Austin GOLD CORP

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021
(Expressed in Canadian Dollars)

To the Shareholders of Austin Gold Corp.:

The accompanying consolidated financial statements of Austin Gold Corp. were prepared by management, which is responsible for the integrity and fairness of the information presented, including responsibility for significant accounting estimates and judgments. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In fulfilling its responsibilities, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Board of Directors oversees the responsibilities of management for financial reporting through an Audit Committee, which is composed entirely of independent directors. The Audit Committee reviews the consolidated financial statements and recommends them to the Board of Directors for approval. They meet regularly with management to review internal control procedures, advise directors on auditing matters and financial reporting issues.

Manning Elliott LLP, the Company's independent auditors, have performed an independent audit of the consolidated financial statements and their report follows. The auditors have full and unrestricted access to the Audit Committee to discuss their audit and related findings.

On October 25, 2021, the Company conducted a three to one stock consolidation. All share capital figures disclosed in the following financial statements reflect the post-consolidated amounts.

"Dennis Higgs"	*"Joseph Ovsenek"*
Dennis Higgs	Joseph Ovsenek
President	Executive Chairman

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Austin Gold Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Austin Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year ended December 31, 2021 and the period from incorporation on April 21, 2020 to December 31, 2020, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and the period from incorporation on April 21, 2020 to December 31, 2020 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current-period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

March 15, 2022

We have served as the Company's auditor since 2020.

Austin Gold Corp.
Consolidated Statements of Financial Position
As at December 31, 2021 and 2020
(expressed in Canadian dollars)

	Note	**December 31, 2021**	December 31, 2020
		$	$
ASSETS			
Current assets			
Cash		**1,387,670**	2,421,796
GST receivable		**11,430**	3,133
Prepaid expenses		**4,719**	624
Total current assets		**1,403,819**	2,425,553
Non-current assets			
Exploration and evaluation assets	4	**1,632,043**	875,371
Marketable securities	3	**249,562**	426,109
Fixed assets	5	**2,285**	3,265
Total non-current assets		**1,883,890**	1,304,745
Total Assets		**3,287,709**	3,730,298
LIABILITIES			
Current liabilities			
Amounts payable and accrued liabilities	8	**77,048**	37,942
Total liabilities		**77,048**	37,942
EQUITY			
Share capital	6a	**3,689,258**	3,674,258
Option reserves	6b	**2,100,550**	2,100,550
Accumulated other comprehensive loss		**(6,119)**	(12,203)
Deficit		**(2,573,028)**	(2,070,249)
Total equity		**3,210,661**	3,692,356
Total Liabilities and Equity		**3,287,709**	3,730,298

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

Commitments (Note 7)

These consolidated financial statements were approved and authorized for issue by the Board of Directors and are signed on its behalf by:

"Dennis Higgs" Director *"Joseph Ovsenek"* Director

Austin Gold Corp.

Consolidated Statements of Comprehensive Loss

For the year ended December 31, 2021 and period from incorporation on April 21, 2020 to December 31, 2020

(expressed in Canadian dollars)

	Note	**Year ended December 31, 2021**	Period ended December 31, 2020
		$	$
Expenses			
Consulting and management fees		23,001	22,169
Depreciation	5	980	576
Foreign exchange loss		12,060	66,665
General and administrative		16,109	6,065
Insurance		9,272	-
Investor relations		2,597	2,152
Listing and filing fees		11,357	569
Marketing		3,268	7,762
Professional fees		296,013	82,950
Share-based compensation	6b	-	1,807,450
Loss before other items		374,657	1,996,358
Realized gain on marketable securities	3	(8,075)	-
Unrealized loss on marketable securities	3	136,197	73,891
Net loss for the period		502,779	2,070,249
Other comprehensive (income)/ loss			
Items that may be reclassified to net loss:			
Foreign currency translation (income)/ loss		(6,084)	12,203
Comprehensive loss for the period		496,695	2,082,452
Net loss per common share			
Basic and fully diluted		$ (0.05)	$ (0.24)
Weighted average number of common shares outstanding			
Basic and fully diluted		9,516,560	8,541,811

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

Austin Gold Corp.
Consolidated Statement of Changes in Equity
For the year ended December 31, 2021 and period from incorporation on April 21, 2020 to December 31, 2020
(expressed in Canadian dollars)

