VAL-D'OR MINING CORPORATION

Condensed Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(unaudited)

(Expressed in Canadian Dollars)

VAL-D’OR MINING CORPORATION

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s in dependent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity’s auditor.

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	Notes		As at March 31, 2022		As at December 31, 2021
ASSETS					
Current assets					
Cash and cash equivalents	5	$	**1,994,564**	$	809,203
Short-term investments	6		**631,523**		649,065
Sales taxes recoverable			**82,997**		66,001
Other assets	7		**18,859**		56,067
			2,727,943		1,580,336
Non-current assets					
Exploration and evaluation assets	8		**519,773**		519,773
Long-term investments	6		**1,200,000**		1,200,000
Right-of-use assets			**486**		974
TOTAL ASSETS		$	**4,448,202**	$	3,301,083
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	16	$	**52,207**	$	114,198
Flow-through premium liability	11		**92,127**		92,127
Lease liabilities			**345**		708
			144,679		207,033
Non-current liabilities					
Loan	10		**60,000**		60,000
Total liabilities			**204,679**		267,033
EQUITY					
Share capital	11		**8,216,182**		7,050,910
Contributed surplus			**903,424**		903,424
Warrants	12		**1,214,887**		981,236
Deficit			**(6,090,970)**		(5,901,520)
Total equity			**4,243,523**		3,034,050
TOTAL LIABILITIES AND EQUITY		$	**4,448,202**	$	3,301,083

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"	*"Louis Doyle"*
(signed Glenn J. Mullan)	(signed Louis Doyle)
Director	Director

The accompanying notes are an integral part of the condensed interim financial statements.

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Net loss and Comprehensive loss

(Unaudited)

(Expressed in Canadian Dollars)

			For the three months ended March 31,		
	Notes		**2022**		2021
Operating expenses					
Exploration and evaluation expenses	16	**$**	**65,077**	$	38,834
Professional fees			**61,986**		21,199
General and administrative expenses	14		**23,269**		6,184
Regulatory and transfer agent fees			**11,446**		8,667
Consulting fees	16		**9,000**		9,000
Amortization of rights of use assets			**486**		486
Share-based payments	13		**-**		170,835
			171,264		255,205
Other expenses (income)					
Unrealized loss (gain) on investments			**17,542**		(40,000)
Other income from flow through funding			**-**		(5,273)
Finance income			**(247)**		(892)
Finance expense			**891**		520
			18,186		(45,645)
Net loss and total comprehensive loss for the period		**$**	**189,450**	$	209,560
Basic and diluted net loss per common share	15		**0.003**		0.003

The accompanying notes are an integral part of the condensed interim financial statements.

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Changes in Equity

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Share capital		Contributed Surplus	Warrants	Deficit	Total
		Number					
Balance as at January 1, 2022		**69,893,508**	**$ 7,050,910**	**$ 903,424**	**$ 981,236**	**$ (5,901,520)**	**$ 3,034,050**
Issuance of units under a private placement	11	**8,727,954**	**1,135,161**	**-**	**261,312**	**-**	**1,396,473**
Share issuance costs	11	**-**	**(32,283)**	**-**	**-**	**-**	**(32,283)**
Issuance of shares on exercise of share purchase warrants	11	**347,333**	**62,394**	**-**	**(27,661)**	**-**	**34,733**
Net loss and comprehensive loss for the period		**-**	**-**	**-**	**-**	**(189,450)**	**(189,450)**
Balance as at March 31, 2022		**78,968,795**	**$ 8,216,182**	**$ 903,424**	**$ 1,214,887**	**$ (6,090,970)**	**$ 4,243,523**

	Notes	Share capital		Contributed Surplus	Warrants	Deficit	Total
		Number					
Balance as at January 1, 2021		64,911,938	$ 6,545,615	$ 660,870	$ 852,244	$ (5,922,439)	$ 2,136,290
Issuance of shares on exercise of incentive stock options	13	177,500	19,796	(8,258)	-	-	11,538
Share-based payments		-	-	170,835	-	-	170,835
Net loss and comprehensive loss for the period		-	-	-	-	(209,560)	(209,560)
Balance as at March 31, 2021		65,089,438	$ 6,565,411	$ 823,447	$ 852,244	$ (6,131,999)	$ 2,109,103

The accompanying notes are an integral part of the condensed interim financial statements.

