Condensed Interim Consolidated Financial Statements

AVIDIAN GOLD CORP.

For the three months ended September 30, 2021 and 2020

(Expressed in US dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Avidian Gold Corp. (the "Company" or "Avidian") for the three months ended September 30, 2021 and 2020 have been prepared by Management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited condensed interim financial statements have not been reviewed by an auditor.

November 26, 2021

"Steve Roebuck"
Chief Executive Officer

"Donna McLean"
Chief Financial Officer

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AVIDIAN GOLD CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in US Dollars - Unaudited)

	As at September 30, 2021	As at June 30, 2021
	$	$
Assets		
Current		
Cash	**2,936,024**	5,218,564
Cash in escrow (Note 9)	**863,240**	-
Amounts receivable and prepaid expenses	**324,152**	191,936
Total current assets	**4,123,416**	5,410,500
Non-current assets		
Equipment (Note 6)	**97,456**	106,569
Total assets	**4,220,872**	5,517,069
Liabilities		
Current		
Trade payables and accrued liabilities	**276,278**	357,520
Subscription receipts payable (Note 9)	**863,240**	-
Total current liabilities	**1,139,518**	357,520
Non-current liabilities		
Warrant liability (Note 8)	**1,202,231**	2,849,727
Total liabilities	**2,341,749**	3,207,247
Shareholders' Equity		
Share capital (Note 7(b))	**19,338,071**	19,334,419
Share-based payment reserve (Note 7(c))	**1,818,962**	1,635,251
Deficit	**(19,819,896)**	(19,271,606)
Equity attributable to shareholders of the Corporation	**1,337,137**	1,698,064
Non-controlling interest (Note 9)	**541,986**	611,758
Total equity	**1,879,123**	2,309,822
Total liabilities and shareholders' equity	**4,220,872**	5,517,069

DESCRIPTION OF BUSINESS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 14 and 15)
SUBSEQUENT EVENT (Note 16)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by David C. Anderson, Director

Original signed by Dino Titaro, Director

AVIDIAN GOLD CORP.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in US Dollars - Unaudited)

	For the three months ended September 30, 2021	For the three months ended September 30, 2020
	$	$
Operating Expenses		
Exploration and evaluation expenditures (Note 14)	**1,735,204**	2,450,388
General and administrative (Note 12)	**251,831**	168,256
Share-based compensation (Note 7(c))	**184,993**	85,082
Convertible debenture interest (Note 13)	**-**	18,808
Accretion (Note 13)	**-**	22,344
Net loss before other losses (gains)	**2,172,028**	2,744,878
Foreign exchange loss (gain)	**33,779**	(23,885)
Unrealized (gain) loss on warrant revaluation (Note 8)	**(1,587,745)**	2,268,102
Unrealized loss on conversion feature (Note 13)	**-**	107,018
Total other (gains) losses	**(1,553,966)**	2,351,235
Net loss and comprehensive (income) loss for the period	**618,062**	5,096,113
Net loss and comprehensive (income) loss attributable to:		
Shareholders of the Corporation	**548,290**	4,897,024
Non-controlling interest (Note 9)	**69,772**	199,089
Net loss and comprehensive (income) loss for the period	**618,062**	5,096,113
Net loss per share - basic and diluted (Note 10)	**0.00**	0.04
Weighted average number of shares outstanding - basic and diluted (Note 10)	**164,867,258**	115,879,906

See accompanying notes to the condensed interim consolidated financial statements

AVIDIAN GOLD CORP.

Condensed Interim Consolidated Statements of Change in Shareholders' Equity (Deficiency)

(Expressed in US Dollars - Unaudited)

	Number of shares	Share capital	Share-based payment reserve	Deficit	Equity attributable to shareholders of the Corporation	Non-controlling interest	Total Equity (Deficiency)
		$	$	$	$	$	$
Balance June 30, 2020	**94,402,899**	**12,340,136**	**1,080,303**	**(13,296,856)**	**123,583**	**234,122**	**357,705**
Net loss and comprehensive loss for the period	-	-	-	(4,897,024)	(4,897,024)	(199,089)	(5,096,113)
Private placement, net of issue costs (Note 7(b))	25,151,515	2,731,421	-	-	2,731,421	-	2,731,421
Value of warrants issued under private placement (Note 8)	-	(1,040,426)	-	-	(1,040,426)	-	(1,040,426)
Stock options exercised (Note 7(c))	186,000	21,997	(8,075)	-	13,922	-	13,922
Shares for property acquisition (Note 14)	2,500,000	818,070	-	-	818,070	-	818,070
Share-based compensation (Note 7(c))	-	-	85,082	-	85,082	-	85,082
Balance September 30, 2020	**122,240,414**	**14,871,198**	**1,157,310**	**(18,193,880)**	**(2,165,372)**	**35,033**	**(2,130,339)**
Non-controlling interest on acquisition	-	-	-	(463,088)	(463,088)	697,640	234,552
Net loss and comprehensive loss for the period	-	-	-	(614,638)	(614,638)	(120,915)	(735,553)
Private placement, net of issue costs (Note 7(b))	41,580,616	5,191,240	103,834	-	5,295,074	-	5,295,074
Value of warrants issued under private placement (Note 8)	-	(893,224)	-	-	(893,224)	-	(893,224)
Broker warrants exercised (Note 8)	318,000	40,205	(15,073)	-	25,132	-	25,132
Shares for property acquisition (Note 14)	723,011	125,000	-	-	125,000	-	125,000
Share-based compensation (Note 7(c))	-	-	389,180	-	389,180	-	389,180
Balance June 30, 2021	**164,862,041**	**19,334,419**	**1,635,251**	**(19,271,606)**	**1,698,064**	**611,758**	**2,309,822**
Net loss and comprehensive loss for the period	-	-	-	(548,290)	(548,290)	(69,772)	(618,062)
Broker warrants exercised (Note 7(b))	30,000	3,652	(1,282)	-	2,370	-	2,370
Share-based compensation (Note 7(c))	-	-	184,993	-	184,993	-	184,993
Balance September 30, 2021	**164,892,041**	**19,338,071**	**1,818,962**	**(19,819,896)**	**1,337,137**	**541,986**	**1,879,123**

