BLACKROCK SILVER CORP.
(Formerly Blackrock Gold Corp.)

Consolidated Financial Statements

For the Years Ended October 31, 2021 and 2020

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Blackrock Silver Corp. (formerly Blackrock Gold Corp.)

Opinion

We have audited the consolidated financial statements of Blackrock Silver Corp. (formerly Blackrock Gold Corp.) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at October 31, 2021 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the year 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 Group as at October 31, 2021 and its financial performance and its cash flows for the year 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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 indicate that the Group has not generated revenue, has incurred a loss of $28,021,137 and an accumulated deficit of $46,144,788. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect to this matter.

Other Matter

The consolidated financial statements of the Group for the year ended October 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on March 1, 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis for the year ended October 31, 2021.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 these 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jeremy East.

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia
February 28, 2022

BLACKROCK SILVER CORP. (Formerly Blackrock Gold Corp.)

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		October 31, 2021		October 31, 2020
Assets				
Current assets				
Cash	**$**	**8,535,438**	$	6,589,531
Amounts receivable		**80,379**		53,502
Prepaid expenses and deposits (Note 4)		**139,293**		113,180
		8,755,110		6,756,213
Non-current assets				
Guaranteed investment certificate (Note 13)		**33,000**		33,000
Equipment (Note 5)		**136,895**		-
Exploration and evaluation assets (Note 6)		**2,515,193**		1,678,438
	$	**11,440,198**	$	8,467,651
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**829,292**	$	1,238,190
Loans payable (Note 7)		**-**		-
Due to related parties (Note 9)		**260,090**		235,224
Share compensation liability (Note 8)		**231,680**		21,408
		1,321,062		1,494,822
Long-term liabilities				
Share compensation liability (Note 8)		**180,447**		17,841
		1,501,509		1,512,663
Shareholders' Equity				
Share capital (Note 8)		**41,665,824**		19,704,677
Reserves (Note 8)		**9,315,760**		5,345,673
Deposit for share issuance (Note 15)		**5,045,611**		-
Accumulated other comprehensive income		**56,282**		28,289
Deficit		**(46,144,788)**		(18,123,651)
		9,938,689		6,954,988
	$	**11,440,198**	$	8,467,651

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 13)
Subsequent Events (Note 15)

Approved by the Directors:

"David Laing"	*"Tony Wood"*
David Laing, Director	Tony Wood, Director

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

BLACKROCK SILVER CORP. (Formerly Blackrock Gold Corp.)

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

		Year Ended October 31,		
		2021		2020
Exploration expenditures (Note 6)				
Drilling (Note 5)	**$**	**19,291,291**	$	4,927,746
Geology and consulting (Note 5)		**1,207,155**		429,693
Geophysics		**110,590**		192,720
Legal fees		**19,609**		29,285
Property investigation		**46,042**		-
		(20,674,687)		(5,579,444)
Operating expenses				
Accounting and audit		**42,949**		40,472
Bank charges and interest		**13,388**		7,239
Consulting fees (Note 9)		**60,482**		332,685
Depreciation		**-**		4,912
Insurance		**67,481**		52,159
Legal fees		**123,305**		175,811
Management fees (Note 9)		**996,379**		682,380
Marketing and communications		**1,833,249**		750,041
Office (Note 9)		**96,977**		64,065
Regulatory and filing fees		**83,841**		100,469
Rent		**23,547**		12,435
Share-based payments (Notes 8 and 9)		**3,916,808**		3,627,178
Travel		**116,076**		84,178
Wages (Note 9)		**161,874**		132,124
		(7,536,356)		(6,066,148)
Other income (expense)				
Foreign exchange gain (loss)		**168,316**		(82,307)
Interest (Note 7)		**-**		(8,743)
Change in fair value of share compensation liability (Note 8)		**21,590**		35,062
		189,906		(55,988)
Net Loss for the year		**(28,021,137)**		(11,701,580)
Other comprehensive income				
Items that may be reclassified to profit or loss				
Foreign currency translation adjustment		**27,993**		28,289
Total Comprehensive Loss for the year	**$**	**(27,993,144)**	$	(11,673,291)
Basic and Diluted Loss per share	**$**	**(0.20)**	$	(0.15)
Weighted average number of shares outstanding				
Basic and Diluted		**141,009,030**		80,468,381

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

BLACKROCK SILVER CORP. (Formerly Blackrock Gold Corp.)