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Notes	For the three months ended March 31, 2022	2021
OPERATING ACTIVITIES			
Net loss for the period		**$ (189,450)**	$ (209,560)
Adjustments:			
Share-based payments		**-**	170,835
Unrealized loss (gain) on investments		**17,542**	(40,000)
Other income from flow through funding		**-**	(5,273)
Finance costs		**(361)**	(443)
Amortization of rights-of-use asset		**486**	486
		(171,783)	(83,955)
Change in non-cash working capital items			
Sales taxes recoverable		**(16,996)**	982
Other assets		**37,208**	(1,540)
Accounts payable and accrued liabilities		**(61,991)**	(19,379)
		(41,779)	(19,937)
Cash flows used by operating activities		**(213,562)**	(103,892)
INVESTING ACTIVITIES			
Additions to exploration and evaluation assets		**-**	(299)
Cash flows used by investing activities		**-**	(299)
FINANCING ACTIVITIES			
Proceeds from issuance of units under a private placement	11	**1,396,473**	-
Proceeds from exercise of warrants	12	**34,733**	-
Proceeds from loan		**-**	20,000
Proceeds from exercise of stock options		**-**	11,538
Share issue expenses		**(32,283)**	-
Cash flows from financing activities		**1,398,923**	31,538
Increase (decrease) in cash		**1,185,361**	(72,653)
Cash and cash equivalents, beginning of period		**809,203**	639,255
Cash and cash equivalents, end of period		**$ 1,994,564**	$ 566,602

The accompanying notes are an integral part of the condensed interim financial statements.

1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Val-d'Or Mining Corporation (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's shares trades on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at March 31, 2022, Golden Valley Mines and Royalties Ltd. ("Golden Valley"), a significant shareholder, held a 36.68% (December 31, 2021 - 36.75%) interest in the Company. As a result of a business combination involving Golden Valley and Gold Royalty Corp., ("Gold Royalty") (NYSE: GROY) completed on November 5, 2021, Gold Royalty has indirectly become the Company's largest shareholder.

2) BASIS OF PRESENTATION AND GOING CONCERN

These condensed interim financial statements, approved by the Board of Directors on May 26, 2022, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These condensed interim financial statements as well as the related notes should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has accumulated deficit and has not yet generated significant income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

(Expressed in Canadian dollars unless otherwise noted)

3) ADOPTION OF NEW ACCOUNTING STANDARDS

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

The Company has considered the amendments to IAS 16, Property Plant and Equipment, IAS 37, Provisions, Contingent Liabilities and Contingent Assets and IFRS 3 Business Combinations which are effective for annual periods beginning on or after January 1, 2022 and has concluded that these amendments have no impact on the Company's financial statements.

4) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing financial statements, management undertakes a number of estimates, judgments and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2021.

5) CASH AND CASH EQUIVALENTS

		As at March 31, 2022		As at December 31, 2021
Cash	$	**1,564,564**	$	379,203
Cash from flow-through funding (note 11)		**400,000**		400,000
Demand deposit		**30,000**		30,000
	$	**1,994,564**	$	809,203

The deposit is due on demand and bears interest at 0.80% per annum and maturing on February 5, 2023.

(Expressed in Canadian dollars unless otherwise noted)

6) INVESTMENTS

The short-term portion of investments of $631,523 as at March 31, 2022 (December 31, 2021 - $649,065) is comprised of marketable securities, representing shares of publicly traded mining exploration companies, that are recorded at fair value using quoted market prices.