See accompanying notes to the condensed interim consolidated financial statements

AVIDIAN GOLD CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in US Dollars - Unaudited)

	For the three months ended September 30, 2021	For the three months ended September 30, 2020
	$	$
Operating activities		
Net loss for the period	**(618,062)**	(5,096,113)
Items not involving cash:		
Amortization (Note 6)	**9,113**	6,261
Accretion (Note 13)	**-**	22,344
Convertible debenture accrued interest	**-**	18,808
Unrealized foreign exchange loss	**(59,751)**	17,244
Unrealized loss on warrant revaluation	**(1,587,745)**	2,268,102
Unrealized loss on conversion feature	**-**	107,018
Shares issued for property acquisition - Amanita NE	**-**	818,070
Share-based compensation	**184,993**	85,082
	(2,071,452)	(1,753,184)
Changes in non-cash working capital		
Increase in amounts receivable and prepaids	**(132,216)**	(130,114)
(Decrease) increase in trade payables and accrued liabilities	**(81,242)**	326,528
Change in non-cash operating working capital	**(213,458)**	196,414
Net cash flows from operating activities	**(2,284,910)**	(1,556,770)
Financing activities		
Proceeds from issuance of shares	**-**	2,756,040
Share issue costs	**-**	(24,619)
Exercise of broker warrants	**2,370**	-
Exercise of stock options	**-**	13,922
Net cash flows provided by financing activities	**2,370**	2,745,343
Change in cash	**(2,282,540)**	1,188,573
Cash, beginning of period	**5,218,564**	927,739
Cash, end of period	**2,936,024**	2,116,312

See accompanying notes to the condensed interim consolidated financial statements

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

Avidian Gold Corp. ("Avidian" or the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on September 24, 2013. The Company was continued into the Province of Ontario on October 20, 2020. The registered head office of the Company is located at 18 King Street East, Suite #902, Toronto, Ontario, M5C 1C4.

Avidian is in the business of acquiring and exploring gold projects. As of September 30, 2021, the Company has acquired the rights to explore four gold properties in the United States of America and has majority ownership of High Tide Resources Corp. which holds the right to explore two properties in Eastern Canada.

The condensed interim consolidated financial statements of the Company for the three months ended September 30, 2021 were reviewed, approved and authorized for issue by the Board of Directors on November 26, 2021. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

The Company's property interests are at an early stage of exploration and, in common with many exploration companies, the Company raises financing for its exploration and appraisal activities in discrete tranches. The Company has incurred a loss for the three month period ended September 30, 2021 attributable to shareholders of the Company of $548,290 and has an accumulated deficit of $19,819,896. Management believes it has sufficient working capital to cover ongoing corporate costs for the next 12 months, however, dependent on exploration results, the Company may need to raise additional funds. Although the Company has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to the Company. In the event that the Company is unable to secure further financing it may not be able to complete the development of a gold, copper and other mineral projects.

These condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The condensed interim consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

1. DESCRIPTION OF BUSINESS AND GOING CONCERN (continued)

COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and businesses around the world are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

Global stock markets have also experienced significant volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on the Company's financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. Almost all of Avidian's personnel work from home and the Company continues to manage its affairs via virtual business platforms.

2. BASIS OF PRESENTATON

Statement of compliance

The condensed interim consolidated financial statements of the Company have been prepared in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting issued by the International Accounting Standard Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Company's annual consolidated financial statements as at and for the years ended June 30, 2021 and 2020 ("Annual Financial Statements"). Accordingly, these condensed interim consolidated financial statements as at and for the three months ended September 30, 2021 and 2020 should be read together with the Annual Financial Statements.

