Torrent Gold Inc. (formerly Raindrop Ventures Inc.)

Consolidated Financial Statements

For the years ended January 31, 2022 and 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Torrent Gold Inc. (formerly Raindrop Ventures Inc.)

Opinion

We have audited the accompanying consolidated financial statements of Torrent Gold Inc. (formerly Raindrop Ventures Inc.) (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As at January 31, 2022, the Company has an accumulated deficit of $1,813,722 and has not generated any revenues since inception and expects to incur further losses in the development of its business. The ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 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 Company 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 Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

May 26, 2022

Torrent Gold Inc. (formerly Raindrop Ventures Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note	January 31, 2022	January 31, 2021
ASSETS			
Current assets			
Cash		$ 1,015,792	$ 65,640
Receivables	4	18,172	8,419
Prepaids		2,769	37,272
Total current assets		1,036,733	111,331
Non-current assets			
Exploration and evaluation assets	5	1,243,992	239,530
Reclamation bond	5	30,072	30,072
Total assets		$ 2,310,797	$ 380,933
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 31,964	$ 15,828
Due to related parties	6	1,250	341
Loan payable		-	9,200
Total current liabilities		33,214	25,369
Shareholders' equity			
Share capital	7	3,575,836	849,786
Reserves	7	515,469	162,979
Deficit		(1,813,722)	(657,201)
Total shareholders' equity		2,277,583	355,564
Total liabilities and shareholders' equity		$ 2,310,797	$ 380,933

Going concern (Note 2)
Subsequent events (Note 11)

Approved and authorized for issuance by the Board of Directors on May 26, 2022:

"*Alexander Kunz*"
Director

"*Satvir Dhillon*"
Director

(The accompanying notes are an integral part of these consolidated financial statements)

Torrent Gold Inc. (formerly Raindrop Ventures Inc.)

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended January 31, 2022	2021
OPERATING EXPENSES		
Accounting and audit (Note 6)	$ 82,043	$ 81,400
Consulting fees (Note 6)	89,337	73,937
Legal fees	56,771	25,458
Management fees (Note 6)	187,535	60,000
Marketing	163,340	44,354
Office and administration (Note 6)	61,531	37,194
Project investigation costs	128,792	33,063
Share-based payments (Notes 6, 7)	387,172	127,620
Travel and accommodation	-	7,718
Write-down of exploration and evaluation assets (Note 5)	-	15,000
Loss and comprehensive loss for the year	$(1,156,521)	$ (505,744)
Basic and diluted loss per share	$ (0.06)	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	19,919,027	11,857,769

(The accompanying notes are an integral part of these consolidated financial statements)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, January 31, 2020	11,825,949	$ 828,555	$ 44,010	$ (151,457)	$ 721,108
Exercise of warrants	62,900	21,231	(8,651)	-	12,580
Share-based payments	-	-	127,620	-	127,620
Loss for the year	-	-	-	(505,744)	(505,744)
Balance, January 31, 2021	11,888,849	849,786	162,979	(657,201)	355,564
Issuance of common shares	6,250,000	2,000,000	-	-	2,000,000
Share issuance costs	-	(28,768)	-	-	(28,768)
Shares issued for exploration and evaluation assets	2,006,703	642,145	-	-	642,145
Exercise of warrants	280,475	105,427	(31,269)	-	74,158
Exercise of stock options	19,166	7,246	(3,413)	-	3,833
Share-based payments	-	-	387,172	-	387,172
Loss for the year	-	-	-	(1,156,521)	(1,156,521)
Balance, January 31, 2022	20,445,193	$ 3,575,836	$ 515,469	$(1,813,722)	$ 2,277,583

(The accompanying notes are an integral part of these consolidated financial statements)

Torrent Gold Inc. (formerly Raindrop Ventures Inc.)
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	Years ended January 31, 2022	2021
OPERATING ACTIVITIES		
Loss for the year	$ (1,156,521)	$ (505,744)
Items not involving cash:		
Share-based payments	387,172	127,620
Write-down of exploration and evaluation assets	-	15,000
Changes in non-cash operating working capital:		
Receivables	(9,753)	1,361
Prepaids	34,503	(37,272)
Accounts payable and accrued liabilities	16,136	(7,589)
Due to related parties	909	(910)
	(727,554)	(407,534)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	2,000,000	-
Share issuance costs	(28,768)	-
Proceeds from exercise of warrants	74,158	12,580
Proceeds from stock options exercised	3,833	-
Repayment of loans payable	(9,200)	-
	2,040,023	12,580
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(362,317)	(92,588)
Reclamation bond	-	(30,072)
	(362,317)	(122,660)
Change in cash	950,152	(517,614)
Cash, beginning of the year	65,640	583,254
Cash, end of the year	$ 1,015,792	$ 65,640