The long-term portion of investments of $1,200,000 as at March 31, 2022 (December 31, 2021 - $1,200,000) is comprised of common shares of private mining exploration companies that do not have a quoted market price in an active market. The Company assessed the fair value of these shares based on techniques and assumptions that emphasized both qualitative and quantitative information.

7) OTHER ASSETS

		As at March 31, 2022		As at December 31, 2021
Deposits	$	15,044	$	18,380
Prepaid expenses		3,815		7,630
Accounts receivable		-		28,172
Due from related parties (note 16)		-		1,885
	$	18,859	$	56,067

8) EXPLORATION AND EVALUATION ASSETS

The following table presents a summary of exploration and evaluation assets by prospects:

		As at January 1, 2022	Net Additions	Impairment	Government Assistance		As at March 31, 2022
Québec	$	435,773	-	-	-	$	435,773
Ontario		84,000	-	-	-		84,000
Québec North		-	-	-	-		-
	$	519,773	-	-	-	$	519,773

		As at January 1, 2021	Net Additions	Impairment	Government Assistance		As at December 31, 2021
Québec	$	149,728	286,045	-	-	$	435,773
Ontario		5,000	81,000	(2,000)	-		84,000
Québec North		-	-	-	-		-
	$	154,728	367,045	(2,000)	-	$	519,773

8) EXPLORATION AND EVALUATION ASSETS (continued)

a) Amended Mining Option Agreement and Exercise of Option with Golden Valley

On April 18, 2017, the Company signed a Mining Option Agreement with Golden Valley to acquire a 100% interest in a group of properties located in the Abitibi Greenstone Belt consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019.

In fiscal 2020, the Company issued 8,333,334 shares to Golden Valley, as partial and final satisfaction of consideration for the acquisition by the Company from Golden Valley of the 100% interest in the group of properties in accordance with the terms of the amended agreement between the Company and Golden Valley dated November 28, 2019. The fair value of the 8,333,334 common shares issued was determined to be $1,291,667.

Golden Valley is eligible to receive 20% of the proceeds of all third-party transactions pertaining to the properties that Val-d'Or Mining enters into and announces on or before December 31, 2022. Further, the properties are subject to a royalty in favour of Golden Valley Mines equal to 1.25% of the net smelter returns, whereby Val-d'Or Mining has a partial buyback right. The partial buyback right pertains to each individual property, whereby 1% may be bought for $500,000 on a property-by-property basis with a maximum total consideration of $5,000,000 at which point in time the NSR royalty on all the properties would be reduced by 1.0%.

b) Mining Option Agreements with Eldorado Gold (Québec) Inc.

On November 10, 2021, the Company entered into two separate option agreements (the "Option Agreements") with Eldorado Gold (Québec) Inc. ("Eldorado"), a wholly owned subsidiary of Eldorado Gold Corporation.

The first Option Agreement (the "Perestroika Ouest Option") is for the Perestroika Ouest property (the "Perestroika Ouest Property"), which is located in the Province of Québec. This agreement enables Eldorado to earn and acquire a 70% interest in the Perestroika Ouest Property by spending a minimum $1 million in exploration expenditures over a period of 5 years and making payments of $10,000 per annum to the Company until Eldorado exercises the Perestroika Ouest Option.

The second Option Agreement (the "Blue Mountain and Victoria Creek Option") is for the Blue Mountain property and the Victoria Creek property (the "Blue Mountain and Victoria Creek Properties"), located in the Province of Ontario. This agreement enables Eldorado to earn and acquire a 70% interest in the Blue Mountain and Victoria Creek Properties by spending a minimum $3 million in exploration expenditures over a period of 5 years and making annual payments of $10,000 per annum to the Company until Eldorado exercises the Blue Mountain and Victoria Creek Option.