Basis of consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Avidian Gold Inc., Avidian Gold US Inc., Avidian Gold Alaska Inc., High Tide Resources Inc., Ferrum Exploration Corp., and its 67% owned subsidiary High Tide Resources Corp. The financial statements include all assets, liabilities, revenues, expenses, and cash flow of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of Note 2 of the Company's Annual Financial Statements.

4. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders.

4. CAPITAL MANAGEMENT (continued)

Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of gold resource assets.

The Board of Directors does not establish quantitative return on capital criteria for Management, but rather relies on the expertise of the Company's Management to sustain the future development of the business. The Company considers its capital to be equity, which comprises share capital, share-based payment reserve and deficit, which at September 30, 2021, totaled $1,337,137 (June 30, 2021 - $1,698,064).

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Company is currently attempting to identify an economic gold resource and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
b. minimizing discretionary disbursements; and
c. exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no significant changes in the Company's approach to capital management during the three months ended September 30, 2021.

5. FINANCIAL RISK FACTORS

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (specifically commodity price risk).

Risk management is carried out by the Company's Management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

5. FINANCIAL RISK FACTORS (continued)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which Management believes the risk of loss to be remote.

Included in amounts receivable is sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of September 30, 2021. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

The Company generates cash flow primarily from its financing activities. As at September 30, 2021, the Company had cash of $2,936,024 (June 30, 2021 - $5,218,564) to settle current liabilities of $276,278 (June 30, 2021 - $357,520). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

All of the Company's current financial liabilities as at September 30, 2021 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Interest rate risk

The Company has cash and cash equivalent balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in money market funds traded by its banking institutions.

The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are short-term, and the Company currently does not carry interest-bearing debt at floating rates.

Foreign currency risk

The Company primarily incurs expenditures in US dollars and Canadian dollars. As at September 30, 2021, the Company holds in cash the following amounts (reported in US$ currency) in Canadian ("CDN") and US funds respectively: $2,506,547 and $429,477 (June 30, 2021 - $4,851,509 and $367,055).

(Expressed in US dollars – except where otherwise indicated)

5. FINANCIAL RISK FACTORS (continued)

<u>Commodity price risk</u>

The Company is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Company closely monitors gold prices to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

As of September 30, 2021 and June 30, 2021, both the carrying and fair value amounts of the Company's current financial instruments are approximately equivalent due to their short-term nature.

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on Management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible for the period ended September 30, 2021:

(i) As at September 30, 2021, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the period ended September 30, 2021 would have changed by $9,750 as a result of lower/higher foreign exchange gains and losses on funds held in foreign currencies and reported shareholders' equity would also not have changed by a material amount.

(ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. As of September 30, 2021, the Company was not a gold producer. As a result, gold price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At September 30, 2021 and June 30, 2021, the Company did not hold any financial assets in the fair value hierarchy.

(Expressed in US dollars – except where otherwise indicated)

5. FINANCIAL RISK FACTORS (continued)

At September 30, 2021 and June 30, 2021, the fair value of the Company's warrant liability is based on Level 3 measurements. There were no transfers in or out of Level 3 during the period ended September 30, 2021 or the year ended June 30, 2021.

Level 3 Hierarchy

The key assumptions used in the valuation of the warrant liability include (but are not limited to) the value at which a recent financing was done by the Company and share price volatility of comparable publicly-traded companies.

For the warrant liability valued based on market-based valuation technique, the inputs can be judgmental (See Note 9). A +/- 25% change in the fair value of this Level 3 liability as at September 30, 2021 would result in a corresponding +/- $300,558.

6. EQUIPMENT

Cost	**Equipment**
Balance, June 30, 2020	$ 179,002
Additions	34,000
Balance, June 30, 2021	213,002
Additions	-
Balance, September 30, 2021	**$ 213,002**
Amortization and impairment	**Equipment**
Balance, June 30, 2020	$ 80,390
Amortization	26,043
Balance, June 30, 2021	106,433
Amortization	9,113
Balance, September 30, 2021	**$ 115,546**
Carrying amounts	
Balance, June 30, 2021	$ 106,569
Balance, September 30, 2021	**$ 97,456**

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

(i) On July 14, 2020, the Company closed a private placement for gross proceeds of CDN$2,000,000 ($1,468,800). A total of 20,000,000 units were issued at a price of CDN$0.10 ($0.073) per unit. Each unit consists of one common share of the Company and one common share purchase warrant; each is warrant exercisable into a common share at a price of CDN$0.14 ($0.102) for 24 months following the warrant issuance.

(ii) On July 21, 2020, the Company acquired a 100% interest in the Amanita NE gold property, located in Alaska. The Company issued 2,500,000 common shares as consideration for the acquisition. See Note 15.

(iii) On July 28, 2020, the Company issued 186,000 common shares in connection to the exercise of 186,000 stock options for proceeds of CDN$18,600 (US$13,650). The fair value of these stock options was $8,075, which was transferred from share-based payment reserve to share capital.

