QUEENSLAND GOLD HILLS CORP.

(FORMERLY MINFOCUS EXPLORATION CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2022 and 2021

(EXPRESSED IN CANADIAN DOLLARS)

DeVISSER GRAY LLP
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Independent Auditor's Report

To the Shareholders of Queensland Gold Hills Corp. (formerly Minfocus Exploration Corp.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Queensland Gold Hills Corp. (formerly Minfocus Exploration Corp.) (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in cash flows and equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no source of revenue, has a working capital deficiency as at February 28, 2022 and is dependent upon the future receipt of equity financing to maintain its operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC
June 27, 2022

Queensland Gold Hills Corp.

(Formerly Minfocus Exploration Corp.)
Consolidated Statements of Financial Position
As at February 28, 2022 and 2021
(Expressed in Canadian Dollars)

	2022 $	2021 $
ASSETS		
Current assets		
Cash	**946,403**	41,480
GST receivable	**62,409**	3,994
Amounts receivable	**3,487**	-
Prepaid expenses	**202,726**	-
Total current assets	**1,215,025**	45,474
Reclamation bonds	**15,150**	5,649
Exploration and evaluation assets (Note 6)	**3,552,574**	858,155
Total assets	**4,782,749**	909,278
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 9)	**173,970**	353,311
Loan payable (Note 10)	**28,146**	10,867
Total liabilities	**202,116**	364,178
Equity		
Issued capital (Note 7)	**12,777,737**	7,505,315
Equity reserve (Note 7)	**1,177,668**	334,233
Deficit	**(9,544,609)**	(7,294,448)
Total equity attributable to shareholders	**4,410,796**	545,100
Non-controlling interest (Note 6)	**169,837**	-
Total Equity	**4,580,633**	545,100
Total equity and liabilities	**4,782,749**	909,278

Going concern (Note 1)
Subsequent events (Note 13)

These financial statements were approved by the Board of Directors and authorized for issue on June 27, 2022.

(s) Alicia Milne, Director

(s) Jody Bellefleur, Director

Queensland Gold Hills Corp.

(Formerly Minfocus Exploration Corp.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)

	2022 **$**	2021 $
General and administrative expenses		
Accounting and audit fees (Note 9)	**83,027**	17,499
Advertising and promotion	**134,968**	8,419
Bank fees and interest expense (Note 10)	**11,895**	1,738
Consulting fees (Note 9)	**225,881**	45,000
Filing and transfer agent fees	**84,342**	20,737
Investor relations	**15,000**	-
Office, insurance and administrative	**9,061**	882
Professional fees	**37,664**	638
Property costs	**5,083**	-
Share-based compensation (Note 7)	**826,000**	86,432
	1,432,921	181,345
Other expenses (income)		
Impairment of interests in exploration properties (Note 6)	**845,480**	-
Reversal and settlement of accounts payable	**(27,007)**	(17,679)
	818,473	(17,679)
Net and comprehensive loss	**2,251,394**	163,666
Loss attributable to:		
Shareholders of the Company	**2,250,161**	163,666
Non-controlling interest (Note 6)	**1,233**	-
	2,251,394	163,666
Basic and diluted loss per share	**$ 0.17**	$ 0.04
Weighted average number of common shares outstanding		
- basic and diluted (Note 8)	**13,610,682**	4,217,987

The notes to the consolidated financial statements are an integral part of these statements.

Queensland Gold Hills Corp.

(Formerly Minfocus Exploration Corp.)
Consolidated Statements of Cash Flows
For the years ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)