(Expressed in Canadian dollars unless otherwise noted)

8) EXPLORATION AND EVALUATION ASSETS (continued)

b) Mining Option Agreements with Eldorado Gold (Québec) Inc. (continued)

Upon exercise of either Option Agreement, the parties will be deemed to have formed a joint venture in accordance with the terms set out in each of the Option Agreement. Furthermore, in order to earn and acquire an additional 10% undivided interest in the Option Agreements, Eldorado will contribute all joint venture expenditures on behalf of the parties, and deliver to the Company, a preliminary economic assessment report ("PEA") in respect of the applicable Perestroika Ouest Property, Blue Mountain and Victoria Creek Properties.

c) Boston Bulldog Prospect - Kirkland Lake, Ontario

On February 16, 2015, the Company entered into a Mining Option Agreement, amended on March 6, 2015, March 24, 2017, January 19, 2018, March 5, 2019, and April 7, 2020, pursuant to which it has been granted by 2973090 Canada Inc. ("2973090"), a Canadian private company wholly-owned and controlled by the President and Director of the Company, an option to acquire a 100% interest in the mineral claims comprising the Boston Bulldog Prospect, subject to a 3% NSR royalty.

On December 9, 2020, the Company entered into an agreement (the "Amendment Agreement") with 2973090 to further amend a Mining Option Agreement relating to the Boston Bulldog Prospect to remove the requirement to incur exploration expenditures on the property in the aggregate amount of $50,000 by April 7, 2021, and to remove the 3% NSR commitment. As consideration for the amendments, the Company issued 200,000 common shares, with a fair value of $18,000, to 2973090, following which the Company have fully exercised the option and acquired 100% ownership of the Boston Bulldog Prospect.

Exploration and Evaluation assets by expenditures

The following table presents a summary of exploration and evaluation assets by expenditures:

	As at January 1, 2022	Net Additions	Impairment	Government Assistance	As at March 31, 2022
Geophysical surveys	$ 193,616	-	-	-	$ 193,616
Prospecting	134,433	-	-	-	134,433
Striping and excavation	3,383	-	-	-	3,383
Line cutting	23,551	-	-	-	23,551
Reporting	99,120	-	-	-	99,120
Other	65,670	-	-	-	65,670
	519,773	-	-	-	519,773

(Expressed in Canadian dollars unless otherwise noted)

8) EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and Evaluation assets by expenditures

The following table presents a summary of exploration and evaluation assets by expenditures:

		As at January 1, 2021	Net Additions	Impairment	Government Assistance		As at December 31, 2021
Geophysical surveys	$	116,093	77,523	-	-	$	193,616
Prospecting		35,252	101,181	(2,000)	-		134,433
Striping and excavation		3,383	-	-	-		3,383
Line cutting		-	23,551	-	-		23,551
Reporting		-	99,120	-	-		99,120
Other		-	65,670	-	-		65,670
		154,728	367,045	(2,000)	-		519,773

9) ROYALTY INTERESTS

a) Ducros Group of Properties

In October 6, 2020, Val-d'Or Mining entered into an agreement with respect to the sale of several properties referred to as the Ducros Group of Properties. The properties are located in the Ducros Township northeast of Val-d'Or, Québec. The purchaser of the property is Québec Nickel Corp. ("QNC"). In consideration for a 100% interest in the properties, QNC issued 3,589,341 special warrants to the Company (of which Golden Valley received 80,880 special warrants in accordance with the terms of an amended and restated option agreement between the Company and Golden Valley dated November 28, 2019). In addition, the Company was granted a royalty of 1.5% of the net smelter returns from the properties which were sold under the agreement, as well as those properties which were staked or will be otherwise acquired by QNC within an area of influence. In July 2, 2021, with QNC receiving final approval to list its common shares on the Canadian Securities Exchange, the QNC special warrants were, for no additional consideration, converted into one common share of QNC.

b) Powell Prospect

On February 6, 2020, the Company entered into an agreement with respect to the sale of its Powell Prospect, which is located in the Matachewan gold camp of the Abitibi Greenstone Belt region of Ontario. The purchaser of the property is Sparton Resources Inc. ("Sparton"). In consideration for a 100% interest in the property, the Company received 1,000,000 shares in the share capital of Sparton and the Company was granted a royalty of 2% from the property. One percent of the net smelter return (or 50% of the 2% net smelter royalty) may be purchased by Sparton at any time after the acquisition of the claims for US$2.5 million.

