

**BATHURST METALS CORP.**  
(An Exploration Stage Company)

**Condensed Interim Financial Statements**  
**Six Months Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)  
(Unaudited)

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**Notice of Disclosure of Non-auditor Review of the Interim Financial Statements  
For the Six Months Ended March 31, 2022**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements 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 interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**BATHURST METALS CORP.**  
**(An Exploration Stage Company)**  
**Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	March 31, 2022 (Unaudited)	September 30, 2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 53,712	\$ 59,970
Accounts receivable	5,609	33,685
Prepaid expenses (notes 10 & 12)	38,162	6,370
	97,483	100,025
<b>Non-Current</b>		
Reclamation bonds (note 6)	23,500	23,500
Mineral property interests (note 7)	560,600	545,625
	\$ 681,583	\$ 669,150
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 6)	\$ 43,818	\$ 259,617
Due to related parties (note 10)	2,957	43,691
	46,775	303,308
<b>Shareholders' Equity</b>		
<b>Capital Stock</b> (note 8)	9,238,312	8,789,254
<b>Share-Based Payments Reserve</b> (note 9)	1,978,071	1,890,271
<b>Reserves</b>	164,425	164,425
<b>Deficit</b>	(10,746,000)	(10,478,108)
	634,808	365,842
	\$ 681,583	\$ 669,150

Approved on behalf of the Board:

"Harold Forzley"	Director
Harold Forzley	
"Stephen Millen"	Director
Stephen Millen	

**BATHURST METALS CORP.****(An Exploration Stage Company)****Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	<b>3 months ended March 31, 2022</b>	<b>3 months ended March 31, 2021</b>	<b>6 months ended March 31, 2022</b>	<b>6 months ended March 31, 2021</b>
<b>Expenses</b>				
Accounting and audit	\$ 6,612	\$ 6,884	\$ 22,589	\$ 12,559
Consulting	18,000	25,000	36,000	49,000
Filing and listing fees	2,404	7,004	7,003	7,004
General and office (note 10)	4,045	340	4,380	1,905
Interest and bank charges	857	294	2,370	649
Investors relations	162	475	8,006	874
Legal	10,130	7,951	13,411	19,217
Management fees (note 10)	25,250	25,500	55,750	71,550
Marketing (note 12)	21,904	-	21,822	-
Meals and entertainment	941	966	3,485	1,770
Transfer agent fees	462	1,110	612	2,485
Travel	68	441	4,740	692
Interest income	(49)	(81)	(76)	(84)
Share-based payments (note 9)	87,800	-	87,800	639,450
<b>Loss and Comprehensive Loss for Period</b>	<b>\$ 178,586</b>	<b>\$ 75,884</b>	<b>\$ 267,892</b>	<b>\$ 807,071</b>
<b>Loss Per Share, Basic and Diluted</b>	<b>\$ (0.004)</b>	<b>\$ (0.002)</b>	<b>\$ (0.005)</b>	<b>\$ (0.019)</b>
<b>Weighted Average Number of Common Shares Outstanding, Basic and Diluted</b>	<b>50,769,650</b>	<b>44,834,835</b>	<b>48,901,518</b>	<b>43,500,908</b>

**BATHURST METALS CORP.**  
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**Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	Capital Stock						
	Number of Shares	Amount	Subscriptions Received	Share-Based Payments Reserve	Reserves	Deficit	Total
<b>Balance, September 30, 2020</b>	35,770,761	\$ 7,763,020	\$ 376,000	\$ 1,250,821	\$ 164,425	\$ (9,518,451)	\$ 35,815
Units issued for cash	9,110,000	920,000	(376,000)	-	-	-	544,000
Flow-through share issued	888,889	160,000	-	-	-	-	160,000
Share issue costs	-	(53,766)	-	-	-	-	(53,766)
Share-based payments	-	-	-	639,450	-	-	639,450
Net loss for the period	-	-	-	-	-	(807,071)	(807,071)
<b>Balance, March 31, 2021</b>	45,769,650	\$ 8,789,254	\$ -	\$ 1,890,271	\$ 164,425	\$ (10,325,522)	\$ 518,428
<b>Balance, September 30, 2021</b>	45,769,650	\$ 8,789,254	\$ -	\$ 1,890,271	\$ 164,425	\$ (10,478,108)	\$ 365,842
Units issued for cash (note 8)	5,000,000	500,000	-	-	-	-	500,000
Share issue costs (note 8)	-	(50,942)	-	-	-	-	(50,942)
Share-based payments	-	-	-	87,800	-	-	87,800
Net loss for the period	-	-	-	-	-	(267,892)	(267,892)
<b>Balance, March 31, 2022</b>	50,769,650	\$ 9,238,312	\$ -	\$ 1,978,071	\$ 164,425	\$ (10,746,000)	\$ 634,808