	2022	2021
	$	$
Cash flows used in operating activities		
Net loss for the year	**(2,251,394)**	(163,666)
Non-cash adjustments:		
Impairment of exploration properties (Note 6)	**845,480**	-
Share-based payments (Note 7)	**826,000**	86,432
Interest accrued (Note 10)	**381**	867
Reversal and settlement of accounts payable	**(27,007)**	(17,679)
Non-cash working capital items:		
Amounts receivable	**(26,833)**	(3,246)
Prepaid expenses	**(202,726)**	-
Trade and other payables	**19,207**	28,121
Cash flows used in operating activities	**(816,892)**	(69,171)
Cash flows from financing activities		
Issuance of share capital, net of issuance costs	**1,935,857**	175,165
Warrants exercised	**101,500**	-
Repayment of loans payable	**(11,268)**	-
Loans advanced	**18,369**	-
Cash flows from financing activities	**2,044,458**	175,165
Cash flows used in investing activities		
Cash paid to acquire Big Hill	**(275,325)**	-
Exploration and evaluation asset expenditures	**(47,318)**	(74,819)
Cash flows used in investing activities	**(322,643)**	(74,819)
Change in cash	**904,923**	31,175
Cash, beginning of year	**41,480**	10,305
Cash, end of year	**946,403**	41,480
Supplemental information:		
Common shares issued for interest in exploration and evaluation properties (Note 6 and Note 7)	**$ 3,080,000**	$ 22,857

The notes to the consolidated financial statements are an integral part of these statements.

Queensland Gold Hills Corp.

(Formerly Minfocus Exploration Corp.)
Consolidated Statements of Changes in Shareholders' Equity
For the years ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)

	Number of Shares	Issued Capital $	Equity Reserve $	Deficit $	Non-controlling interest $	Total $
Balance, February 29, 2020	**3,676,431**	**7,307,293**	**247,801**	**(7,130,782)**	**-**	**424,312**
Shares issued for cash (Note 7)	1,180,000	177,000	-	-	-	177,000
Shares issued for property interests (Note 6 and 7)	125,715	22,857	-	-	-	22,857
Share issuance costs	-	(1,835)	-	-	-	(1,835)
Share-based payments	-	-	86,432	-	-	86,432
Net loss for the year	-	-	-	(163,666)	-	(163,666)
Balance, February 28, 2021	**4,982,146**	**7,505,315**	**334,233**	**(7,294,448)**	**-**	**545,100**
Shares issued for cash (Note 7)	17,160,000	2,145,000	-	-	-	2,145,000
Shares issued for property interests (Note 6 and 7)	17,800,000	3,080,000	-	-	-	3,080,000
Warrants exercised	406,000	101,500	-	-	-	101,500
Share issuance costs	-	(54,078)	17,435	-	-	(36,643)
Share-based payments	-	-	826,000	-	-	826,000
Acquisition of Big Hill (Note 6)	-	-	-	-	171,070	171,070
Net loss for the year	-	-	-	(2,250,161)	(1,233)	(2,251,394)
Balance, February 28, 2022	**40,348,146**	**12,777,737**	**1,177,668**	**(9,544,609)**	**169,837**	**4,580,633**

All shares in this table are shown as post-consolidated shares. See Note 7.

The notes to the consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

Queensland Gold Hills Corp. (formerly Minfocus Exploration Corp.) (“Queensland” or the “Company”) was incorporated under the British Columbia Business Corporations Act on May 6, 2010. The Company completed its Initial Public Offering (“IPO”) on October 19, 2010 and its shares were listed on the TSX Venture Exchange (the “TSX-V”) on October 21, 2010. The Company is principally engaged in the business of exploring and developing base and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The head office of the Company is located at Suite 440 - 755 Burrard Street, Vancouver, British Columbia, V6Z 1X6.

On August 17, 2021, the Company consolidated its common shares on the basis of five (5) pre-consolidation shares for one (1) post-consolidation share. These financial statements are shown on a post-consolidated basis. On December 6, 2021, the Company changed its name from Minfocus Exploraiton Corp. to Queensland Gold Hills Corp. The Company’s shares are listed on Tier 1 of the TSX Venture Exchange in Canada (“OZAU”), the Frankfurt Stock Exchange in Germany (“MB3”), and the OTCQB (“MNNFF”).

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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 exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at February 28, 2022, the Company has not earned revenue and has an accumulated deficit of $9,544,609 (2021 - $7,294,448), had cash of $946,403 (2021 - $41,480) and working capital of $1,012,909 (2021 - $318,704 deficit). The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. Summary of significant accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended February 28, 2022. The policies set out below have been consistently applied to all periods presented.