(iv) On August 17, 2020, the Company closed a private placement for gross proceeds of CDN$1,700,000 ($1,287,240). A total of 5,151,515 units were issued at a price of CDN$0.33 ($0.25) per unit. Each unit consists of one common share of the Company and one common share purchase warrant; each warrant is exercisable into a common share at a price of CDN$0.55 ($0.416) for 24 months following the warrant issuance.

(v) On December 23, 2020, the Company issued 132,000 common shares in connection to the exercise of 132,000 broker warrants for proceeds of CDN$13,200 (US$10,267). The fair value of these broker warrants was $7,982, which was transferred from share-based payment reserve to share capital.

(vi) On January 15, 2021, the Company issued 723,011 shares valued at CDN$0.22 ($0.17) for a total value of CDN$159,094 ($125,000) pursuant to the Golden Zone property agreement. See Note 14.

(vii) On March 22, 2021, the Company issued 186,000 common shares in connection to the exercise of 186,000 broker warrants for proceeds of CDN$18,600 (US$14,865). The fair value of these broker warrants was $7,091, which was transferred from share-based payment reserve to share capital.

(viii) On June 10, 2021, the Company closed a private placement for gross proceeds of CDN$4,414,166 ($3,650,074). A total of 29,427,774 units were issued at a price of CDN$0.15 ($0.124) per unit. Each unit consists of one common share of the Company and one half of one common share purchase warrant; each is warrant exercisable into a common share at a price of CDN$0.20 ($0.165) for 36 months following the warrant issuance. Officers and directors of the Company subscribed for 2,749,635 units for gross proceeds of CDN$412,445 ($341,051).

(Expressed in US dollars – except where otherwise indicated)

7. SHARE CAPITAL (continued)

(b) Issued

(ix) On June 10, 2021, the Company closed a flow-through private placement for gross proceeds of CDN$2,187,512 ($1,808,853). A total of 12,152,842 common shares were issued at a price of CDN$0.18 ($0.15) per share. Officers and directors of the Company subscribed for 416,666 shares for gross proceeds of CDN$62,500 ($51,681). A flow-through share premium of $nil was recorded on this financing.

(x) In June 2021, the Company subscribed for 12,152,842 flow-through shares of the subsidiary, High Tide Resources Corp., offered at a price of CDN$0.18 ($0.15) per share for total gross proceeds of CDN$2,187,512 ($1,808,853). See Note 9.

(xi) On September 14, 2021, the Company issued 30,000 common shares in connection to the exercise of 30,000 broker warrants for proceeds of CDN$3,000 (US$2,370). The fair value of these broker warrants was $1,282, which was transferred from share-based payment reserve to share capital.

(c) Share-based payment reserve

On July 19, 2021, the Company granted 1,650,000 stock options to certain members of management, directors and consultants of the Company. The options are exercisable into common shares of the Company at an exercise price of CDN$0.20 per share and have a five year term to maturity. The vesting terms are as follows: 600,000 options vested immediately; 475,000 vest on the first anniversary; 475,000 vest on the second anniversary and 100,000 vest on the third anniversary.

Share-based payment activity for the three month period ended September 30, 2021 and year ended June 30, 2021 is summarized as follows:

	Number of stock options	Weighted average exercise price (CDN)
		$
Balance, June 30, 2020	**7,351,149**	**0.36**
Granted	4,350,000	0.26
Forfeited	(100,000)	(0.20)
Expired	(186,000)	(0.10)
Balance, June 30, 2021	**11,415,149**	**0.34**
Granted	1,650,000	0.20
Expired	(125,000)	(0.60)
Balance, September 30, 2021	**12,940,149**	**0.31**

7. SHARE CAPITAL (continued)

(c) Share-based payment reserve

The following stock options were in existence as at September 30, 2021:

							Black-Scholes inputs			
Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price (CDN$)	Share-based compensation amount for the period ended September 30, 2021	Grant date fair value per option	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
500,000	500,000	8-Jun-20	8-Jun-23	0.13	-	$ 0.04	101%	3	0%	0.32%
2,635,000	2,635,000	15-Aug-18	15-Aug-23	0.60	3,698	$ 0.28	125%	5	0%	2.19%
150,000	100,000	15-Nov-18	15-Nov-23	0.60	1,052	$ 0.24	125%	5	0%	2.31%
100,000	66,667	4-Feb-19	4-Feb-24	0.40	537	$ 0.18	125%	5	0%	2.31%
3,500,000	2,333,333	26-Aug-19	26-Aug-24	0.20	18,307	$ 0.09	125%	5	0%	1.24%
55,149	55,149	1-Dec-17	19-Nov-24	0.30	-	$ 0.25	150%	7	0%	1.78%
3,250,000	1,083,333	3-Sep-20	3-Sep-25	0.28	75,423	$ 0.17	125%	5	0%	0.35%
1,100,000	-	7-Apr-21	7-Apr-26	0.20	18,289	$ 0.17	125%	5	0%	0.83%
1,650,000	600,000	19-Jul-21	19-Jul-26	0.20	67,687	$ 0.10	125%	5	0%	0.71%
12,940,149	7,373,483				$ 184,993					

The weighted average remaining time to expiry for all outstanding options as of September 30, 2021 is 3.27 years (June 30, 2021 – 3.27 years).