**BATHURST METALS CORP.**  
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**Statements of Cash Flows**  
**Six Months Ended March 31**  
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	2022	2021
<b>Operating Activities</b>		
Net loss for the period	\$ (267,892)	\$ (807,071)
Item not affecting cash		
Share-based payments	87,800	639,450
	(180,092)	(167,621)
Changes in non-cash working capital		
Accounts receivable	28,076	(10,296)
Prepaid expenses	(31,792)	1,337
Accounts payable and accrued liabilities	(215,799)	(17,501)
Due to related parties	(40,734)	4,127
<b>Cash Used in Operating Activities</b>	<b>(440,341)</b>	<b>(189,954)</b>
<b>Investing Activities</b>		
Acquisition of mineral property interests	(3,382)	(53,962)
Investment in mineral assets	(11,593)	(13,650)
<b>Cash Used in Investing Activities</b>	<b>(14,975)</b>	<b>(67,612)</b>
<b>Financing Activities</b>		
Repayment of loans payable	-	(105,315)
Proceeds on common share units issuance	500,000	544,000
Share subscriptions received	-	160,000
Share issue costs	(50,942)	(53,766)
<b>Cash Provided by Financing Activities</b>	<b>449,058</b>	<b>544,919</b>
<b>Increase (Decrease) in Cash</b>	<b>(6,258)</b>	<b>287,353</b>
<b>Cash, Beginning of Period</b>	<b>59,970</b>	<b>11,168</b>
<b>Cash, End of Period</b>	<b>\$ 53,712</b>	<b>\$ 298,521</b>
<b>Non-cash transaction:</b>		
Mineral property interest accrued in		
Accounts payable and accrued liabilities	\$ -	\$ 7,971
<b>Cash paid during the period for:</b>		
Income taxes	\$ -	\$ -
Interest	\$ 1,971	\$ 1,378

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**Notes to Condensed Interim Financial Statements**  
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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Bathurst Metals Corp. (the "Company") (formerly Pacific Cascade Minerals Inc.) was incorporated under the Business Corporations Act of British Columbia on January 24, 2006, and commenced trading on August 14, 2020 under the stock symbol "BMV". The Company is involved in the acquisition, exploration and development of mineral properties located in Nunavut, Canada. The Company's registered office is located at 700-1199 West Hastings Street, Vancouver, British Columbia V6E 3T5. The Company's shares trade on the TSX Venture Exchange ("TSXV"). On December 3, 2021, the Company was approved to trade in the US under the symbol "BMVVF" as an Over the Counter ("OTC") equity.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several adverse conditions may cast significant doubt on the validity of this assumption. The Company reported a net loss of \$267,892 for the six-month period ended March 31, 2022 (March 31, 2021 – \$807,071), and as at March 31, 2022 has a working capital of \$50,708 (September 30, 2021 – working capital deficit of \$203,283), an accumulated deficit of \$10,746,000 (September 30, 2021 – \$10,478,108), and to date has no source of revenue or operating cash flow.

The Company's ability to continue as a going concern is dependent on the Company being able to obtain the necessary financing to meet administrative overheads and to complete the acquisition, exploration, and development of its mineral property interests into profitable mining operations.

The Company has relied mainly upon the issuance of capital stock and loan arrangements to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of capital stock to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Since January 2020, the continuing outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. This may impact the Company's ability to obtain additional financing to support exploration activities.

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**2. BASIS OF PREPARATION**

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the Board of Directors and authorized for issue on May XX, 2022.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information.