	Note	Number of Shares	Share Capital	Option Reserves	Accumulated other comprehensive loss	Deficit	Total Equity
			$	$	$	$	$
Balance April 21, 2020		-	-	-	-	-	-
Issuance of founders shares at US$0.015 per common share	6a	6,666,668	139,290	-	-	-	139,290
Private placement at US$0.30 per common share	6a	1,083,333	441,853	-	-	-	441,853
Private placement at US$0.75 per common share	6a	928,666	949,366	-	-	-	949,366
Private placement at $1.05 per common share	6a	133,333	140,000	-	-	-	140,000
Private placement at $3.00 per common share	6a	666,667	2,000,000	-	-	-	2,000,000
Share issue costs		-	(9,838)	-	-	-	(9,838)
Issuance of share capital per lease agreement	4b	33,333	13,587	-	-	-	13,587
Value assigned to options granted	6b	-	-	2,100,550	-	-	2,100,550
Net loss and comprehensive loss for the period		-	-	-	(12,203)	(2,070,249)	(2,082,452)
Balance at December 31, 2020		**9,512,000**	**3,674,258**	**2,100,550**	**(12,203)**	**(2,070,249)**	**3,692,356**
Issuance of share capital per lease agreement	4d	5,000	15,000	-	-	-	15,000
Net loss and comprehensive loss for the year		-	-	-	6,084	(502,779)	(496,695)
Balance at December 31, 2021		9,517,000	3,689,258	2,100,550	(6,119)	(2,573,028)	3,210,661

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

Austin Gold Corp.
Consolidated Statements of Cash Flows
For the year ended December 31, 2021 and period from incorporation on April 21, 2020 to December 31, 2020
(expressed in Canadian dollars)

	Note	**Year ended December 31, 2021**	Period ended December 31, 2020
		$	$
Cash flows used in operating activities			
Net loss for the period		**(502,779)**	(2,070,249)
Items not affecting cash:			
Depreciation		**980**	576
Foreign exchange loss		**2,904**	10,867
Unrealized loss on marketable securities	3	**136,197**	73,891
Realized gain on marketable securities	3	**(8,075)**	-
Share-based compensation		**-**	1,807,450
		(370,773)	(177,465)
Changes in non-cash operating working capital:			
Increase in prepaid expenses		**(4,035)**	(624)
Increase in GST receivable		**(8,297)**	(3,133)
Increase in accounts payable and accrued liabilities		**39,470**	33,784
		(343,635)	(147,438)
Cash flows used in investing activities			
Purchase of fixed assets	5	**-**	(3,841)
Payment for marketable securities	3	**-**	(500,000)
Proceeds from sale of marketable securities	3	**48,425**	-
Payments for mineral property activities		**(738,916)**	(587,596)
		(690,491)	(1,091,437)
Cash flows from financing activities			
Net proceeds from issuance of common shares	6a	**-**	3,660,671
		-	3,660,671
Increase (decrease) in cash		**(1,034,126)**	2,421,796
Cash – beginning of period		**2,421,796**	-
Cash – end of period		**1,387,670**	2,421,796
Non-cash investing and financing activities:			
Common shares issued for exploration and evaluation assets		**15,000**	13,587
Share-based compensation capitalized to exploration and evaluation assets		**-**	293,100

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

1. NATURE OF OPERATIONS

Austin Gold Corp. together with its subsidiary, Austin American Corporation (collectively referred to as the "Company" or "Austin Gold"), is focused on the exploration and evaluation of mineral property interests in the state of Nevada, United States. The Company is in the process of filing a prospectus in British Columbia and a registration statement with the Securities and Exchange Commission in the United States of America.

The Company was incorporated on April 21, 2020 in British Columbia. The Company's registered office is at MNP Tower, 1021 West Hastings Street, 9th Floor, Vancouver, BC, Canada.

All amounts are expressed in Canadian dollars, except for certain amounts denoted in United States dollars ("US$").

The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company and its wholly-owned subsidiary and to the period presented in these consolidated financial statements.

a. Basis of presentation

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

The Board of Directors of the Company approved these consolidated financial statements and authorized them for issue on March 15, 2022.

Basis of Measurement
These consolidated financial statements of the Company have been prepared on an accrual basis, and are based on historical costs, except for financial instruments measured at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

a. Basis of presentation, continued

Functional and Presentation Currency
These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The subsidiary's functional currency is United States dollars. All financial information is expressed in Canadian dollars unless otherwise stated and has been rounded to the nearest dollar.

b. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Austin American Corporation ("Austin NV"), from the Company's incorporation on April 21, 2020. All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Austin American Corporation	Nevada, United States	100%	Exploration company

c. Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

Significant areas requiring the use of management estimates and judgments include:

i) The determination of the fair value of the shares of the Company for the calculation of the share-based compensation.
ii) The determination of the fair values of warrants held as marketable securities by the Company.
iii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to identify new business opportunities and working capital requirements, the outcome of which is uncertain.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

c. Use of estimates and judgements, continued

iv) The determination that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including: geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

v) The measurement of deferred income tax assets and liabilities.

d. Financial instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives).

Measurement
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's accounts payables are classified at amortized cost.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in consolidated statements of comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss. The Company's cash and marketable securities are classified as FVTPL.