Supplemental Cash Flow Information:

During the year ended January 31, 2022, the Company:

- Issued 2,006,703 common shares at a fair value of $642,145 for exploration and evaluation assets.
- Transferred $31,269 from reserves to share capital on the exercise of agent’s warrants.
- Transferred $3,413 from reserves to share capital on the exercise of stock options.

During the year ended January 31, 2021, the Company:

- Transferred $8,651 from equity reserves to share capital on the exercise of agent’s warrants.

Interest paid	$ –	$ –
Income taxes paid	$ –	$ –

(The accompanying notes are an integral part of these consolidated financial statements)

1. NATURE AND CONTINUANCE OF OPERATIONS

Torrent Gold Inc. (formerly Raindrop Ventures Inc.) (the "Company") is a resource exploration company focused on acquiring and exploring resource properties in the USA.

The Company was incorporated on February 14, 2018 under the laws of British Columbia. The Company's head office is Suite 250, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7 and the Company's registered office is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company is listed on the Canadian Securities Exchange under the symbol "TGLD" and the Frankfurt Stock Exchange ("FRA") under the trading symbol RV0.

On March 30, 2022, all issued and outstanding common shares of the Company were consolidated on a 2:1 basis. All references to share, option, warrant and per share amounts have been retroactively restated to reflect the share consolidation.

The consolidated financial statements are presented in Canadian dollars, which is the Company and its wholly owned subsidiary's functional currency.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position; and
2) deferred income tax asset valuation allowances.

2. BASIS OF PREPARATION (continued)

Carrying value and recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses, which in turn impacted the Company's abilities to continue with any drilling program or raise the necessary funds. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

Going concern

These consolidated financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2022, the Company has an accumulated deficit of $1,813,722 and has not generated any revenues since inception and expects to incur further losses in the development of its business. The ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. BASIS OF PREPARATION (continued)

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Raindrop Ventures USA, Inc. which was incorporated in Nevada, USA on February 16, 2021. All significant intercompany balances and transactions have been eliminated upon consolidation.

Subsidiaries

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

The subsidiaries of the Company are as follows:

Name of subsidiary	Incorporation	Interest January 31, 2022	Interest January 31, 2021
Raindrop Ventures USA, Inc.	Nevada, USA	100%	Nil

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and evaluation assets

Pre-exploration costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures
Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration, and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of operations.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation, and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

Impairment of non-current assets

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of operations.

Share-based payments

The Company grants stock options to purchase common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods and services rendered.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	IFRS 9 Classification
Cash	FVTPL
Receivables	Amortized cost
Accounts payables and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loan payable	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information

4. RECEIVABLES

	January 31, 2022	January 31, 2021
Goods and services tax ("GST") receivable	$ 18,172	$ 8,419
Total	**$ 18,172**	**$ 8,419**

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Nevada Gold Project, USA	Clover Mountain Property, USA	Silver Star Property, Canada	*Total*
Balance, January 31, 2020	**$ -**	**$ 148,169**	**$ 15,000**	**$ 163,169**
Expenditures during the year:				
Claims, leases and permits	-	9,290	-	9,290
Consulting and professional	-	54,838	-	54,838
Geophysics and geology	-	768	-	768
Trenching and sampling	-	26,465	-	26,465
Total expenditures	-	91,361	-	91,361
Write-down of exploration and evaluation assets	-	-	(15,000)	(15,000)
Balance, January 31, 2021	-	239,530	-	239,530
Expenditures during the year:				
Acquisition Costs	705,575	-	-	705,575
Claims, leases and permits	76,734	12,664	-	89,398
Consulting and professional	118,686	-	-	118,686
Field work	-	7,755	-	7,755
Geophysics and geology	12,621	8,355	-	20,976
Trenching and sampling	-	57,255	-	57,255
Travel and accommodation	4,817	-	-	4,817
Balance, January 31, 2022	**$ 918,433**	**$ 325,559**	**$ -**	**$ 1,243,992**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Nevada Gold Project, Nevada, USA

In March 2021, the Company closed the acquisition of an exploration portfolio consisting of three 100%-owned properties (Anchor, Stateline and Sandy) and three 49%-owned properties (Brik, Easter and Viper) (together, the "Properties") from Liberty Gold Corp. ("Liberty Gold"). In consideration for the Properties, the Company paid and issued to Liberty Gold $63,430 (US$50,000) in cash and 2,006,703 common shares of the Company at a fair value of $642,145, representing 9.9% of the Company's issued and outstanding common shares on a post-closing basis at the time of the transaction. Liberty Gold also retained a 1.5% net smelter return royalty on certain of the Properties.