(c) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

(d) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Actual results could differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgment and assumptions applied in the preparation of these financial statements and other major sources of measurement uncertainty are discussed in note 4.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies used in the preparation of these financial statements:

(a) Equipment

Equipment over \$5,000 is capitalized and recorded at cost less accumulated amortization and impairment charges. Equipment with cost under \$5,000 is expensed in the Statement of Loss and Comprehensive Loss when incurred. For equipment capitalized, management reviews the estimated useful life and amortization method on an annual basis. Changes to the useful life or amortization method resulting from such review are accounted for prospectively.



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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(b) Mineral property interests

All costs related to the acquisition, exploration and development of mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred resource property expenditures are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, any amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

(c) Provisions for decommissioning and restoration liabilities

The Company recognizes an estimate of the liability associated with a decommissioning and restoration obligation in the financial statements at the time the liability is incurred. The estimated fair value of the decommissioning and restoration obligation is recorded as a liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to operations in the period. The decommissioning and restoration obligation can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the decommissioning and restoration obligation are charged against the decommissioning and restoration obligation to the extent of the liability recorded.

(d) Equity units

Proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the proceeds are firstly allocated to common shares based on the trading price on the date of issue of the units and the balance, if any, allocated to the attached share purchase warrants.

(e) Flow-through shares

Flow-through shares entitles a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

The Company allocates proceeds received first to share capital based on the trading price on the date of issue, and any excess is allocated to flow-through premium liability.

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(e) Flow-through shares (Continued)

For a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Share capital – the trading price of the common share;
- Warrant reserve – based on the valuation derived using the Black-Scholes option pricing model; and
- Flow-through premium liability – any excess, recorded as liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are charged to operations and flow-through premium, if any, is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

(f) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of capital stock. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to capital stock along with any consideration paid.

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(f) Share-based payments (Continued)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(g) Earnings (loss) per share

Earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(h) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Deferred tax assets and liabilities are measured using substantively enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially enacted. The amount of deferred income tax assets is limited to the amount of the benefit that is probable of being realized.

(i) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the statement of financial position date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenue and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included profit or loss.

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(j) Financial instruments

Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at fair value through profit or loss*

Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with changes in fair value therein, recognized in profit or loss.

The Company classifies cash as fair value through profit or loss.

*Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method.

There are no financial assets classified as measured at amortized cost.

*Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at fair value through other comprehensive income is carried in the statement of financial position with changes in fair value in other comprehensive income.

There are no financial assets classified as measured at FVTOCI.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(j) Financial instruments (Continued)

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

The Company's financial liabilities included accounts payable and accrued liabilities and balance due to related parties. These are measured at amortized cost.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash, accounts payable and accrued liabilities, loans payable, and balances due to related parties. Their carrying values approximate the fair values due to short-term maturity of these instruments.

**4. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

***Critical judgments***

The Company has made the following critical judgments, apart from those involving estimations, in the process of applying its accounting policies that have the most significant effect on the amounts recognized in the financial statements:

***Going concern***

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. See note 1 for more information.

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**4. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**

***Critical judgments*** (Continued)

*Impairment of mineral property interests*

The Company's mineral property interests represent acquisition costs and exploration expenditures relating to the Company's mineral properties. At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the greater of the asset's value in use and fair value less costs to sell. The Company considers both external and internal sources of information in assessing whether there are any indications that the Company's mineral property interests are impaired.

***Key sources of estimation uncertainty***

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that may have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

*Provision for decommissioning*

An obligation to incur future reclamation, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. As at March 31, 2022 and September 30, 2021, management has determined that the Company has an obligation for decommissioning of \$20,000 included in accounts payable and accrued liabilities.

*Income taxes*

In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

*Share-based payments*

Assumptions are used in determining share-based payments. The fair value of stock options and warrants are subject to the limitation of the Black-Scholes option pricing model that requires market data and estimates used by the Company in the assumptions. These inputs are subjective assumptions and changes in these inputs can materially affect the fair value estimated.

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**5. RISK MANAGEMENT**

The Company's risk exposures are summarized below.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk on its financial instruments.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk exists with respect to the Company's cash of \$53,712 (September 30, 2021 - \$59,970), and the Company's reclamation bonds and deposit of \$23,500 (September 30, 2021 - \$23,500), which are held at a single major Canadian financial institution.

Credit risk is minimized by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade rating by a primary ratings agency.

