").

Each Unit will consist of one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant of the Company. Each whole warrant will entitle the holder thereof to acquire one Common Share at a price of $0.23 for a 24-month period following the closing date of the Offerings.

The Offerings are expected to close on or about May 11, 2022 or such other date as the Company may determine. The Offerings are conditional upon receipt of all required regulatory approvals, including the approval of the TSX-V.