During the period ended September 30, 2021, 1,300,000 stock options were granted to directors and officers of the Company (2020 – 1,800,000). The share-based compensation expense related to the options issued is $38,796 (2020 – $13,807).

8. WARRANT LIABILITY

Warrants issued in connection with the completion of certain private placements are exercisable in Canadian dollars. The fair value of these non-compensatory warrants is recorded as a warrant liability at the date of issuance. These warrants are revalued at each financial position reporting date with the corresponding change recorded as gain (loss) on warrant revaluation on the consolidated statement of operations and comprehensive loss.

At September 30, 2021, the fair value of the Company's warrants was determined using the Black-Scholes option pricing model and the following inputs:

Expiry date	20-Dec-21	25-Feb-22	14-Jul-22	17-Aug-22	10-Jun-24
Number of warrants	4,150,000	1,770,000	20,000,000	5,151,515	14,713,887
Exercise price (CDN$)	0.15	0.40	0.14	0.55	0.20
Expected volatility	95%	84%	80%	82%	108%
Risk free interest rate	0.30%	0.30%	0.49%	0.49%	0.72%
Expected dividend yield	0%	0%	0%	0%	0%
Remaining life in years	0.22	0.41	0.79	0.88	2.70
Fair value	$ 38,111	$ -	$ 422,968	$ 7,099	$ 734,053

(Expressed in US dollars – except where otherwise indicated)

8. WARRANT LIABILITY (continued)

The following table presents the reconciliation of the beginning and ending balances of the warrant liability:

	Warrant liability
	$
June 30, 2020	**175,968**
Warrant issuance	1,933,650
Warrant revaluation	634,840
Change in foreign exchange	105,269
June 30, 2021	**2,849,727**
Warrant revaluation	(1,587,745)
Change in foreign exchange	(59,751)
September 30, 2021	**1,202,231**

The following is a summary of warrant activity for the three month period ended September 30, 2021 and year ended June 30, 2021:

	September 30, 2021		June 30, 2021	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		CDN$		CDN$
Balance, beginning of period	**46,930,958**	**0.22**	6,307,000	0.22
Granted in connection with private placements	**-**	**-**	40,941,958	0.15
Exercised during the period	**(30,000)**	**(0.14)**	(318,000)	(0.10)
Expired during the period	**-**	**-**	-	-
Balance, end of period	**46,900,958**	**0.22**	46,930,958	0.22

Summary of warrants outstanding as at September 30, 2021:

Warrants	Classification	Exercise price	Grant date fair value of warrants	Expiry date
#		CDN$	$	
4,150,000	Liability	0.15	122,150	December 20, 2021
39,000	Equity	0.10	9,240	December 20, 2021
1,770,000	Liability	0.40	161,588	February 25, 2022
20,000,000	Liability	0.14	607,612	July 14, 2022
5,151,515	Liability	0.55	432,814	August 17, 2022
14,713,887	Liability	0.20	893,224	June 10, 2024
1,076,556	Equity	0.20	103,834	June 10, 2024
46,900,958			2,330,462	

9. NON-CONTROLLING INTEREST

The amount shown for non-controlling interest on the consolidated statements of financial position is in relation to a non-controlling interest ownership of approximately 67% (June 30, 2021 – 67%) in the shares of HTR Corp.

In December 2020, HTR Corp. issued 2,495,833 flow-through shares at a price of CDN$0.12 ($0.094) per share for total gross proceeds of CDN$299,500 ($234,552).

In June 2021, HTR Corp. issued to the Company 12,152,842 flow-through shares in connection with the private placement described in Note 7.

The issuance of these shares resulted in a balance of $697,640 allocated to the non-controlling interest based on the proportion of the net assets held by the non-controlling interest in the year ended June 30, 2021. Non-controlling interests' share of HTR Corp.'s expenses are reflected in the consolidated statements of operations and are charged as a reduction to the non-controlling interest account on the consolidated statement of financial position.

On September 14, 2021, HTR Corp. completed a non-brokered private placement financing (the "Subscription Receipts Financing") of 7,332,063 Subscription Receipts at a price of CDN$0.15 per subscription receipt for aggregate gross cash proceeds of CDN$1,099,809 (863,240). Each Subscription Receipt comprises one common share of the Company and one half of one share purchase warrant with an exercise price of CDN$0.20 per share expiring 36 months from the date of closing of the Subscription Receipt Financing. The gross proceeds of the Subscription Receipts Financing were placed in escrow until such time that HTR Corp. is publicly listed.

During the period ended September 30, 2021 and the year ended June 30, 2021, there were no dividends paid to the non-controlling interest by the Company.