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**5. RISK MANAGEMENT (Continued)**

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at March 31, 2022, the Company has cash of \$53,712 (September 30, 2021 - \$59,970) available to settle current liabilities of \$46,775 (September 30, 2021 - \$303,308).

The Company's accounts payable and amounts due to related parties are due in the short term (0 to 3 months).

As at March 31, 2022, there is sufficient cash balance to meet obligations. The Company will be required to raise additional capital in order to fund its operations and liabilities as they come due.

**6. RECLAMATION BONDS**

Pursuant to government regulations, and as a condition of undertaking mineral property exploration activities, the Company is obligated to provide specified amounts of security ("reclamation bonds") against potential future rehabilitation costs for the Crack Moly mineral property that had been previously written off as impaired.

The Company has pledged two guaranteed investment certificates as reclamation bonds with the following terms:

	Interest Rate	Maturity Date	Amount
Bank of Montreal	Prime less 2.4%	January 11, 2023	\$ 20,000 <sup>1</sup>
Bank of Montreal	0.3%	July 14, 2022	3,500
			\$ 23,500

<sup>1</sup> The Company estimated that the undiscounted value of its site restoration obligation for Crack Moly minerals property amounts to \$20,000 and has recognized a decommissioning liability in accounts payable and accrued liabilities. As it is uncertain when reclamation activities are to occur, a discount rate has not been applied to correspond with the impact of the passage of time.



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**7. MINERAL PROPERTY INTERESTS**

The Company incurred the following acquisition and exploration expenditures:

Acquisition Costs	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Balance, September 30, 2020	\$ 9,436	\$ 9,436	\$ 103,832	\$ -	\$ 122,704
Staking	-	-	9,141	4,509	13,650
Balance, September 30, 2021	\$ 9,436	\$ 9,436	\$ 112,973	\$ 4,509	\$ 136,354
Staking	-	-	-	3,382	3,382
Balance, March 31, 2022	\$ 9,436	\$ 9,436	\$ 112,973	\$ 7,891	\$ 139,736

  

Exploration Costs	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Balance, September 30, 2020	\$ -	\$ -	\$ 44,885	\$ -	\$ 44,885
Assay	514	514	5,845	5,143	12,016
Field expenses	21	21	1,871	225	2,138
Geological consulting	2,932	2,932	45,216	35,126	86,206
Legal	-	-	3,128	-	3,128
Reports	-	-	4,900	-	4,900
Transportation	6,635	6,635	128,704	82,770	224,744
Travel	1,414	1,414	13,250	15,176	31,254
Balance, September 30, 2021	\$ 11,516	\$ 11,516	\$ 247,799	\$ 138,440	\$ 409,271
Assay	176	-	124	428	728
Geological consulting	375	375	6,778	3,067	10,595
Storage	32	37	123	78	270
Balance, March 31, 2022	\$ 12,099	\$ 11,928	\$ 254,824	\$ 142,013	\$ 420,864

  

As at March 31, 2022	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Acquisition	\$ 9,436	\$ 9,436	\$ 112,973	\$ 7,891	\$ 139,736
Exploration	12,099	11,928	254,824	142,013	420,864
Total	\$ 21,535	\$ 21,364	\$ 367,797	\$ 149,904	\$ 560,600

  

As at September 30, 2021	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Acquisition	\$ 9,436	\$ 9,436	\$ 112,973	\$ 4,509	\$ 136,354
Exploration	11,516	11,516	247,799	138,440	409,271
Total	\$ 20,952	\$ 20,952	\$ 360,772	\$ 142,949	\$ 545,625

During the six months ended March 31, 2022, the Company incurred assay costs of \$728, \$10,595 for geological consultant fees for consulting, organizing of mineral samples and geological data compilation and \$270 for storage costs for core samples.

(a) Gela Lake Project, Nunavut, Canada

The 100% Company-owned Gela Lake Project ("Gela") consisted of two (2) claim blocks that cover 3,116.39 staked hectares, originally staked on November 17, 2019. Fieldwork during August 2021 focused on only the south-central portion of the project area with assay results from 10 rock grab samples identifying consistent higher-grade copper, bismuth, and

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**7. MINERAL PROPERTY INTERESTS (Continued)**

(a) Gela Lake Project, Nunavut, Canada (Continued)

molybdenum values along the western contact of the intrusive where the Bathurst fault is projected to occur.