9) ROYALTY INTERESTS (continued)

c) Luc Bourdon Prospect

On December 12, 2019, the Company entered into an agreement with respect to the sale of its Luc Bourdon property, which is located in the James Bay region of northern Ontario. The purchaser of the property is privately-owned Juno Corp. ("Juno"). In consideration for a 100% interest in the property, the Company received 1,500,000 shares in the share capital of Juno, and the Company was granted a royalty of 1.5%, assigned with a value of $8,378, of the net smelter returns from the property.

d) Horne North Prospects

On December 16, 2019, the Company entered into a mineral claim sale agreement for ten exploration properties, which are located in the Abitibi Greenstone Belt of NW Québec. The purchaser is privately-owned Progenitor Metals Corp. ("Progenitor Metals").

In consideration for 100% of the Horne North Prospects, the Company received 5,345,657 shares in the capital of Progenitor Metals at a deemed value of $0.20 per share, for an aggregate deemed consideration of $1,069,131. The payment shares were split between Val-d'Or Mining and Golden Valley Mines, whereby Val-d'Or Mining retained 80% of the aggregate consideration (4,276,526 shares (or $855,305)) and Golden Valley received 20% of the consideration (1,069,131 shares (or $213,826)) pursuant to the terms of the recently amended Mining Option Agreement.

10) LOAN

The Company applied for and received the $60,000 Canada Emergency Business Account which is an interest-free loan to cover operating costs. Repaying the balance of the loan on or before December 31, 2023 will result in a loan forgiveness of $20,000.

11) EQUITY

Share Capital

Authorized

Unlimited number of voting common shares without par value.

11) EQUITY (continued)

2022 transactions on share capital

Issuance of Units under a private placement

On March 18, 2022, the Company completed a non-brokered private placement offering, pursuant to which it issued 8,727,954 Units at a per Unit price of $0.16, for gross proceeds of $1,396,473. Each Unit consisted of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitling to the purchase of one common share at a per share price of $0.20 until March 18, 2024.

The fair value of the 4,363,977 warrants was estimated at $261,312. The residual method, using the Black-Scholes pricing model was retained to estimate fair value with the following assumptions: an expected volatility of 119.91%, a risk-free interest rate of 1.83%, an expected unit life of 2 years, no expected dividend yield and a share price of $0.12 at date of grant. The fair value of these warrants was deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

In connection with the financing, administration fees of $8,000 and legal fees and regulatory fees of $24,283 were incurred in relation with the private placement.

Issuance of shares on exercise of share purchase warrants

For the three months ended March 31, 2022, the Company issued 347,333 of its common shares pursuant to the exercise of 347,333 warrants share purchase warrants for a total consideration of $34,733.

2021 transactions on share capital

Issuance of Flow-Through Common Shares

On December 21, 2021, the Company completed a non-brokered private placement offering (the "Offering") for gross proceeds of $400,000. The Company issued 1,111,112 National Flow-Through Common Shares and 1,111,112 Québec Flow-Through Common Shares (together, the "FT Shares") at a per FT Share price of $0.18. The FT Shares will be "flow-through shares" as defined in the Income Tax Act (Canada) and the Taxation Act (Québec), as applicable.

The flow-through shares were issued at a premium of $0.05 per share to the current market price of the Company's shares at the day of issue. The premium of $92,127 was recognized as a liability with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures were incurred. For the three months ended March 31, 2022, no flow-through share premium was reallocated to other income.