Clover Mountain Property, Idaho, USA

On September 1, 2018, the Company entered into a purchase agreement with Daniel Kunz and Associates, LLC to purchase 100% of the Clover Mountain property consisting of claims in Idaho, USA for 3,241,950 common shares of the Company at a fair value of $129,678. Subsequent to the purchase agreement on September 1, 2018, Daniel Kunz became a director of the Company.

The Company held a reclamation bond for $30,072 at January 31, 2022 (2021 - $30,072).

5. EXPLORATION AND EVALUATION ASSETS (continued)

Silver Star Property, BC, Canada

On June 14, 2018, the Company entered into an option agreement to acquire a 100% interest in the Silver Star property (the "Property") with Glacier Lake Resources Inc., a company with common directors and officers.

During the year ended January 31, 2021, the Company terminated its option to acquire the Silver Star Property and recorded a write-down of exploration and evaluation assets of $15,000.

6. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the year ended January 31, 2022, the Company incurred the following charges with related parties that include officers, directors, key management or companies with common directors of the Company as follows:

a) Incurred management fees of $187,535 (2021 - $Nil), consulting fees of $Nil (2021 - $60,000) and capitalized consulting and professional fees of $90,664 (2021 - $54,838) to a company controlled by a director of the Company. As at January 31, 2022, $Nil was owed to this company (2021 - $Nil).
b) Incurred consulting fees of $60,000 (2021 - $Nil) and management fees of $Nil (2021 - $60,000) to a company controlled by a director and officer of the Company. As at January 31, 2022, $Nil was owed to this company (2021 - $Nil).
c) Incurred accounting fees of $60,000 (2021 - $60,000) and office and administration of $5,655 (2021 - $3,252) to a firm where a director and officer of the Company is a partner. As at January 31, 2022, $1,250 was owed to this firm (2021 - $341).

During the year ended January 31, 2022, the Company granted 700,000 (2021 - 1,370,000) stock options to its directors of which $329,028 (2021 - $99,340) was recognized during the year ended January 31, 2022 (Note 7).

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares without par value

Escrowed shares: 1,912,500 common shares subject to the release schedule of 10% to be released upon the date of listing on the Canadian Securities Exchange (the "CSE") and an additional 15% are to be released every 6 months thereafter until all the escrowed shares have been released 36 months following the date of listing on the CSE. As at January 31, 2022 there were 555,062 common shares in escrow (2021 – 1,111,124 common shares).

During the year ended January 31, 2022 the Company:

(a) Completed a private placement of 6,250,000 units of the Company at a price of $0.32 per unit for gross proceeds of $2,000,000. Each unit consists of one common share and one half of one non-transferable common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.54 per share expiring February 12, 2024. The Company paid $28,768 of share issuance costs in relation to the financing.
(b) Issued 2,006,703 common shares at a fair value of $642,145 for exploration and evaluation assets.
(c) Issued 280,475 common shares from the exercise of warrants for $74,158.
(d) Issued 19,166 common shares from the exercise of stock options for $3,833.

During the year ended January 31, 2021 the Company:

(a) Issued 62,900 common shares from the exercise of warrants for proceeds of $12,580.

Stock Options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's shares on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

During the year ended January 31, 2022, the Company granted 125,000, 300,000 and 450,000 incentive stock options exercisable at a price of $0.60, $0.40 and $0.72 (2021 – 880,000 at $0.20) . The incentive stock options were granted to officers, directors and consultants of the Company.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price $
Balance, January 31, 2020	-	-
Granted	880,000	0.20
Balance, January 31, 2021	880,000	0.20
Granted	875,000	0.60
Exercised	(19,166)	0.20
Expired	(38,334)	0.20
Balance, January 31, 2022	1,697,500	0.40
Exercisable, January 31, 2022	1,314,167	0.32

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

As at January 31, 2022, the following options were outstanding:

Number of options outstanding	Exercise price $	Expiry date
125,000	0.60	October 7, 2024
822,500	0.20	February 14, 2025
300,000	0.40	February 1, 2026
450,000	0.72	October 27, 2026
1,697,500		

The weighted average fair value of each stock option granted during the year ended January 31, 2022 was $0.60 (2021 - $0.20).