The claims are in good standing until December 9, 2022.

(b) McAvoy Lake Project, Nunavut, Canada

The 100% Company-owned McAvoy Lake Project ("McAvoy") consists of three (3) claim blocks that cover 3,661.75 staked hectares. The McAvoy consists of the M1 to M3 mineral claims. The M1 claim was part of the option agreement dated September 11, 2018 with Declan Cobalt Inc. (as described in the Turner Lake Project section below). The M2/M3 mineral claims were staked by the Company on November 17, 2019.

In August 2021, geologists visited the site completing geological mapping and structural analysis along the shear zone and over the Archean Age intrusive. Rock samples were also collected in one area where the intrusive is in contact with the shear zone.

The claims are in good standing until November 9, 2022.

(c) Turner Lake/TED Project, Nunavut, Canada

On September 11, 2018, the Company entered into an agreement with Canadian Palladium Resources Inc. (formerly Declan Cobalt Inc.) (the "Vendor") to purchase a 100% interest in the T1 mineral claim on the Turner Lake Project ("Turner Lake") located in Nunavut. Under the terms of the agreement, the Company agreed to purchase a 100% right title and interest in Turner Lake in exchange for 333,333 common shares (issued on July 28, 2020 at a fair market value of \$45,000) of the Company which were delivered to the Vendor within 10 days after the Company received regulatory approval (the "Completion Date"). There is a 1% net smelter return ("NSR") reserved on only the T1 mineral claim by the original property owners of Turner Lake, which may be purchased for \$1,000,000 (cash) at any time after commercial production.

The Company then staked the T2/T3 mineral claims as part of Turner Lake on November 16, 2019.

During the 2020 fiscal year, the Company reimbursed the Vendor for expenses on exploration, evaluation and development activities totaling \$46,721 (paid).

The T1 and the T2/T3 claims are in good standing until November 9 and December 9, 2022 respectively.

The TED Project ("TED") was acquired by staking on February 1, 2021 the T4-T6 mineral claims covering 2,644 hectares. The company's 100% owned property is adjacent to the company's 100% owned Turner Lake Project. These projects are located approximately 60 kilometers north-northwest of the community of Bathurst Inlet in the Kitikmeot District of western Nunavut, Canada. The project area covers an eight (8) kilometre strike length of iron formations contained within upper greenschist to lower amphibolite facies.

The TED claims are in good standing until February 1, 2023.

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**7. MINERAL PROPERTY INTERESTS (Continued)**

(d) McGregor/Speers Lake Project Nunavut, Canada

The 100% Company-owned McGregor Lake Project ("McGregor") and Speers Lake Project ("Speers") consists of 12 claim blocks that cover 14,584.24 staked hectares, physically staked on September 1, 2020. The claims cover the Muskox intrusion from McGregor Lake south to the Coppermine River and extend to cover the intrusion's contact with the Archean Age, metavolcanics, and sediments.

The summer 2021 fieldwork consisted of geological mapping, rock sampling and structural analysis. Data compilation of historic data (collected and processed by Adriana Resources Ltd. (2005-2008) and MIE Metals Corp. (2009 – 2018)) has provided an additional model for mineralization at the McGregor and this data will be layered into the future modeling on McGregor.

The McGregor and Speers claims are in good standing until September 25, 2022.

(e) Environmental

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company currently has an obligation on a property (note 6) related to the Crack Moly mineral property.

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

(f) Title to mineral property interests

Although the Company has taken steps to ensure the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior arrangements or transfers and title may be affected by undetected defects.

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**7. MINERAL PROPERTY INTERESTS (Continued)**

(g) Realization of assets

Realization of the Company's investment in mineral property interests is dependent upon the establishment of legal ownership, the attainment of successful production from the mineral property interests or from the proceeds of disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

**8. CAPITAL STOCK**

(a) Authorized

Unlimited number of common shares without par value.

Unlimited number of Class A cumulative shares with a par value of \$1 per share and with special rights and restrictions.

Unlimited number of Class B non-cumulative shares with a par value of \$5 per share and with special rights and restrictions.