(b) Basis of presentation and consolidation

The consolidated financial statements have been prepared on the historical cost basis, except for cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries Minfocus International Inc. ("Minfocus International"), 2244223 Ontario Inc., and Orefox Exploration Pty Ltd. Also included is the 95% ownership of Big Hill Gold Mining Company Pty Ltd. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(c) Presentation and functional currency

These consolidated financial statements are presented in the Canadian dollar functional currency, the currency of the primary economic environment in which the Company and its subsidiaries operate.

(d) Financial instruments

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

- Amortized cost

  Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

- Fair value through other comprehensive income ("FVTOCI")

  Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at fair value through profit or loss ("FVTPL") to present subsequent changes in FVTOCI.

2. Summary of significant accounting policies (Continued)

(d) Financial Instruments (Continued)

• Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments:

Financial Assets	**Classification**
Cash	Fair value through profit or loss
Reclamation bonds	Fair value through profit or loss
Financial Liabilities	
Trade and other payables	Amortized cost
Loan payable	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss are recognized in the statements of loss and comprehensive loss.

(e) Equipment

Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Equipment is depreciated over the estimate useful lives of the assets on the declining balance basis using an annual rate of 20% for exploration and evaluation equipment.

(f) Interest in exploration properties and exploration and evaluation expenditures

All direct costs related to the acquisition of exploration property interests are capitalized into intangible assets on a property by property basis pending determination of the technical feasibility and commercial viability of the project. Exploration and evaluation expenditures are recorded at cost at the date of acquisition. All direct costs related to the acquisition, exploration and development of exploration properties are capitalized until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be impairment. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit-of-production method following commencement of production. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss in the statement of loss.

2. Summary of significant accounting policies (Continued)

(g) Provisions

A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. At the end of each financial position reporting date provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation. The Company had no material provisions as at February 28, 2022 and 2021.

(h) Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Changes in estimates of decommissioning costs are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit and loss. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material restoration, rehabilitation and environmental obligations as at February 28, 2022 and 2021.

(i) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date and recognized over the period during which the options vest. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value of share options granted to employees are recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

2. Summary of significant accounting policies (Continued)

(i) Share-based payments (Continued)

The fair value of share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest at each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. No expense is recognized for awards that do not ultimately vest.

Consideration received on the exercise of share options and warrants is recorded as share capital and the equity reserve is transferred to share capital. Upon expiry, the recorded value of share options and warrants is transferred to deficit.

(j) Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the statement of loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statement of loss.

Impairment indicators for exploration and evaluation assets include the ending of rights to explore, abandoning plans to explore an exploration property, a lack of discovery of economically recoverable reserves on completion of exploration and evaluation activities and on future production or proceeds of disposition.

(k) Flow-through shares

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted market price of the common shares and the amount the investor pays for the flow-through shares. A flow-through share premium liability is recognized for the premium paid by the investors and is then reversed through the consolidated statement of loss in the period of renunciation.

(l) Income taxes

Income tax on the loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. Summary of significant accounting policies (Continued)

(l) Income taxes (Continued)

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. Deferred income tax liabilities and assets are not recognized for taxable temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it is not recognized.

(m) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(n) Segment reporting

The Company operates in a single reportable operating segment, the acquisition, exploration and development of base and precious metals including zinc, silver and gold projects in Canada and the United States. As operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

(o) Share capital

Common shares and warrants are classified as equity. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

(p) Interest income

Interest income from financial assets is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

3. Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company’s management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Going concern

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgements.

3. Critical judgements and estimation uncertainties (Continued)

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation expenditures.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

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. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of metallic 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 team to sustain the future development of the business. The Company considers its capital to be equity, which comprises issued capital, equity reserve and accumulated deficit, which totalled $4,580,633 at February 28, 2022 (2021 - $545,100).

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 economic base and precious metal resources with an emphasis on gold, zinc, and silver, 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 existing working capital and raise additional amounts as needed.

(Expressed in Canadian Dollars)

4. Capital management (Continued)

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

(i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
(ii) minimizing discretionary disbursements; and
(iii) 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.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended February 28, 2022 and 2021.