Financial assets at FVTOCI are initially recorded at fair value adjusted for transaction costs. Dividends are recognized as income in the consolidated statements of comprehensive income (loss) unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of FVOTCI investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

d. Financial instruments, continued

Impairment
An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive income (loss).

e. Cash and cash equivalents

Cash and cash equivalents include cash in banks and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value.

f. Property, plant and equipment

Property, plant and equipment, reported herein as fixed assets, are carried at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire an asset and includes the direct expenditures associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Amortization is calculated over the useful life of the asset at rates ranging from 15% to 30% per annum once the asset is available for use. Amortization charges on assets that are directly related to mineral properties are allocated to that mineral property.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

g. Foreign currencies

Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss, except for differences on the retranslation of fair value through other comprehensive income (FVTOCI) instruments, which are recognized in other comprehensive (income)/ loss.

h. Mineral property interests

Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed as incurred, to general exploration. Once the legal rights to explore a specific area have been obtained, expenditures on exploration and evaluation activities are capitalized as exploration and evaluation assets.

Mineral property acquisition costs are included in exploration and evaluation and include any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of the mineral property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to property, plant and equipment.

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

2. SIGNIFICANT ACCOUNTING POLICIES, continued

i. Impairment of non-current assets

At each reporting period, management reviews mineral interest and property, plant and equipment for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

j. Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, legal or constructive obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning obligation is recognized at its net present value in the period in which it is incurred, using a discounted cash flow technique with market-based risk-free discount rates and estimates of the timing and amount of the settlement of the obligation.

Upon initial recognition of the liability, the corresponding decommissioning cost is added to the carrying amount of the related asset. Following initial recognition of the decommissioning obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to significant estimates including the current discount rate, the amount or timing of the underlying cash flows needed to settle the obligation and the requirements of the relevant legal and regulatory framework. Subsequent changes in the provisions resulting from new disturbance, updated cost estimates, changes to estimated lives of operations and revisions to discount rates are also capitalized to the related asset. Amounts capitalized are depreciated over the lives of the assets to which they relate. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to expense and is included within finance costs in the consolidated statement of comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

k. Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

l. Taxation

Income tax expense is comprised of current and deferred tax. Current tax and deferred taxes are recognized in the consolidated statements of comprehensive income (loss) except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of unused tax losses and credits, as well as temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on enacted or substantively enacted laws at the reporting date.

The Company computes the provision for deferred income taxes under the liability method. A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Where applicable, the probability of utilizing tax losses or credits is evaluated by considering risks relevant to future cash flows and the expiry dates after which these losses or credits can no longer be utilized.

Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is subject to assessments by various taxation authorities, who may interpret tax legislation differently from the Company. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals, or negotiated settlements. Such differences are accounted for based on management's best estimate of the probable outcome of these matters.

The Company must make significant estimates and judgments in respect of its provision for income taxes and the composition and measurement of its deferred income tax assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

l. Taxation, continued

The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities; those adjustments may be material.

m. Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as reserves.

n. Share-based compensation

The Company's stock option plan allows the Company's directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense or capitalized to mineral interests with a corresponding increase in share-based payment reserves. 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. Where options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based compensation expense is recognized over the tranche's vesting period by a charge to profit or loss. For employees, the compensation expense is amortized on a straight-line basis over the requisite service period which approximates the vesting period. Compensation expense for share options granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the options vest. Compensation associated with unvested options granted to non-employees is re-measured on each statement of financial position date.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, or where the fair value of goods or services received is not reliably measurable, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

o. Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average common shares outstanding are increased to include additional shares for the assumed exercise of share options and share purchase warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

p. Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction where there is a transfer of resources or obligations between related parties.

q. Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant

(expressed in Canadian dollars)

3. MARKETABLE SECURITIES

The Company holds all marketable securities in an account with a Canadian broker.

Pursuant to a letter of intent with Nevada Exploration (see note 4a), on July 7, 2020 the Company participated in a private placement with Nevada Exploration Inc. purchasing 2,500,000 units at $0.20 per unit for a cost of $500,000. Each unit consists of one common share, and one-half of one warrant, with each whole warrant entitling the Company to acquire one additional common share at a price of $0.50 per whole warrant for a period of 30 months following closing; provided that if either (or both) of the volume weighted average price or the closing price (or closing bid price on days when there are no trades) of the common shares of Nevada Exploration traded (or quoted) on the TSX-V is greater than $0.90 per share for 10 consecutive trading days, then Nevada Exploration shall have the right to accelerate the warrant expiry date to the 30th day after the date on which Nevada Exploration gives notice to the Company in accordance with the certificates representing the warrants.

During the year ended December 31, 2021, the Company sold 269,000 common shares for net proceeds of $48,425, and a realized gain of $8,075.

As at December 31, 2021, the estimated fair value of the 2,231,000 (2020: 2,500,000) shares held by the Company was $245,410 (2020: $375,000) determined using the closing price on the TSX Venture Exchange, and the estimated fair value of the 1,250,000 warrants was $4,152 (2020: $51,109) determined using the Black-Scholes pricing model with the following assumptions:

	December 31, 2021	December 31, 2020
Share price	**$0.11**	$0.15
Exercise price	**$0.50**	$0.50
Volatility	**87%**	104%
Risk free interest rate	**0.25%**	0.25%
Expected life	**1.02 years**	2.0 years
Expected dividend yield	**$nil**	$nil

During the year ended December 31, 2021, the Company recognized an unrealized loss on marketable securities of $136,197 (2020: $73,891).