(b) Shares issued

Units issued for cash

On October 21, 2020, the Company completed a private placement for gross proceeds of \$821,000 for 8,210,000 units at \$0.10 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at \$0.18 expiring from one year of closing (See Note 9(c)). The Company paid share issue costs of \$30,450 for finder's fees, \$13,127 for legal and filing fees and \$1,105 for transfer agent fees (See Note 9, with respect to TSXV approval to extend the warrant expiry date from October 21, 2021 to October 21, 2022).

On February 22, 2021, the Company completed a private placement for gross proceeds of \$99,000 for 900,000 units at \$0.11 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at \$0.18 expiring one year from closing (See Note 9(c)). The Company paid share issue costs of \$6,067 for legal, filing and transfer agent fees. The 900,000 share purchase warrants expired, unexercised during the quarter.

On December 7, 2021, the Company completed a private placement for gross proceeds of \$500,000 for 5,000,000 units at \$0.10 per Unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at \$0.15 expiring one year from closing (See Note 9(c)). The Company paid share issue costs of \$33,250 for finder's fees, \$17,364 for legal and filing fees and \$328 for transfer agent fees.

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**9. STOCK OPTIONS AND WARRANTS**

(a) Stock option plan

The Company adopted a stock option plan on April 20, 2012 (the "2012 Plan"). The 2012 Plan provides that the aggregate number of securities reserved for issuance, set aside, and made available for issuance, may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options including all options granted by the Company to date.

The option price under each option is subject to a minimum of \$0.10 per share and shall not be less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded and shall not be more than ten years after the grant date. Options granted to consultants engaged in investor relations activities shall vest in stages over a minimum period of twelve months with no more than 25% of the options vesting in any three-month period. All other options granted shall vest immediately.

(b) Stock options

A continuity schedule of the Company's outstanding stock options under the stock option plan is as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance at September 30, 2020	833,333	\$0.300
Granted	4,350,000	\$0.125
Cancelled	(833,333)	(\$0.300)
Balance at September 30, 2021	4,350,000	\$0.125
Expired	(800,000)	(\$0.125)
Issued	1,000,000	\$0.125
Balance at March 31, 2022	4,550,000	\$0.125

As at March 31, 2022, the Company had the following stock options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Average Fair Value at Grant Date	Remaining Contractual Life	Options Exercisable
November 5, 2030	\$ 0.125	3,550,000	\$ 0.147	8.61	3,550,000
January 27, 2032	\$ 0.125	1,000,000	\$ 0.088	9.83	1,000,000
		4,550,000		8.88	4,550,000

As at September 30, 2021, the Company had the following stock options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Average Fair Value at Grant Date	Remaining Contractual Life	Options Exercisable
November 5, 2030	\$0.125	4,350,000	\$ 0.147	9.10	4,350,000

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**9. STOCK OPTIONS AND WARRANTS (Continued)**

(b) Stock options (Continued)

The total fair value of the incentive options was calculated using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

Risk-free interest rate	1.76%
Expected volatility	144%
Expected life	10 years
Expected dividend yield	-
Share price	\$ 0.090
Exercise price	\$ 0.125
Expected forfeitures	0.00%

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of the company's stock for a length of time equal to the expected life of the options.

Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0.00% in determining the expense recorded in the accompanying statements of comprehensive loss.

The fair value of the incentive options during the period ended March 31, 2022 of \$87,800 (March 31, 2021 - \$639,450) was recognized as share-based payments. The balance consists of \$35,120 (March 31, 2021 - \$338,100) to directors and officers and \$52,680 (March 31, 2021- \$301,350) to consultants.

During the six months period ended March 31, 2022, 1,000,000 stock options were granted to an officer and consultants with an exercise price of \$0.125 per share with an expiry date of January 27, 2032. In addition, 800,000 stock options with an exercise price of \$0.125 expired as the consultants no longer provide services to the Company.

(c) Warrants

On October 21, 2020, the Company issued 8,210,000 warrants in connection with the unit private placement. Each warrant is exercisable for one common share at \$0.18 per share with an expiry of one year from the date of issuance.

On February 22, 2021, the Company issued 900,000 warrants in connection with the unit private placement. Each warrant is exercisable for one common share at \$0.18 per share with an expiry of one year from the date of issuance. These warrants expired unexercised as at February 22, 2022.