(Expressed in Canadian dollars unless otherwise noted)

11) EQUITY (continued)

2021 transactions on share capital

Issuance of shares on exercise of incentive stock options

For the three months ended March 31, 2021, the Company issued 177,500 of its common shares for at total consideration of $11,538 from the exercise of stock options at prices of $0.065 per share.

12) WARRANTS

The following table shows the changes in warrants:

	For the three months ended March 31, 2022			For the three months ended March 31, 2021		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of period	**4,278,391**	**$**	**0.13**	4,046,836	$	0.12
Issued under a private placement (note 11)	**4,363,977**		**0.20**	-		-
Exercised	**(347,333)**		**0.10**	-		-
Outstanding, end of period	**8,295,035**	**$**	**0.17**	4,046,836	$	0.12

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	As at March 31, 2022			As at March 31, 2021		
Expiration date	Number of outstanding warrants		Exercise price	Number of outstanding warrants		Exercise price
October 18, 2021	**-**	**$**	**-**	1,159,090	$	0.15
May 7, 2022	**2,449,997**		**0.10**	2,797,330		0.10
July 3, 2022	**90,416**		**0.24**	90,416		0.24
May 6, 2023	**1,168,423**		**0.19**	-		-
December 21, 2023	**222,222**		**0.18**	-		-
March 18, 2024	**4,363,977**		**0.20**	-		-
	8,295,035	**$**	**0.17**	4,046,836	$	0.12

(Expressed in Canadian dollars unless otherwise noted)

13) SHARE-BASED PAYMENTS

Stock option plan

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but would not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it would be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported.

The vesting period of the options would be determined by the Board of Directors, in accordance with the rules and regulations of the TSX Venture Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

A summary of changes in the number of incentive stock options is presented as follows:

	For the three months ended March 31, 2022		For the year ended December 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	**6,766,943**	**$ 0.118**	4,846,210	$ 0.110
Granted	**-**	**-**	2,393,233	0.123
Exercised	**-**	**-**	(422,500)	0.065
Forfeited	**-**	**-**	(50,000)	0.075
Outstanding, end of period	**6,766,943**	**$ 0.118**	6,766,943	$ 0.118

Incentive Stock Options granted in 2021

On February 22, 2021, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 1,615,233 common shares at an exercise price of $0.13 per share. The options are exercisable for a period of 5 years until February 22, 2026 and are exercisable immediately. The fair value of the 1,615,233 stock options has been estimated on the date of issue at $170,835, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.13; expected dividend yield: nil; expected volatility: 144.01%; risk-free interest rate: 0.53%; expected life: 5 years and exercise price at the date of grant: $0.13 per share.

(Expressed in Canadian dollars unless otherwise noted)

13) SHARE-BASED PAYMENTS (continued)

As at March 31, 2022, the number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

Expiration date	Number of options		Exercise price
February 5, 2023	2,025,000		0.105
October 24, 2023	470,097		0.110
June 17, 2024	567,263		0.075
June 26, 2025	1,311,350		0.150
February 22, 2026	1,615,233		0.130
June 28, 2026	600,000		0.110
November 10, 2026	178,000		0.110
	6,766,943	$	0.118

Restricted Share Unit Plan

At the annual general and special meeting of shareholders held on June 27, 2016, the shareholders approved the adoption and implementation of a Restricted Share Unit Plan (the "RSU Plan"). The RSU Plan provides that restricted share units ("Share Units") may be granted by the Company's Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be decided at the grant date. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 1,288,199 common shares. No restricted shares units were issued for the three months ended March 31, 2022 and 2021.

14) GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes general and administrative expenses for the three months ended March 31, 2022 and 2021.