5. Financial instruments and financial risk factors

Fair value measurements

	February 28, 2022	February 28, 2021
Financial assets		
FVPL, measured at fair value		
Cash	**$ 946,403**	$ 41,480
Reclamation bonds	**15,150**	5,649
Financial liabilities		
Other liabilities, measured at amortized cost		
Trade and other payables	**$ 173,970**	$ 353,311
Loan Payable	**28,146**	10,867

Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) 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).

As at February 28, 2022, the Company’s financial instruments are comprised of cash, reclamation bonds, trade and other payables, and loan payable. The carrying value of these financial instruments approximate their fair values due to the relatively short periods to maturity of these financial instruments.

(Expressed in Canadian Dollars)

5. Financial instruments and financial risk factors (Continued)

Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

At February 28, 2022

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 946,403	$ -	$ -	$ 946,403
Reclamation bonds	15,150	-	-	15,150
Total	$ 961,553	$ -	$ -	$ 961,553

At February 28, 2021

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 41,480	$ -	$ -	$ 41,480
Reclamation bonds	5,649	-	-	5,649
Total	$ 47,129	$ -	$ -	$ 47,129

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team 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. There were no changes in the risks, objectives, policies and procedures from the previous year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come 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 February 28, 2022, the Company had a cash balance of $946,403 (2021 - $41,480) to settle current liabilities of $202,116 (2021 - $364,178). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt, other than the loans described in Note 10. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

5. Financial instruments and financial risk factors (Continued)

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time but may increase as the Company develops its Australia-based properties.

(c) Commodity price risk

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

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised primarily of GST/HST receivable due from the Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

(Expressed in Canadian Dollars)

6. Interest in exploration properties and exploration and evaluation expenditures

	Big Hill	Titan Gold	Nevada Rose	Angelo Bell	Coral Zinc	Peregrine Zinc	Round Pond	Total
Balance, February 29, 2020	$ -	$ -	$ -	$ -	$ 648,495	$ 72,255	$ 39,729	$ 760,479
Additions during the year								
Property acquisition costs								
Cash	-	-	17,050	-	-	-	665	17,715
Shares issued for property interests	-	-	10,000	-	-	-	12,857	22,857
Property exploration costs								
Assays	-	-	3,649	-	-	-	-	3,649
Geophysical surveying	-	-	30,255	-	-	-	23,200	53,455
Balance, February 28, 2021	$ -	$ -	$ 60,954	$ -	$ 648,495	$ 72,255	$ 76,451	$ 858,155
Additions during the year								
Property acquisition costs								
Cash	275,325	-	19,715	9,380	-	-	-	304,420
Shares	3,112,249	105,000	-	-	-	-	-	3,217,249
Property exploration costs								
Geological costs	-	-	10,000	-	-	-	8,230	18,230
	3,387,574	105,000	90,669	9,380	648,495	72,255	84,681	4,398,054
Impairment of properties	-	-	(83,169)	(6,880)	(608,495)	(72,255)	(74,681)	(845,480)
Balance, February 28, 2022	$ 3,387,574	$ 105,000	$ 7,500	$ 2,500	$ 40,000	$ -	$ 10,000	$ 3,552,574

(Expressed in Canadian Dollars)

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Big Hill Gold Property, Australia

In December 2021, the Company acquired an 95% interest of Big Hill Gold Mining Company Pty Ltd. ACN 474 179 ("Big Hill)", a private Australian company. Big Hill holds a 100% interest in an exploration permit and two mining licenses comprising the Big Hill Gold Property located in Queensland, Australia.

To acquire its interest in Big Hill, the Company issued 17,5000,000 common shares of the Company and paid $275,325 (AU$300,000) in cash. The shares are subject to a statutory hold period for four months and one day from the date of issuance. In addition, the shares are subject to a contractual escrow and released from escrow as follows: (i) 40% of the shares shall be released from escrow four months and one day following the date of issuance; (ii) 20% of the shares shall be released from escrow 180 days after issuance; (iii) 20% of the shares shall be released from escrow 270 days after issuance; and (iv) the remaining 20% of the shares shall be released from escrow one year from the date of issuance.