On December 7, 2021, the Company issued 5,000,000 warrants in connection with the unit private placement. Each warrant is exercisable for one common share at \$0.15 per share with an expiry of one year from the date of issuance.

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**9. STOCK OPTIONS AND WARRANTS (Continued)**

(c) Warrants (Continued)

A continuity schedule of the Company's outstanding warrants is as follows:

	<b>Number Outstanding</b>	<b>Weighted Average Exercise Price</b>
Balance at September 30, 2020	2,990,000	\$ 0.05
Issued – warrants for private placements	9,110,000	0.18
Balance at September 30, 2021	12,100,000	0.15
Issued – warrants for private placement	5,000,000	0.15
Expired	(900,000)	0.18
Balance at March 31, 2022	16,200,000	\$ 0.15

  

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Warrants Outstanding</b>	<b>Remaining Contractual Life (yrs.)</b>
October 21, 2022 (*)	\$0.18	8,210,000	0.81
December 7, 2022	\$0.15	5,000,000	0.93
February 12, 2023	\$0.05	2,990,000	1.15
		16,200,000	0.87

(\*) On October 14, 2021, the Company obtained approval from the TSXV to extend the expiry date of 8,210,000 warrants with expiry date of October 21, 2021 to October 21, 2022.

**10. RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise disclosed in the financial statements are as follows:

(a) Key management compensation

Management fees expense during the six months ended March 31, 2022 totaled \$55,750 (six months ended March 31, 2021 - \$71,550). \$36,000 (six months ended March 31, 2021 - \$45,000) was expensed to an officer of the Company and \$19,750 (six months ended March 31, 2021 - \$26,550) was expensed to companies controlled by officers of the Company. At March 31, 2022, \$2,156 of management fees to the CFO were accrued and included in due to related parties (six months ended March 31, 2021 - \$Nil).

Geological consultant fees capitalized include \$7,350 (September 30, 2021 - \$9,750) to a company controlled by an officer of the Company. As at March 31, 2022, the amount due to the company controlled by the President of the Company totaled \$Nil (September 30, 2021 - \$10,446).

Share-based payment expenses for the six months ended March 31, 2022 consist of \$Nil (six months ended March 31, 2021 - \$235,200) for directors and \$35,120 (six months ended March 31, 2021 - \$102,900) for an officer of the Company.

The Company has no termination benefits, post-employment benefits and other long-term employee benefits.

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**10. RELATED PARTY TRANSACTIONS (Continued)**

(b) Expenses paid by related parties

For the six months period ended March 31, 2022, expenses paid by related parties totaled \$27,243 (six months ended March 31, 2021 - \$16,398). These expenditures consist of \$667 (September 30, 2021 - \$72,830) capitalized in mineral property interests, \$245 in prepaid expenses, \$3,577 (September 30, 2021 - \$Nil) in share issued costs and the remaining \$22,754 (March 31, 2021 - \$23,395) have been expensed in the income statement. As at March 31, 2022, reimbursement for expenses payable to a director totaled \$660 (September 30, 2021 - \$15,645), \$9 (September 30, 2021 - \$Nil) payable to the President of the Company, \$2,288 (September 30, 2021 - \$Nil) payable to a company controlled by the CFO and \$Nil (September 30, 2021 - \$Nil) payable to a company controlled by the President of the Company.

**11. CAPITAL DISCLOSURE**

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock and loan arrangements.

Capital requirements are driven by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company strictly monitors actual expenses to budget on all exploration projects and overhead to ensure costs are controlled, commitments are met, and exploration activities are completed.

The Company considers its capital under management to be its capital stock and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

**12. COMMITMENT FOR EXPENDITURES**

In November 2021, the Company entered into an agreement for a marketing campaign for 13 months for \$36,000. As at March 31, 2022, \$25,250 has been paid with \$14,383 allocated to prepaid expenses and \$10,867 recorded in marketing expenses. The remainder of the contract balance of \$10,750 is due in two equal payments of \$5,375 due on June 2, 2022 and September 2, 2022.

**13. OPERATING SEGMENTS**

The Company has one industry segment, the exploration and development of mineral property interests. During the period ended March 31, 2022, the Company operated in one geographic segment in Canada.