10. BASIC AND DILUTED NET LOSS PER SHARE

The calculation of basic and diluted earnings per share for the three month period ended September 30, 2021 was based on the loss attributable to shareholders of the Company of $548,290 (2020 - $4,897,024) and the weighted average number of common shares outstanding of 164,867,258 (2020 – 115,879,906).

Diluted loss per share did not include the effect of the stock options disclosed in Note 8(c), or the share purchase warrants disclosed in Note 9 as they are anti-dilutive for the three month periods ended September 30, 2021 and 2020.

(Expressed in US dollars – except where otherwise indicated)

11. RELATED PARTY TRANSACTIONS

a) The remuneration of key management personnel is comprised of

	Three months ended September 30, 2021	Three months ended September 30, 2020
Wages and benefits	**$ 21,595**	$ 12,068
Consulting fees	**66,472**	41,294
Share-based compensation	**128,625**	49,540

*Key management personnel include directors, officers and former directors/officers.

b) See Notes 8(b) (c) and Note 14.
c) Trade payables and accrued liabilities as at September 30, 2021 includes $24,316 (June 30, 2021 - $30,551) owed to officers of the Company for fees. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

12. GENERAL AND ADMINISTRATIVE

	Three months ended September 30, 2021	Three months ended September 30, 2020
Amortization (Note 6)	**$ 9,113**	$ 6,261
Corporate relations	**15,419**	62,054
Occupancy costs	**900**	900
Office supplies, bank charges and telephone	**38,827**	14,071
Professional fees and transfer agent	**142,352**	66,902
Travel and promotion	**23,625**	6,000
Wages and benefits	**21,595**	12,068
	$ 251,831	$ 168,256

13. CONVERTIBLE DEBENTURE

On February 26, 2019, the Company closed an unsecured convertible debenture financing ("2019 Debenture") for CDN$708,000 (US$529,796) with an interest rate of 8% per annum payable in cash or 12% per annum payable in shares at maturity. The unsecured convertible debentures have a maturity date of February 25, 2022 and the principal amount and all accrued interest of the convertible debentures are convertible into common shares at CDN$0.40 (US$0.299) per share prior to February 25, 2022 at the option of the holder. A total of CDN$270,000 of the debentures were issued to directors and officers of the Company.

(Expressed in US dollars – except where otherwise indicated)

13. CONVERTIBLE DEBENTURE (continued)

The discount on the convertible debentures was amortized using the effective interest method over the term of the debenture being a period of three years. The Company accreted the carrying value of the convertible debentures each month by recognizing an accretion expense in the condensed interim statement of operations and comprehensive loss and a credit to convertible note. For the three month period ended September 30, 2021, $nil (2020 - $22,344) of finance expense from the debt discount was recorded by the Company.

On June 10, 2021, the Company repaid the 2019 Debenture and the accrued interest in full.

14. EXPLORATION AND EVALUATION EXPENDITURES

Golden Zone

On April 28, 2016, the Company entered a preliminary agreement with Chulitna Mining Company LLC ("CMC"), Mines Trust Company Inc. ("MTC"), and Alix Resources Corp. ("AIX") to purchase an aggregate interest of 70.6% interest in the Golden Zone property, Alaska. Upon signing this agreement, the Company paid $25,000 to CMC for an exclusive 90-day due diligence period. In addition, the Company paid CDN$10,000 to AIX and settled a debt of CDN$200,000 (US$152,462) owed by CMC to AIX through the issuance of 460,829 shares at a deemed price of CDN$0.43 (US$0.33) per share upon closing of the definitive agreement for the interest in the Golden Zone property.

The parties have agreed to the following financial terms for the final agreement, which was agreed to on November 21, 2016:

	CMC				MTC			
	cash		stock		cash		stock	
upon signing an agreement in 2016	$ 150,000	(paid)	$ 150,000	(paid)	$ 25,000	(paid)	$ 100,000	(paid)
January 15, 2017	50,000	(paid)	50,000	(paid)	-		25,000	(paid)
January 15, 2018	50,000	(paid)	50,000	(paid)	-		25,000	(paid)
January 15, 2019	100,000	(paid)	100,000	(paid)	-		25,000	(paid)
January 15, 2020	100,000	(paid)	100,000	(paid)	-		25,000	(paid)
January 15, 2021	100,000	(paid)	100,000	(paid)	-		25,000	(paid)
January 15, 2022	150,000		150,000		-		25,000	
January 15, 2023	150,000		150,000		-		25,000	
Total	$ 850,000		$ 850,000		$ 25,000		$ 275,000	

The January 15, 2021 payments resulted in the issuance of 723,011 common shares. The fair value of the shares was estimated based on the quoted market price of the Company's shares.

In addition to the above-noted cash and shares commitments, the Company was required to make work expenditures of $2,000,000, over a five-year period, which was met in January 2018.

Annual payments will cease after the sooner of January 15, 2023 payments or upon the beginning of annual production of 10,000 ounces or more of gold annually from the property when a net smelter royalty ("NSR") will become payable.