As a result of the transaction, the Company has recorded the pro-rata fair value of the non-controlling interest's portion of the net assets of Big Hill at the time of acquisition, resulting in a charge of $171,070 to non-controlling interest. The non-controlling interest (5%) can be acquired by the Company at any time for cash of AU$700,000. Upon the Company acquiring the remaining 5% of Big Hill the non-controlling interest will receive a 0.75% net smelter royalty.

The purchase price consideration is as follows:

	$
Value of 17,500,000 common shares of the Company	2,975,000
AU $300,000 cash	275,325
Total	3,250,325

The purchase price allocation is as follows:

Current assets	44,577
Exploration and evaluation assets	3,387,574
	3,432,151
Less liabilities assumed:	
Current liabilities	(10,756)
	3,421,395
Non-controling interest	(171,070)
	3,250,325

Titan Gold Project, Australia

On January 28, 2022, the Company acquired 100% of the issued and outstanding common shares of Orefox Titan Pty Ltd. CAN 640 056 131 ("Orefox Titan"), a private Australian Company. Orefox Titan holds a 100% interest in the Titan Gold Property located contiguous to the Company's Big Hill Gold project in Queensland Australia. To acquire Orefox Titan the Company issued 300,000 common shares valued at $105,000. At the acquisition date the net assets of Orefox Titan consisted of the Titan Gold Property only.

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Coral Zinc Project, British Columbia

In January 2015, the Company entered into an agreement pursuant to which it had an option to earn up to an initial 60% interest in the Coral Zinc Project, a zinc project situated in northern British Columbia. The optioned claims were subject to work and payment commitments. The Company earned a 20% interest, but during the year ended February 28, 2019, the Company determined that it was not able to meet its commitment to earn the remaining 40% interest in the claims and terminated the option agreement. In September 2018, the Company acquired an additional 36% beneficial ownership interest in the Coral Zinc Project by issuing 1,436,000 shares and 1,436,000 share purchase warrants, exercisable at $0.07 for 2 years with a fair value of $287,200. As a result, the Company now holds a 56% interest. The Company has pledged a $10,000 GIC as security under a safekeeping agreement with the Ministry of Finance, British Columbia relating to the application for permits on the Coral Zinc Project. This amount is included in cash on the consolidated statement of financial position. During the year ended February 28, 2022, the Company recorded an impairment of $608,495 on the property. See Note 13.

Peregrine Zinc Project, British Columbia

The Peregrine Zinc Project, located in southeastern British Columbia, comprises optioned claims supplemented by claims staked by the Company. In January 2017, the Company entered into an option earn-in agreement on the Peregrine Zinc Project, to earn a 100% interest over a period of two years by making aggregate cash payments totaling $10,000 (paid) and issuing 28,571 shares (issued) plus the grant of a 2% net smelter returns royalty ("NSR"). The Company has the option to repurchase up to 1% of the NSR for $1,000,000 after commercial production. During the year ended February 28, 2022, the Company recorded an impairment of $72,255 on the property as the claims were allowed to lapse.

Round Pond Zinc Project, Newfoundland and Labrador

In March 2018, the Company entered into an agreement to acquire a 100% interest in the Round Pond Zinc Project, comprising 30 claims (750 hectares), located west of Hare Bay, on the Great Northern Peninsula of northwest Newfoundland and Labrador, for total consideration of 150,000 shares (issued) of the Company. A 2.0% NSR royalty was granted, of which $1.5 million can be paid to reduce the royalty to a 0.75% NSR interest. The Company staked an additional 33 contiguous claims to the Round Pond Zinc Project, extending the property to its present size of 1,575 hectares. The Round Pond claims remain in good standing until January 17, 2023. During the year ended February 28, 2022, the Company recorded an impairment of $74,681 on the property. See Note 13.