The share-based payments expense recognized during the year ended January 31, 2022 was $358,093 (2021 - $127,620) calculated using the Black-Scholes Option Pricing Model on the grant date using the following weighted average assumptions:

	Year ended January 31, 2022	Year ended January 31, 2021
Risk-free interest rate	1.03%	1.37%
Expected life (in years)	4.71	5
Expected volatility	142%	142%
Dividend rate	0%	0%

Due to board decision to accelerate vesting, the Company recognized additional $29,079 of share-based compensation on prior year options.

Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, January 31, 2020	320,000	0.20
Exercised	(62,900)	0.20
Balance, January 31, 2021	257,100	0.20
Exercised	(280,475)	0.26
Issued	3,125,000	0.54
Expired	(29,750)	0.20
Balance, January 31, 2022	3,071,875	0.54

As at January 31, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
3,071,875	0.54	February 12, 2024
3,071,875		

8. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at January 31, 2022, the Company is not subject to externally imposed capital requirements.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at January 31, 2022, the Company had a cash balance of $1,015,792 and current liabilities of $33,214. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. Receivables are comprised of GST refunds from the Canadian government. The carrying amount of financial assets represents the maximum credit exposure.

(d) Currency risk

The Company and its wholly owned subsidiary's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(e) Interest rate risk

The Company is not exposed to interest rate risk.

(f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

(g) Fair values

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair values of other financial instruments, including receivables, due to related parties, loan payable and accounts payable and accrued liabilities, are equal to their carrying values due to the short-term nature of these instruments.

9. SEGMENTED INFORMATION

Industry information

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets.

Geographic information

The Company operates in both Canada and the United States. The Company's exploration and evaluation assets and reclamation bond are located in the United States.

10. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
Loss for the year	$ (1,156,521)	$ (505,744)
Expected tax recovery	(312,000)	(137,000)
Permanent differences and other	104,000	36,000
Share issue cost	(8,000)	-
Change in unrecognized deferred income tax assets	216,000	101,000
Income tax provision	$ -	$ -

(Expressed in Canadian Dollars)

10. INCOME TAXES (continued)

Details of deferred income tax assets and liabilities are as follows:

		2022		2021
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	4,000	$	4,000
Share issue costs		30,000		35,000
Non-capital losses available for future periods		383,000		162,000
		417,000		201,000
Unrecognized deferred income tax assets		(417,000)		(201,000)
Net deferred income tax asset	$	-	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

		2022		2021	Expiry Date Range
Share issue costs	$	112,000	$	134,000	2041 to 2045
Exploration and evaluation assets		15,000		15,000	Not applicable
Non-capital losses available for future periods		1,420,000		600,000	2039 to 2042

11. SUBSEQUENT EVENTS

Subsequent to January 31, 2022, the Company:

a) Entered into a letter of intent ("LOI") to acquire 100% of the Jessup gold-silver exploration project (the "Project") in Churchill County, Nevada from JMX, LLC, an arms-length private company ("Owner"). Pursuant to the LOI, the Company must undertake a private placement to raise up to $5,000,000 through the distribution of units consisting of one common share and one-half warrant. The LOI provides the Company an option to acquire the Project over a three-year period with:

i) A US $2,000,000 cash payment;
ii) 7,000,000 units issued at closing;
iii) 7,000,000 shares and 3,500,000 warrants issued 21 months from Closing; and
iv) 7,000,000 shares and 3,500,000 warrants issued 31 months from Closing.

Upon completion of Items 1 through 4 above, the Company will acquire 100% of the Project and Owner shall complete the conveyance of the claims, titles, rights and ownership items of the Project to the Company. A capped, cash bonus payment may also be paid to Owner 42 months from closing date based on Project exploration results for the number of gold equivalent ounces that exceed the current resource.

b) Consolidated its issued and outstanding common shares of the Company on a 2:1 basis. All references to share, option, warrant and per share amounts have been retroactively restated to reflect the share consolidation.