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Cash payments to CMC in the years 2019 and following will be considered advance royalty payments and will be deducted from up to 50% of the NSRs payable to CMC upon achieving production from GZ. Those NSR royalties will be as follows: CMC 2.0%; MTC 1.0%. The Company can surrender its interest in the property by notifying the owner at any time, and there will be no further payment obligations.

The Company shall have the option exercisable at any time to purchase one-half (1/2) of the NSR payable to CMC representing 1.0% of the NSR for the purchase price of $1,000,000 and 40% of the NSR payable to MTC representing 0.4% of the NSR for the purchase price of $400,000.

Amanita

On October 31, 2016, the Company signed a definitive agreement for a 15-year lease to purchase option pursuant to which the Company can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of $3,000,000. The Amanita claim block is comprised of 88 lode claims located within the Fairbanks Mining District approximately 25 kilometres northeast of Fairbanks, Alaska.

The Company paid $5,000 at the time of signing a letter of intent and a further $20,000 on the signing of the definitive property agreement. The Company is required to make minimum payments as follows, which are credited against the $3,000,000 purchase price.

(i) First anniversary of agreement date: $15,000 (paid)
(ii) Second anniversary of agreement date: $25,000 (paid)
(iii) Third anniversary of agreement date: $30,000 (paid)
(iv) Every subsequent anniversary: payments increase by $10,000 annually (paid $40,000 in August 2019; $50,000 in July 2020; and $60,000 in July 2021)

The Company may acquire the 3% NSR royalty for an additional $3,000,000.

Amanita NE

On July 21, 2020, the Company acquired a 100% interest in the Amanita NE gold property, located in Alaska. The Company issued 2,500,000 common shares as consideration for the acquisition. The vendors were granted a 1% NSR on the Amanita NE property and a 0.2% NSR royalty on the Amanita property.

The vendors will also be entitled to receive one-half of any additional royalty granted to a third party in the event of the subsequent disposition by the Company of the Amanita NE property, and to receive 25% of any net profits received from such sale to third party after a deduction of an amount equal to two times the exploration costs expended by the Company on the Amanita NE property and reasonable transactional expenses incurred in connection with sale to the third party.

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Jungo

On January 8, 2013, Dutch Gold Resources Inc. ("DGRI"), DGRI Jungo Development Company and the Company entered into an agreement pursuant to which DGRI and DGRI Jungo Development Company agreed to transfer to the Company all of the right, title and interest in and to the Red Dog Claims located in Nevada, in exchange for a 2% NSR and the obligation of the Company to pay annual advance minimum royalty payments to DGRI Jungo Development Company in the amount of $20,000 beginning on August 25, 2015. The Company also holds a 100% interest in Red Dog Claims 101-160 that is not subject to an NSR.

Labrador West

On August 28, 2019, HTR Corp. agreed to terms with Altius Resources Inc. ("Altius"), a wholly owned subsidiary of Altius Minerals Corp., to acquire 100% of the Labrador West iron ore project, located in the Labrador Trough ("Labrador West Option Agreement").

Altius has granted HTR Corp. an exclusive option to purchase the 100% undivided interest in and to the project upon: (i) incurring exploration expenditures on the project of at least 2,000,000 by December 31, 2021; (ii) the issuance of a number of common shares such that Altius will own 19.9% of the issued and outstanding common shares of HTR Corp. immediately following cumulative equity financings of no less than $5,000,000; and (iii) HTR Corp. becoming a publicly-listed company in Canada within 24 months from the execution date.

On September 28, 2021, HTR Corp. and Altius entered into an amendment agreement ("Amendment Agreement") pursuant to which HTR Corp. and Altius agreed to further amend the Labrador West Option Agreement to provide for an adjustment to the share consideration payable to exercise the Labrador West Option.

Accordingly, pursuant to the Labrador West Option Agreement, as amended by the Amendment Agreement and Second Amendment Agreement, in order for the Company to exercise the Labrador West Option, the Company must:

(a) within thirty-six (36) months from the execution date of the Labrador West Option Agreement, the Company must have listed its common shares on, or assigned the Labrador West Option to a company ("Pubco") that has its shares listed on, the Toronto Stock Exchange, the TSX Venture Exchange, or the Canadian Securities Exchange ("CSE");

(b) incur expenditures in connection with the exploration of the property subject to the Labrador West Option Agreement ("Exploration Expenditures"), consisting of:

  a. At least $1,000,000 by December 31, 2021; and

  b. An additional $1,000,000 by December 31, 2022;

The Company is entitled to satisfy any deficiency in the Exploration Expenditures by making cash payments to Altius in lieu of the Exploration Expenditures.