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Kelly Creek	Fourmile Basin	Lone Mountain	Miller Project	Total
	$	$	$	$	$
Expenditures:					
Acquisition costs*	66,233	67,120	104,240	-	237,593
Consulting	24,870	15,406	4,519	-	44,795
Geology	1,642	-	-	-	1,642
Geophysics	9,642	651	-	-	10,293
Mapping	1,889	-	-	-	1,889
Mining rights and claim fees	126,732	128,769	-	-	255,501
Reports	40,618	-	-	-	40,618
Share-based compensation	32,567	227,966	32,567	-	293,100
Travel	-	1,475	-	-	1,475
Total exploration costs	304,193	441,387	141,326	-	886,906
Movement in foreign exchange	(9,048)	-	(2,487)	-	(11,535)
Balance at December 31, 2020	**295,145**	**441,387**	**138,839**	**-**	**875,371**
Expenditures:					
Acquisition costs*	63,000	43,412	37,800	78,300	222,512
Consulting	827	27,004	9,152	2,660	39,643
Field work	-	2,337	-	-	2,337
Finders fees	-	-	-	12,630	12,630
Geophysics	-	-	-	4,016	4,016
Mapping	-	351	230	7,302	7,883
Mining rights and claim fees	120,907	69,309	101,266	145,189	436,671
Technical reports	1,426	7,759	14,287	-	23,472
Travel	-	6,130	-	-	6,130
Total exploration costs	186,160	156,302	162,735	250,097	755,294
Movement in foreign exchange	32	-	461	885	1,378
Balance at December 31, 2021	**481,337**	**597,689**	**302,035**	**250,982**	**1,632,043**

**Acquisition costs includes pre-production payments, lease payments, and advanced royalty payments*

a. Kelly Creek Project, Nevada, United States

On May 29, 2020, the Company entered into a letter of intent, as amended on June 24, 2020 (the “JV LOI”), with Nevada Exploration Inc. (“Nevada Exploration”), which contemplated an option for the Company to earn up to a 70% interest in a joint venture (the “Option to Joint Venture”) with Nevada Exploration in Nevada Exploration’s Kelly Creek project, located in Humboldt County, Nevada (the “Kelly Creek Project”).

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS, continued

In accordance with the JV LOI, the Company agreed to purchase, pursuant to a private placement, 2,500,000 units at a price of $0.20 per unit of Nevada Exploration for a total amount of $500,000 (see note 3).

On July 7, 2020, pursuant to the JV LOI, the Company entered into a definitive agreement (the "JV Agreement") through Austin American Corporation ("Austin NV"), a wholly-owned subsidiary of the Company and Pediment Gold LLC ("Pediment"), a subsidiary of Nevada Exploration, whereby Austin NV will be able to exercise the Option to Joint Venture. On March 3, 2021, the Company signed an amendment to the JV Agreement that adjusted the minimum yearly expenditure requirements and extended the other deadlines within the agreement by one year.

In accordance with the JV Agreement, as amended, Austin NV may exercise the option to earn a 51% interest in the Kelly Creek Project by incurring the following minimum yearly expenditures toward exploration and development work at the Kelly Creek Project:

	Original	**Amended**
September 1, 2021	$1,000,000	$nil
June 1, 2022	$1,000,000	$nil
September 1, 2022	$nil	$750,000*
June 1, 2023	$1,500,000	$1,000,000
June 1, 2024	$1,500,000	$1,500,000
June 1, 2025	$nil	$1,500,000

**$400,000 of which must be spent on geophysics, geochemistry, drilling, or other mutually agreed program.*

During the earn in period, Austin NV will be the operator of the project.

Once the Option to Joint Venture has been exercised to earn the 51% interest, the Company and Pediment will enter into a joint venture agreement based on the Rocky Mountain Mineral Law Foundation Exploration, Development and Mining LLC Model Form 5A LLC Operating Agreement.

Pursuant to the JV Agreement, as amended, Austin NV shall have the option and right to increase its participating interest in the Kelly Creek Project by an additional 19% to a total of 70% (the "Additional Option") by incurring additional yearly expenditures in the amount of $1,500,000 before each of June 1, 2026, June 1, 2027 and June 1, 2028 and by delivering a prefeasibility study prior to June 1, 2029. At Pediment's election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Austin Gold will be obligated to provide Nevada Exploration's portion of any debt financing or arrange for third party financing of Nevada Exploration's portion of any debt financing required to construct a mine on the project described in the feasibility study in consideration for the transfer by Pediment to Austin NV of a 5% interest in the Joint Venture. If a party is diluted to a 10% interest in the Joint Venture, its interest will be converted to a 10% net profits interest.