		2022		2021
Investor relations and marketing	$	**12,117**	$	-
Office expenses		**6,543**		5,626
Travel and entertainment		**4,609**		558
	$	**23,269**	$	6,184

(Expressed in Canadian dollars unless otherwise noted)

15) LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding for the three months ended March 31, 2022 and 2021 as follows:

		For the three months ended March 31,		
		2021		2020
Net loss for the period	$	**189,450**	$	209,560
Weighted average number of common shares - Basic		**71,276,934**		65,046,049
Dilutive effect of stock options and warrants		**-**		-
Weighted average number of common shares - Diluted		**71,276,934**		65,046,049
Basic loss per share	$	**0.003**	$	0.003
Diluted loss per share		**0.003**		0.003

For the three months ended March 31, 2022 and 2021, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

16) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement ") with Golden Valley, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9., in consideration of $8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis.

For the three months ended March 31, 2022, the Company reimbursed Golden Valley the amount of $1,814 (for the three months ended March 31, 2021 - $1,814) relating to this arrangement.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at March 31, 2022, the Company had net payable of $2,086 (December 31, 2021 - receivable of $1,780) due from Golden Valley.

16) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management

Key management personnel of the Company is comprised of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

- For the three months ended March 31, 2022, the Company incurred consulting fees of $10,500 (2021 - $3,000) with the CEO which were recorded under exploration and evaluation expenses in the statements of net loss and comprehensive loss. As at March 31, 2022, no amount (December 31, 2021 - $1,150, recorded in accounts payable and accrued liabilities) was due to the CEO.

- For the three months ended March 31, 2022, the Company incurred consulting fees of $24,000 (2021 - $24,000) with the COO of which $18,000 (2021 - $18,000) was recorded under exploration and evaluation expenses and $6,000 (2021 - $6,000) was recorded under consulting fees in the statements of net loss and comprehensive loss. As at March 31, 2022 and December 31, 2021, no amount was due to the COO.

- For the three months ended March 31, 2022, the Company incurred consulting fees of $3,348 (2021 - $3,348) with the VP Exploration which were recorded under exploration and evaluation expenses in the statements of net loss and comprehensive loss. As at March 31, 2022, no amount (December 31, 2021- $7,698, recorded in accounts payable and accrued liabilities) was due to the VP Exploration.

- For the three months ended March 31, 2022, the Company incurred consulting fees of $6,000 (2021 - $nil) with the Chief Financial Officer which were recorded under Professional fees in the statements of net loss and comprehensive loss. As at March 31, 2022, the Company had indebtedness of $6,000 (December 31, 2021 - $nil) to the Company's Chief Financial Officer, which was included in accounts payable and accrued liabilities.

- For the three months ended March 31, 2022, no incentive stock options were granted to key management personnel. For the three months ended March 31, 2021, the Company granted incentive stock options to key management personnel to purchase an aggregate 1,261,233 common shares of the Company. The Company recorded a stock-based compensation of $133,394 relating to this grant.

16) RELATED PARTY TRANSACTIONS (continued)

c) Transactions with related parties

For the three months ended March 31, 2022, the Company incurred fees of $4,500 (2021 -$nil) with an individual, the spouse of the COO, as part of a consulting agreement for accounting services. These fees were recorded under Professional fees in the statements of net loss and comprehensive loss.

For efficiency reasons, where the Company and related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at March 31, 2022, the Company had a net payable balance of $8,086 (December 31, 2021 – net payable of $6,963) due to related parties of which $2,086 (December 31, 2021 –$1,780) was due to Golden Valley, $nil (December 31, 2021 –$105) due from companies related by common management, $nil (December 31, 2021 –$1,150) was due to a company controlled by the President, of $6,000 (December 31, 2021 –$nil) was due to the Company's Chief Financial Officer and of $nil (December 31, 2021 –$7,698) was due to a company controlled by the VP Exploration.

17) COMMITMENTS

- The Company entered into a consulting agreement with the CEO for an annual payment of $42,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000 if the consulting agreement is terminated by the Company, and $100,000 if the consulting agreement is terminated by the CEO within six months from the date of change of control.

- The Company entered into a consulting agreement with the COO for an annual payment of $96,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000 if the consulting agreement is terminated by the Company, and $100,000 if the consulting agreement is terminated by the COO within six months from the date of change of control.