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

(c) issue to Altius a number of common shares of HTR Corp. (or Pubco, as the case may be) (the "Payment Shares"), such that the number of the Payment Shares shall result in Altius owning 19.9% of the issued and outstanding capital of HTR Corp. (or Pubco, as the case may be) on a fully diluted basis calculated immediately following the time the Equity Financing Threshold (as defined hereinafter) is obtained (the "Payment Date"); the "Equity Financing Threshold" equals the gross proceeds of any equity financings combined with cash held by the Company (or Pubco, as the case may be) plus total Exploration Expenditures up to the initial equity financing up to a maximum of $3,000,000, will total at least $4,000,000; and

(d) issue to Altius a number common shares of HTR Corp. (or Pubco, as the case may be) equal to $200,000 (the "Additional Shares") on the earlier of: (i) the first anniversary of the Payment Date and (ii) the date whereby HTR Corp. (or Pubco, as the case may be) completes a financing transaction subsequent to the Payment Date (the "Secondary Financing"), at a price per Additional Share equal to the price per share pursuant to the Secondary Financing; in the event that HTR Corp. (or Pubco, as the case may be) has not completed the Secondary Financing by the first anniversary of the Payment Date, then the price per Additional Share shall be a Discounted Market Price (as such term is defined in the policies of the CSE and as may be acceptable to the CSE); in the event that the issuance of the Additional Shares would result in Altius holding more than 19.9% of the common shares of HTR Corp. on a non-diluted basis, the number of the Additional Shares issuable to Altius will be decreased by such number of shares so that Altius's holdings will not exceed 19.9% of the issued and outstanding common shares in the capital of HTR Corp. (or Pubco, as the case may be).

Upon acquiring a 100% interest in the project, the public company shall grant to Altius a 2.75% gross sales royalty (GSR) on all iron ore produced, removed and recovered from the project.

Additionally, HTR Corp. has issued 9,146,666 common shares to arm's-length parties as consideration for the assumption of the rights to the option. The fair value of these consideration shares was estimated to be $0.10 based on price of the shares issued in the most recent private placement closed by HTR Corp..

Lac Pegma

On February 2, 2021, HTR Corp. entered into a purchase agreement with Globex Mining Enterprises Inc. ("Globex") to purchase 100% of the Lac Pegma copper-nickel-cobalt sulphide deposit located approximately 50 kilometres south of Fermont, Que.

The terms of the purchase agreement are as follows: HTR Corp. paid Globex $10,000 in cash and an undertaking to issue 650,000 shares of HTR Corp. upon completion of an initial public offering/liquidity event prior to September 30, 2021. In addition, Globex will retain a 2% gross metal royalty with a 1% buyback option for CDN$1,500,000 exercisable at any time at the discretion of the company

Further, on February 25, 2021, HTR Corp. increased its land position by acquiring 35 additional mineral exploration claims adjacent to its Lac Pegma copper-nickel-cobalt sulphide deposit.

(Expressed in US dollars – except where otherwise indicated)

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

The following table summarizes exploration and evaluation expenditures for each of the Company's respective properties:

Golden Zone	**Three Month Period ended September 30, 2021**	Three Month Period ended September 30, 2020
Acquisition and holding costs	**$ 56,387**	$ 60,075
Evaluation expenditures	**1,382,218**	152,100
	$ 1,438,605	$ 212,175
Amanita		
Acquisition and holding costs	**$ 78,086**	$ 50,000
Evaluation expenditures	**44,773**	800,367
	$ 122,859	$ 850,367
Amanita NE		
Acquisition and holding costs	**$ 5,325**	$ 830,274
Evaluation expenditures	**-**	31,324
	$ 5,325	$ 861,598
Jungo		
Acquisition and holding costs	**$ 41,595**	$ 38,775
Evaluation expenditures	**-**	2,984
	$ 41,595	$ 41,759
Labrador West		
Acquisition and holding costs	**$ -**	$ -
Evaluation expenditures	**52,980**	484,489
	$ 52,980	$ 484,489
Lac Pegma		
Acquisition and holding costs	**$ -**	$ -
Evaluation expenditures	**73,840**	-
	$ 73,840	$ -
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	**$ 1,735,204**	$ 2,450,388

15. CONTINGENCIES

Environmental contingencies

The Company's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations and has engaged environmental professionals to ensure the Company is current with regulations and compliance.

Flow-through commitment

The Company is obligated to spend CDN$415,972 ($328,054) by December 31, 2021 and CDN$2,187,512 ($1,725,167) by December 31, 2022 for the issuance of flow-through shares by HTR Corp. As at September 30, 2021, the Company had spent CDN$173,703 ($138,051) and is obligated to spend an additional CDN$242,269 ($190,003) to satisfy the December 31, 2021 obligation. The Company has not incurred any expenditures with respect to its December 31, 2022 obligation. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company’s mineral properties to flow-through participants. The Company has indemnified the subscribers for certain tax related amounts that become payable by the subscribers should the Company not meet its expenditure commitments.

16. SUBSEQUENT EVENT

a) A total of 250,000 warrants of the Company were exercised for proceeds of CDN$37,500 ($29,575) subsequent to September 30, 2021.