Nevada Rose Precious Metals Property, Nevada USA

On February 28, 2020, the Company entered into an agreement with GeoCorp to acquire 22 lode mineral claims in SW Eureka County Nevada, known as the Nevada Rose Precious Metals Property ("Nevada Rose Property"). In accordance with the agreement, the Company issued 40,000 shares to GeoCorp upon approval by the TSX-V (issued), paid $10,000 USD upon closing of a financing of at least $100,000 within 3 months of TSX-V approval (paid), and commited to a first year work program of $50,000 USD. The anniversary date of the future payments was set as July 3, 2020. The subsequent commitments are as follows:

(i) 1st anniversary - $20,000 USD cash payment and $200,000 USD work commitment;
(ii) 2nd anniversary - $30,000 USD cash payment and $200,000 USD work commitment; and
(iii) 3rd anniversary until the 10th anniversary - $50,000 USD cash payment and $500,000 USD work commitment per year. If not in production on the 10th anniversary, $200,000 USD cash payment and $2.0 million USD work commitment.

Upon completion of all payments and work commitments up to and including the 10th anniversary, the Company will have earned a 100% interest in all property rights and title to the Nevada Rose Property. Upon production, all further payments and work commitments by the Company shall cease and a 3% NSR shall be granted to GeoCorp, with no buydown; however, a purchase of part, or whole, of the NSR is negotiable. During the year ended February 28, 2022, the Company recorded an impairment of $83,169 on the property. See Note 13.

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Angelo Bell Precious Metals Property, Nevada USA

In May 2021, Minfocus recorded 16 lode claims, oriented north-south, and with their centre located approximately 7 km west from Nevada Rose, on a new property which has been named Angelo Bell. To date, Minfocus has not conducted any exploration on the property. During the year ended February 28, 2022, the Company recorded an impairment of $6,880 on the property. See Note 13.

7. Share capital

Common Shares

On August 17, 2021, the Company consolidated of its common shares on a ratio of five pre-consolidation shares to one post-consolidation share. All share figures in these financial statements are shown as post-consolidated shares.

(a) Authorized - Unlimited number of common shares without par value.

(b) Issued - As at February 28, 2022, the Company had 40,348,146 (2021 – 4,982,146) shares issued and outstanding.

Issued during the year ended February 28, 2022:

On September 24, 2021, 300,000 share purchase warrants priced at $0.25 were exercised for gross proceeds of $75,000.

On December 1, 2021, the Company completed a non-brokered private placement of 17,160,000 units (each, a “Unit”) at a price of $0.125 per Unit for gross proceeds of $2,145,000. Each Unit consists of one common share of the Company (each, a “Share”) and one half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant is exercisable into one additional Share at a price of $0.25 until December 1, 2023. In connection with the financing, the Company issued 1,380,000 Units to current and former related parties to settle accounts payable of $172,500 and granted 130,700 broker warrants with the same terms as the Warrants. The broker warrants fair value of $17,435 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: dividend yield – 0%; expected volatility – 189.48%; risk free interest rate – 0.95%; and expected life – 2 years. All securities to be issued under the Offering are subject to a statutory hold period expiring four months and one day from the date of issuance.

On December 1, 2021, the Company issued 17,500,000 common shares with a fair value of $2,975,000 (fair value of $0.17 per share) in connection with the Big Hill Property Agreement (Note 6).

On December 10, 2021, 100,000 share purchase warrants priced at $0.25 were exercised for gross proceeds of $25,000.

On January 13, 2022, 6,000 share purchase warrants priced at $0.25 were exercised for gross proceeds of $1,500.

On January 28, 2022, the Company issued 300,000 common shares with a fair value of $105,000 (fair value of $0.35 per share) in connection with the Orefox Titan Property Agreement (Note 6).

Issued during the year ended February 28, 2021:

On May 28, 2020, the Company issued 85,715 common shares with a fair value of $12,857 in connection with the Round Pond Property Agreement.

On July 3, 2020, the Company completed a private placement issuing 1,180,000 units (a ‘Unit”) at a price of $0.15 per unit for gross proceeds of $177,000. Each Unit consists of one common share of the Company (a “Share”) and one share purchase warrant (a “Warrant”), with each warrant entitling the holder to acquire one common share of the Company at a price of $0.25 until expiry on July 3, 2022. All securites issued are subject to a hold period expiring on November 4, 2020.