- The Company entered into a consulting agreement with the VP Exploration for an annual payment of $13,390. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000 if the consulting agreement is terminated by the Company, and $100,000 if the consulting agreement is terminated by the VP Exploration within six months from the date of change of control.

- The Company entered into a consulting agreement with the Chief Financial Officer for an annual payment of $24,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $24,000 if the consulting agreement is terminated by the Company within twelve months from the date of change of control.

17) COMMITMENTS (continued)

- As at March 31, 2022, the Company has still to incur exploration expenditures by December 31, 2022 in the amount of $400,000 from its flow-through funds.

- The Company has entered into a long-term agreement for the lease of an equipment expiring on July 25, 2022, which minimum lease payments for 2022 totals $1,384.

18) FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There have been no significant transfers between Levels 1, 2 and 3 in the reporting periods. The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

(Expressed in Canadian dollars unless otherwise noted)

18) FINANCIAL ASSETS AND LIABILITIES (continued)

The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

		As at March 31, 2022				As at December 31, 2021		
Financial assets		Carrying amount		Fair value		Carrying amount		Fair value
Cash and cash equivalents		1,994,564		1,994,564		809,203		809,203
Accounts receivable		-		-		28,172		28,172
Investments		1,831,523		1,831,523		1,849,065		1,849,065
Due from related parties		-		-		1,885		1,885
	$	3,826,087	$	3,826,087	$	2,688,325	$	2,688,325

		As at March 31, 2022				As at December 31, 2021		
Financial liabilities		Carrying amount		Fair value		Carrying amount		Fair value
Accounts payable and accrued liabilities	$	52,207	$	52,207	$	114,198	$	114,198
Lease liabilities		345		345		708		708
Loan		60,000		60,000		60,000		60,000
	$	112,552	$	112,552	$	174,906	$	174,906

Categories of financial assets and liabilities

The carrying value of cash and cash equivalents, accounts receivable, due from related parties, loan, accounts payable and accrued liabilities is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. As at March 31, 2022 and December 31, 2021, the Company classified cash and cash equivalents and short-term investments as Level 1; and, accounts receivable and amounts due from/to related parties and other payables as Level 3.

The Company's long-term investments, consisting of investments in the common shares of private companies, do not have a quoted market price in an active market and the Company has assessed a fair value of the investment based on their unobservable net assets. As a result, the fair value is classified within Level 3 of the fair value hierarchy. The process of estimating the fair value of these investments is based on inherent measurement uncertainties and is based on techniques and assumptions that emphasize both qualitative and quantitative information. There is no reasonable quantitative basis to estimate the potential effect of changing the assumptions to reasonably possible alternative assumptions on the estimated fair value of these long-term investments.

19) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in managing capital are to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale. The Company manages its capital structure and makes adjustments to it in 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 to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve.

The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 11 and in the statements of changes in equity. The Company is not subject to any externally imposed capital requirements.

20) FINANCIAL RISKS

The Company is exposed to various financial risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk, market risk and liquidity risk. The Company focuses on actively securing short to medium-term cash flow by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and cash equivalents of $1,994,564 at March 31, 2022 (December 31, 2021 - $809,203), accounts receivable of $nil (December 31, 2021 - $28,172) and due from related parties of $nil (December 31, 2021 - $1,885). The risk related to cash is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to fluctuations in the market prices of its investments in private and public companies. The fair value of those instruments represents the maximum exposure to price risk.

20) FINANCIAL RISKS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has potential financing sources. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations. Accounts payable and accrued liabilities are due within less than 90 days. The loan of $60,000 (note 10) is expected to be paid in fiscal year 2023.

21) COMPARATIVE FIGURES

Certain of the comparative figures have been restated to conform with current year's presentation. Specifically, Salaries and other employee benefits for the three months ended March 31, 2021 have been presented as part of Exploration and evaluation expenses in the statements of net loss and comprehensive loss.