There are minimum annual royalty payments in two underlying agreements within the Kelly Creek Project: the Genesis agreement, and the Hot Pot agreement that the Company is also obligated to pay.

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS, continued

Under the Genesis agreement, the Joint Venture has the option to purchase 100% of the Genesis claims for USD$1,500,000 (as adjusted for inflation), subject to a 1.5% net smelter return royalty, and the following advance royalty payments:

October 1, 2020	US$20,000 (paid)
October 1, 2021	US$20,000 (paid)
October 1, 2022	US$20,000
October 1, 2023 and annually thereafter	US$50,000 (as adjusted for inflation)

The cumulative advance royalty payments shall be credited against royalty payment obligations and against the purchase price. Half of the net smelter return royalty can be bought for US$750,000 (as adjusted for inflation) and the royalty would then be 0.75%.

The Hot Pot lease is subject to the annual payment of US$30,000 due on September 16th each year (2020 and 2021 – paid). Under the Hot Pot agreement, any mineral production on the project is subject to a 3% net smelter return royalty to the property owner, subject to the Joint Venture's right to reduce the royalty from 3% to 2% for US$2,000,000.

The Hot Pot lease and any additional property, if all or any part of such property lies within 2.5 miles of the original boundary of the Hot Pot property, is also subject to a 1.25% net smelter returns royalty in favour of Battle Mountain Gold Exploration Corporation.

b. Fourmile Basin Property, Nevada, United States

On June 18, 2020 (the "Effective Date"), the Company entered into a mineral lease agreement ("Fourmile Mineral Lease") with La Cuesta International, Inc. ("LCI") for exploration and mining rights and access to certain mineral claims on the Fourmile Basin Property situated in Nye County, Nevada.

The primary term of the Fourmile Mineral Lease is for a period of 35 years from the Effective Date. The lease may be extended up to 50 years so long as the Company meets the required payments to LCI as outlined below. The agreement may extend past 50 years so long as active mining operations are then continuing on the premises, in which case the Fourmile Mineral Lease shall continue so long as such operations are being conducted.

Pursuant to the Fourmile Mineral Lease, the Company must make the following pre-production payments:

Effective Date	US$25,000 cash (paid) 33,333 Company shares (issued)
6 months after Effective Date (December 18, 2020)	US$5,000 cash (paid)
12 months after Effective Date (June 18, 2021)	US$10,000 cash (paid)
18 months after Effective Date (December 18, 2021)	US$10,000 cash (paid)
24 months after Effective Date (June 18, 2022)	US$15,000 cash
30 months after Effective Date and every 6 months thereafter	US$20,000 cash

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS, continued

Pre-production payments paid to LCI will apply to the entire premises and are deductible against future production royalties to be paid to LCI regardless of the year in which advance royalty payments are made.

In addition to pre-production payments, the Company must pay the annual claim fees and landholdings costs, as well as incur the following minimum exploration costs on the premises (or pay to LCI the equal amount in cash at the end of the relevant time period):

Year 1 from Effective Date	US$30,000 (fulfilled)
Year 2 to Year 3 from Effective Date	US$50,000 ($34,000 fulfilled as at December 31, 2021)

Work completed that exceeds the minimum requirement for a given year may be applied to requirements stipulated for subsequent years. Work commitments shall not be deducted against the production royalty.

Under the terms of the agreement, the Company must pay a production royalty of 2% of the net smelter returns for claims owned 100% by LCI, and 0.5% of the net smelter returns for third-pay claims and/or fee lands acquired within LCI's area of influence. Payments to LCI totalling US$10,000,000 in any combination of pre-production payments, production and minimum royalties shall reduce LCI's royalties by 50% to 1% and 0.25% respectively. Production royalties shall be paid quarterly and will be the greater of a) US$25,000 per quarter or b) the production royalty payable in accordance with the NSR Royalty. Any positive difference in the quarterly payment between a) minus b) payable for that quarter shall be credited against the production royalty.

Mining Lease with NexGen Mining Incorporated

Under the terms of the Fourmile Mineral Lease, the Company must also fulfill certain obligations to NexGen Mining Incorporated ("NexGen") who holds certain properties within the Fourmile Mineral Lease. Pursuant to this contingent lease agreement (the "NexGen Lease"), the Company must incur the following expenditures:

October 24, 2020	US$5,000 (fulfilled)
October 24, 2021	US$10,000 (fulfilled)
October 24, 2022	US$15,000 (fulfilled)
October 24, 2023	US$20,000 (US$10,000 fulfilled)
October 24, 2024 and every year thereafter	US$20,000

In the event any single year's work requirement is not completed, the balance of the work commitment may be paid in cash to NexGen, and excess expenditures may be applied to subsequent year(s) expenditure commitment. Once the property is in production at a minimum sustained rate of 100 tons per day the work requirement shall be suspended for so long as the property remains in production at

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS, continued

that rate. Advanced royalty payments, claim maintenance fees, and new claim staking and filing fees are not considered work commitment expenses.