(Expressed in Canadian Dollars)

7. Share capital (Continued)

Warrants

	February 28, 2022			February 28, 2021		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Balance, beginning of year	1,180,000	$	0.25	1,436,000	$	0.35
Issued	8,710,700		0.25	1,180,000		0.25
Exercised	(406,000)		0.25	-		-
Expired	-		-	(1,436,000)		0.35
Balance, end of year	9,484,700	$	0.25	1,180,000	$	0.25

The following table summarizes information about warrants outstanding and exercisable at February 28, 2022:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants	Weighted Average Remaining Life (years)
774,000	$0.25	July 3, 2022	774,000	0.34
8,580,000	$0.25	December 1, 2023	-	1.76
130,700	$0.25	December 1, 2023*	-	1.76
9,484,700			774,000	1.64

*indicates broker warrants

Stock Options

A share option plan (the "Plan") was adopted by the directors and shareholders of the Company at the Annual and Special Meeting in October 2020. The Plan provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares outstanding at any time.

	February 28, 2022			February 28, 2021		
	Number of Stock Options		Weighted Average Exercise Price	Number of Stock Options		Weighted Average Exercise Price
Balance, beginning of year	409,428	$	0.37	162,857	$	0.40
Cancelled	-		-	(14,286)		0.40
Expired	(20,000)		0.40	-		-
Issued	3,500,000		0.20	260,857		0.35
Balance, end of year	3,889,428	$	0.22	409,428	$	0.37

(Expressed in Canadian Dollars)

7. Share capital (Continued)

Stock options (Continued)

On December 19, 2021, 20,000 stock options priced at $0.40 expired unexercised.

On December 7, 2021, the Company granted 3,500,000 stock options to directors, officers, and consultants of the Company to purchase 3,500,000 common shares in the capital of the Company at an exercise price of $0.20 per share until December 7, 2026. . A fair value of $826,000 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.24; dividend yield – 0%; expected volatility – 206.30%; risk free interest rate – 1.48%; and expected life – 5 years. The options vested immediately upon grant.

On September 9, 2020, a total of 14,286 stock options granted to a former consultant were cancelled.

On September 9, 2020, the Company granted 260,857 stock options to directors and consultants exercisable at a price of $0.35 per share for a term of 5 years from the date of issuance, expiring in September 9, 2025. A fair value of $76,432 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.06; dividend yield – 0%; expected volatility – 156.68%; risk free interest rate – 0.37%; and expected life – 5 years. The options vested immediately upon grant.

The following table summarizes the stock options outstanding and exercisable at February 28, 2022:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options	Weighted Average Remaining Life (years)
94,286	$0.40*	February 7, 2023	94,286	0.94
17,143	$0.40*	February 14, 2023	17,143	0.96
8,571	$0.40*	February 19, 2023	8,571	0.98
8,571	$0.40*	March 27, 2023	8,571	1.07
260,857	$0.35	September 9, 2025	260,857	3.53
3,500,000	$0.20	December 7, 2026	-	4.78
3,889,428			389,428	4.57

* Indicates an amended price – see below

In September 2020, the Company re-priced 40,000 stock options previously granted to consultants to $0.40. At the Company's Annual and Special Meeting held in October 2020, the shareholders approved the re-pricing of 108,571 stock options previously granted to insiders of the Company to $0.40. The Company recorded $10,000 of share-based compensation for these repriced options.

8. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the year ended February 28, 2022, was based on the loss attributable to common shareholders of $2,250,161 (2021 - $163,666) and the weighted average number of common shares outstanding of 13,610,682 (2021 – 4,217,987). Outstanding warrants and stock options have been excluded from the calculation of diluted income per share for the periods presented as their effect would be anti-dilutive.

(Expressed in Canadian Dollars)

9. Related party balances and transactions

During the years ended February 28, 2022 and 2021, the Company incurred the following transactions with officers or directors of the Company:

For the years ended February 28,		2022		2021
Key management compensation* - cash	$	271,500	$	54,990
Compensation – share-based compensation	$	531,000	$	43,616

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed $121,500 as at February 28, 2022 (2021 – $192,751) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

10. Loans payable

During the year ended February 29, 2020, the Company entered into a loan agreement with an individual for the principal sum of $10,000. Interest will be charged on the loan based on an agreed upon bank rate. The original term of the loan was six months, and subsequently the term of the loan was extended to December 31, 2021. Interest expense of $1,248 accrued to November 30, 2021 and the loan was repaid on December 1, 2021.

As part of the acquisition of Big Hill, the Company assumed a balance payable from an intercompany loan from the former owner of the property in the amount of AU$30,499. The balance is non-interest bearing and no terms of repayment have yet been set.

11. Commitments

The Company engaged Venture Liquidity Providers Inc. ("VLP") to provide market-making services. The market making service will be undertaken by VLP through a registered broker, W.D.Latimer Co. Ltd. in compliance with TSX-V policies. VLP will buy and sell shares of the Company on the TSX-V for the purpose of maintaining an orderly trading market or providing liquidity in the Company's shares. The term of the agreement is one year and may be terminated by either party immediately upon receiving written notice. In consideration, the Company will pay VLP $60,000 plus GST. Following the initial term, the agreement will automatically renew for successive additional 12-month terms. The Company and VLP are unrelated and unaffiliated entities.

The Company engaged Stockhouse Publishing Ltd. ("Stockhouse") to assist the Company in enhancing its on-line profile with the global investment community. Pursuant to the terms of the Stockhouse agreement, Stockhouse will be paid an aggregate cash amount of $150,000 plus GST for its services over a 12-month period. Neither Stockhouse nor its affiliates currently own any securities of the Company.

The Company engaged Market One Media Group ("Market One") to provide marketing and social media expertise to its marketing initiatives for the next 9 months. Pursuant to the terms of the agreement, Market One will be paid $130,000 in cash plus GST. The scope of the marketing initiatives includes coverage and commercial spots on BNN. Market One is arm's length to the company and does not currently own any securities of the company.

The Company engaged GOLDINVEST Consulting GmbH ("GOLDINVEST") to enhance its current marketingefforts by providing access to their extensive investor network in Europe. GOLDINVEST will provide commentary on news releases in German to its financial community. The term of the agreement is 6 months and GOLDINVEST has been paid $9,000 EURO. The Company and GOLDINVEST are unrelated and unaffiliated entities.

(Expressed in Canadian Dollars)

12. Income taxes

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of 27.0% (February 28, 2021 – 27.0%) were as follows:

	February 28, 2022	February 28, 2021
Net loss before taxes	$ (2,251,394)	$ (163,166)
Expected income tax recovery based on statutory rate	(608,000)	(44,000)
Adjustments to expected income tax benefit:		
Share based compensation	223,000	23,000
Other	197,000	-
Change in benefit of tax assets not recognized	188,000	21,000
Deferred income tax (recovery)	$ -	$ -

(b) Deductible temporary differences

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	February 28, 2022	February 28, 2021
Share issue costs	30,000	2,000
Interest in exploration properties	$ 4,599,000	$ 3,986,000
Non-capital loss carry-forwards	2,667,000	1,455,000
	$ 7,296,000	$ 5,443,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the tax benefits can be utilized.

(Expressed in Canadian Dollars)

12. Income taxes (continued)

The Company has approximately $4,600,000 of Canadian eligible exploration and development expenditures which can be carried forward indefinitely to be utilized against future taxable income. Also, the Company has approximately $2,667,000 (2021 - $1,432,000) of non-capital loss carry-forwards in Canada. These losses expire as follows:

Year		Amount
2030		65,000
2031		149,000
2032		345,000
2033		89,000
2034		92,000
2035		59,000
2036		67,000
2037		91,000
2038		63,000
2039		741,000
2040		70,000
2041		192,000
2042		644,000
Total	$	2,667,000

13. Subsequent events

On April 1, 2022, the Company transferred its Nevada Rose, Angelo Bell, Coral Zinc and Round Pond properties to its wholly-owned subsidiary Minfocus International Inc. (“MFI”). On May 30, 2022, the Company sold MFI to a former director, now an arm’s length party, as settlement for aggregate amounts owing of $60,000.