On November 7, 2020, NexGen agreed to apply US$40,000 of work expenditures incurred by a prior lessee against the Company's expenditure requirements. This agreement satisfied the Company's work requirements for 2020, 2021, 2022, and US$10,000 of the October 2023 expenditures.

In addition to the work commitment expenses, the Company must make the following cash advanced royalty payments to NexGen:

October 24, 2020	US$10,000 (paid)
October 24, 2021	US$15,000 (paid)
October 24, 2022	US$20,000
October 24, 2023 and every year thereafter	US$25,000

The Company must also pay NexGen a 2.0% net smelter royalty and the Company has a royalty buy down under which the Company may purchase NexGen's 2.0% net smelter royalty. The purchase price is US$250,000 for the first 1%, and US$500,000 for the remaining 1% of the total net smelter return reserved to NexGen.

c. Lone Mountain Project, Nevada, United States

On September 15, 2020, the Company signed a Letter of Intent with NAMMCO (the "LOI"). The LOI contemplated that the agreement will be a lease with option to purchase mining claims located in Elko County, Nevada (the "Lone Mountain project").

On November 1, 2020, pursuant to the LOI, the Company entered into a definitive agreement with NAMMCO through Austin NV. The agreement has a term of 10 years plus 10-year extensions so long as the minimum payments are paid. The owner will retain a 3% net smelter return royalty on the Lone Mountain project. At any time, the Company can buy one-half percentage point of the royalty for US$2,000,000, reducing the royalty from 3% to 2.5%.

The Company will have the option to purchase the entire interest in the Lone Mountain project, except for the royalty, at any time during the lease or the lease extension once the Company has made a discovery of equal to or greater than 0.5 million ounces of gold (or equivalent in other metals) or completed a pre-feasibility study. If the Company elects to exercise the option to purchase, the Company must pay the owner US$2,000,000. The purchase price shall be reduced by the pre-production payments paid to the date of purchase.

Pursuant to the agreement, the Company must make the following pre-production payments to NAMMCO:

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS, continued

Within 5 days of signing the lease	US$80,000 (paid)
November 1, 2021	US$30,000 (paid)
November 1, 2022	US$30,000
November 1, 2023	US$30,000
November 1, 2024	US$40,000
November 1, 2025 and each year thereafter	Increasing by US$10,000/year thereafter to a maximum of US$200,000

Each cash pre-production payment shall be credited against the purchase price until the purchase price is paid in full, then the pre-production payments will be credited against the future production royalties as an advance royalty.

Effective April 29, 2021, the Company signed an amendment to the Lone Mountain definitive agreement. Pursuant to the amended agreement, the Company will be required to pay the annual claim maintenance fees, and fulfill the following annual work commitments on the Lone Mountain project:

	Original	**Amended**
September 1, 2021	US$150,000	US$nil
September 1, 2022	US$250,000	US$400,000
September 1, 2023	US$300,000	US$300,000
September 1, 2024	US$300,000	US$300,000
September 1, 2025	US$400,000	US$400,000
September 1, 2026	US$400,000	US$400,000

The work commitment for September 2022 is a firm commitment. Work completed that exceeds the minimum requirement for a given year will be credited to the Company's favour and credited to subsequent years. The work commitment terminates when US$1,800,000 has been expended on the property.

d. Miller Project, Nevada, United States

On December 17, 2020, the Company signed a Letter of Intent (the "Miller LOI") with Shea Clark Smith and Gregory B. Maynard ("Smith and Maynard"). The Miller LOI contemplates that the agreement will be a lease with option to purchase mining claims (the "Miller Lease") located on the Carlin Trend in Elko County, Nevada (the "Miller Project").

On February 1, 2021 pursuant to the Miller LOI, the Company entered into a definitive agreement with Smith and Maynard through Austin NV. The Miller Project was recommended to the Company by Bull Mountain Resources, LLC ("BMR"), and the Company will be required to make agent payments per the BMR Agreement outlined in Note 7.

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS, continued

Under the terms of the agreement, the Miller Lease is for a term of 35 years, with the following work commitments:

- a firm commitment to drill 2,000 metres on the Miller Project within 18 months of the date the Company's shares are listed on a stock exchange in either Canada or the United States (the "Listing Date"); and
- a requirement to drill an additional 3,000 metres to be drilled within 36 months after the Listing Date to maintain the Miller Lease at the Company's discretion.

Smith and Maynard will retain a 2% Net Smelter Return ("NSR") royalty on production from within an area of influence around the Miller Project. 1% of the NSR can be purchased by the Company for US$2,000,000, reducing the royalty to 1%. If the Company options or purchases claims within the area of influence from third parties, the royalty payable to Smith and Maynard on those optioned or purchased claims will be reduced to 0.5% NSR.

The Company is also required to make the following annual lease payments:

Within 5 days of signing the lease	US$50,000 (paid) 5,000 Company shares (issued)
February 1, 2022	US$25,000 (subsequently paid)
February 1, 2023	US$25,000
February 1, 2024 and each year thereafter	US$30,000 until a total of US$500,000 has been paid

Pursuant to the agreement, the Company will also be responsible for paying the annual claim maintenance fees and has staked additional claims to close gaps among the existing claim groups. Austin NV has the option to purchase the Miller lease outright at any time for US$500,000, which amount shall be reduced by the cumulative total of the lease payments previously paid.

The Miller Project consists of 117 claims in the original lease agreement, and an additional 164 claims which were staked in January of 2021 for a total of 281 unpatented lode mining claims covering approximately 23.5 km^2. Although the Company has filed the required documentation with the BLM and county as required, there is currently a dispute on the ownership of 134 of the newly staked claims and on 36 of the original claims. The Company believes it is probable that a future benefit will flow to the Company, and as at December 31, 2021, the Company has capitalized US$88,888 of expenditures relating to their acquisition.

(expressed in Canadian dollars)

5. FIXED ASSETS

	Computer Equipment
	$
Balance April 21, 2020	-
Additions	3,841
Depreciation	(576)
Balance December 31, 2020	3,265
Depreciation	(980)
Balance December 31, 2021	**2,285**

6. SHARE CAPITAL AND OPTION RESERVES

On October 25, 2021, the Company conducted a three to one stock consolidation. All share capital figures disclosed reflect the post-consolidated amounts.

a. Authorized and issued share capital

At December 31, 2021, the Company's authorized share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

During the year ended December 31, 2021, the Company issued the following shares:

- On February 2, 2021, the Company issued 5,000 common shares pursuant to a mineral lease agreement. See note 4d.

During the period ended December 31, 2020, the Company issued the following shares:

- In April 2020, the Company issued 6,666,668 common shares at a price of US$0.015 per common share for gross proceeds of US$100,000.
- In June 2020, the Company completed non-brokered private placements consisting of 1,083,333 common shares at a price of US$0.30 per common share for gross proceeds of US$325,000, 861,999 common shares at a price of US$0.75 for gross proceeds of US$646,500, and 133,333 common shares at a price of $1.05 for gross proceeds of $140,000.
- On June 19, 2020, the Company issued 33,333 common shares pursuant to a mineral lease agreement. See note 4b.
- In July 2020, the Company completed non-brokered private placements consisting of 66,667 common shares at a price of US$0.75 per common share for gross proceeds of US$50,000, and 666,667 common shares at a price of $3.00 per common share for gross proceeds of $2,000,000.

(expressed in Canadian dollars)

6. SHARE CAPITAL AND OPTION RESERVES, continued

b. Stock options

The Company has adopted a stock option plan (the "Plan") for its employees, directors, officers and consultants. The plan provides for the issuance of options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX Venture Exchange. The options can be granted for a maximum term of 10 years with vesting provisions determined by the Company.

For the period ended December 31, 2021, the Company granted nil (2020: 716,663) stock options at an exercise price of $nil (2020: $3.00) to employees, directors, and consultants for a term of 10 years and vesting at the date of grant.

For the period ended December 31, 2021, the share-based compensation of $nil (2020: $1,807,450) was recognized in comprehensive loss. In addition, share-based compensation of $nil (2020: $293,100) was capitalized to mineral interests.

	Number of share options	Weighted average exercise price
		$
Balance April 21, 2020	-	-
Granted	716,663	**3.00**
Outstanding as at December 31, 2020	**716,663**	**3.00**
Outstanding as at December 31, 2021	**716,663**	**3.00**

The weighted average fair value of stock options granted in 2020 was to be estimated based on the Black-Scholes option pricing model using a share price of $3.00, volatility of 141.595%, risk-free interest rate of 1.74%, expected life of 10 years and expected dividend yield of $nil.

At December 31, 2021, the following share options were outstanding and exercisable:

Number of share options	Exercise price per share	Expiry Date
	$	$
716,663	3.00	December 2, 2030

Number of share options	December 31, 2021
Weighted average exercise price for exercisable options	**$3.00**
Weighted average share price for options exercised	**-**
Weighted average years to expiry for exercisable options	**8.93 years**

(expressed in Canadian dollars)

7. COMMITMENTS

Introductory Agent Agreement

The Company has signed an introductory agent agreement (the "BMR Agreement") with Bull Mountain Resources, LLC ("BMR"). Under the BMR Agreement, should a mineral property recommended by BMR be acquired by the Company, then the Company shall pay an introductory agent fee as follows:

Within 15 days of acquisition	US$5,000
6 months after acquisition	US$5,000
12 months after acquisition	US$5,000
18 months after acquisition	US$5,000
24 months after acquisition	US$7,500
30 months after acquisition	US$7,500
36 months after acquisition	US$10,000
42 months after acquisition	US$10,000
48 months after acquisition	US$15,000
Every 6 months thereafter	US$15,000

If commercial production is achieved on one or more mineral properties recommended by BMR and acquired or partially acquired by the Company, then the Company shall pay BMR a 0.5% net smelter returns royalty on all mineral interests acquired within the area of influence of the mineral property.

For each recommended mineral property acquired by the Company under the terms of the BMR Agreement, introductory agent fees and net smelter return royalty payments totaling US$1,000,000 paid by the Company to BMR shall reduce the net smelter return royalty by 50% to a 0.25% net smelter return royalty.

Other Commitments

The Company also has payment obligations relating to the Kelly Creek, Fourmile Basin, Lone Mountain and Miller projects. See notes 4a, 4b, 4c and 4d.

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties include key management personnel and directors. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers.

(expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES, continued

Compensation	**2021**	2020
	$	$
Management fees (i)	6,000	2,000
Accounting fees (ii)	9,300	-
Share-based payments (iii)	-	1,807,450
	15,300	1,809,450

(i) Management fees are compensation paid to an officer of the Company.
(ii) Accounting fees are fees paid to the CFO for preparation of the financial statements.
(iii) Share-based payment is the fair value of options granted and vested.

During the year ending December 31, 2021, the President of the Company incurred $8,652 (2020: $8,909) for administration expenses on behalf of the Company. As at December 31, 2021, $nil (2020: $4,929) was payable to the President. The amount due is non-interest bearing, unsecured and due on demand.

During the year ending December 31, 2021, the Corporate Secretary of the Company incurred $5,470 (2020: $1,519) for administration expenses on behalf of the Company. As at December 31, 2021, $nil (2020: $nil) was payable to the Corporate Secretary.

During the period ending December 31, 2020, the Company entered into a private placement and letter of intent with Nevada Exploration Inc., a company of which the President of the Company also serves as a director and non-executive chairman. The Company also entered into an Option to Joint Venture on a project owned by a subsidiary of Nevada Exploration Inc. See notes 3 and 4a.

These transactions occurred in the normal course of operations and are measured at their exchange amounts, being the amounts agreed upon by the related parties.

9. FINANCIAL INSTRUMENT RISK

The Company's financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, other than cash and marketable securities which are carried at fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

(expressed in Canadian dollars)

9. FINANCIAL INSTRUMENT RISK, continued

- Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	**Balance as at December 31, 2021**
	$	$	$	**$**
Assets				
Cash	1,387,670	-	-	**1,387,670**
Marketable securities	245,410	-	4,152	**249,562**
Total assets measured at fair value	**1,633,880**	**-**	**4,152**	**1,637,232**

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	**Balance as at December 31, 2020**
	$	$	$	**$**
Assets				
Cash	2,421,796	-	-	**2,421,796**
Marketable securities	375,000	-	51,109	**426,109**
Total assets measured at fair value	**2,796,796**	**-**	**51,109**	**2,847,905**

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's consolidated financial instruments as at December 31, 2021 and December 31, 2020 are summarized below.

9. FINANCIAL INSTRUMENT RISK, continued

Credit Risk
The Company's primary exposure to credit risk is the risk of cash, amounting to $1,387,670 at December 31, 2021 (2020: $2,421,796). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible. As at December 31, 2021, the Company had a receivable balance of $11,430 (2020: $3,133), which primarily relates to GST receivable from the Federal Government of Canada.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company has maintained sufficient current asset balances to meet these needs at December 31, 2021.

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
	$	$	$	$	$
Accounts payable and accrued liabilities	77,048	77,048	77,048	-	-
Total as at December 31, 2021	**77,408**	**77,048**	**77,048**	**-**	**-**

Foreign Exchange Risk
Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. The Company operates projects in the United States. As a result, a portion of the Company's cash is denominated in US dollars and is therefore subject to fluctuation in exchange rates. As at December 31, 2021, a 10% change in the exchange rate between the Canadian and US dollar would increase (decrease) loss and comprehensive loss by $2,535 (2020: $66,935).

10. SEGMENT INFORMATION

The Company operates in one business segment being the exploration of mineral properties. The Company's mineral property assets are all located in the United States.

(expressed in Canadian dollars)

11. INCOME TAXES

The Company accounts for income taxes using the taxes payable method. As a result, the Company's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	December 31, 2021	December 31, 2020
	$	$
Net income (loss) before income taxes	(502,779)	(2,070,249)
Income tax recovery based on effective rate of 27% (2020 – 27%)	(135,750)	(551,850)
Permanent differences and others	26,856	479,127
Change in deferred tax assets not recognized	108,894	72,723
Net deferred tax (recovery)	-	-

Deferred income tax

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

	December 31, 2021	December 31, 2020
	$	$
Non-capital loss carry-forwards	128,486	53,142
Marketable securities and others	53,131	19,581
Deferred tax assets not recognized	(181,617)	(72,723)
	-	-

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The Company has non-capital tax losses totaling $475,875, which commenced expiring in 2041. The other temporary differences do not expire under current legislation.