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended October 31, 2021	2020
Cash provided by (used for):		
Operating activities		
Net loss for the year	**$ (28,021,137)**	$ (11,701,580)
Adjustment for items not involving cash:		
Depreciation	**-**	4,912
Depreciation included in exploration expenditures	**22,845**	-
Foreign exchange	**(28,971)**	35,093
Share-based payments	**3,916,808**	3,627,178
Change in fair value of share compensation liability	**(21,590)**	(35,062)
	(24,132,045)	(8,069,459)
Changes in non-cash operating capital:		
Amounts receivable	**(26,877)**	(33,118)
Prepaid expenses and deposits	**(20,909)**	76,854
Accounts payable and accrued liabilities	**(500,897)**	898,280
Due to related parties	**27,760**	136,729
	(24,652,968)	(6,990,714)
Investing activities		
Fixed asset purchase	**(162,537)**	-
Exploration and evaluation assets	**(911,296)**	(788,941)
	(1,073,833)	(788,941)
Financing activities		
Issuance of common shares	**24,218,886**	14,330,405
Share issuance costs	**(1,702,611)**	(726,362)
Settlement of restricted share units	**(107,449)**	-
Repayment of loans payable	**-**	(131,385)
Subscriptions received in advance of shares issuance	**5,045,611**	-
	27,454,437	13,472,658
Increase in cash	**1,727,636**	5,693,003
Effect of exchange rate changes on cash	**218,271**	18,462
Cash, beginning of the year	**6,589,531**	878,066
Cash, end of the year	**$ 8,535,438**	$ 6,589,531
Supplementary disclosure:		
Non-cash share issue costs	**$ 629,790**	$ 940,652
Shares issued for wage compensation	**$ -**	$ 14,000

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

BLACKROCK SILVER CORP. (Formerly Blackrock Gold Corp.)

Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Deposit for share issuance	Reserves	Accumulated other comprehensive income	Deficit	Total equity
Balance at October 31, 2019	60,700,143	$ 6,757,887	$ 50,000	$ 1,085,554	$ -	$ (6,422,071)	$ 1,471,370
Private placements	39,284,469	13,273,561	-	-	-	-	13,273,561
Share issue costs	-	(1,667,014)	-	940,652	-	-	(726,362)
Shares issued for wage compensation	200,000	14,000	-	-	-	-	14,000
Warrants exercised	3,929,937	899,679	-	(13,585)	-	-	886,094
Share options exercised	2,605,000	426,564	(50,000)	(205,814)	-	-	170,750
Share-based payments	-	-	-	3,538,866	-	-	3,538,866
Foreign currency translation adjustment	-	-	-	-	28,289	-	28,289
Net loss for the year	-	-	-	-	-	(11,701,580)	(11,701,580)
Balance at October 31, 2020	106,719,549	19,704,677	-	5,345,673	28,289	(18,123,651)	6,954,988
Private placements	30,375,001	22,350,001	-	-	-	-	22,350,001
Share issue costs	-	(2,332,401)	-	629,790	-	-	(1,702,611)
Shares issued in settlement of RSUs, net of share issuance costs	120,664	108,597	-	-	-	-	108,597
Warrants and finder's warrants exercised	5,778,615	1,720,260	-	(19,972)	-	-	1,700,288
Share options exercised	800,000	114,690	-	(54,690)	-	-	60,000
Share-based payments	-	-	-	3,414,959	-	-	3,414,959
Subscriptions received in advance of shares issuance	-	-	5,045,611	-	-	-	5,045,611
Foreign currency translation adjustment	-	-	-	-	27,993	-	27,993
Net loss for the year	-	-	-	-	-	(28,021,137)	(28,021,137)
Balance at October 31, 2021	143,793,829	$ 41,665,824	$ 5,045,611	$ 9,315,760	$ 56,282	$ (46,144,788)	$ 9,938,689

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Blackrock Silver Corp. (formerly Blackrock Gold Corp.) ("our", "Blackrock" or the "Company") was incorporated on April 16, 1999 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition, exploration and development of mineral properties located in Canada and the United States ("US"). Effective July 27, 2016, the Company changed its name from Almo Capital Corp. to Blackrock Gold Corp. The Company's shares began trading on the TSX Venture Exchange ("TSX-V") under the symbol "BRC.V" on July 27, 2016 and also trade on the OTCQB under the symbol "BKRRF". On March 17, 2021, the Company changed its name from Blackrock Gold Corp. to Blackrock Silver Corp., to better reflect the portfolio of exploration and evaluation assets it holds.

The head office, registered address, principal address and records office of the Company are located at 2710 – 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

The Company has incurred losses since inception and has an accumulated operating deficit of $46,144,788 at October 31, 2021 (2020 - $18,123,651). For the year ended October 31, 2021, the Company had a net loss of $28,021,137 (2020 - $11,701,580), cash flows used in operating activities of $24,652,968 (2020 - $6,990,714) and working capital of $7,434,048 (2020 - $5,261,391). The Company expects to incur future losses in the exploration of its mineral properties.

To fund the Company's exploration activity for at least the next twelve-month period, the Company will be drawing down its current cash, maintaining cost control measures and raising additional proceeds either by way of private placements or exercise of stock options, warrants and agent warrants. Subsequent to year-end, the Company has been successful in raising $7,950,628 from private placements and the exercise of warrants.

While these consolidated financial statements ("financial statements") have been prepared with the assumption that the Company will be able to meet its obligations and continue its operations for its next fiscal year, the aforementioned conditions indicate the existence of material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern, and therefore may not be able to discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

<u>COVID-19</u>

In response to the global outbreak of COVID-19, on March 17, 2020, the governor of Nevada ordered the closure of all non-essential businesses in the state of Nevada to help prevent the spread of the virus. On April 1, 2020, the governor of Nevada issued a "stay at home" order, which was updated on April 8, 2020. The order restricted non-essential activities, travel and business operations, subject to certain exceptions for necessary activities through April 30, 2020, which was subsequently extended to May 15, 2020. On April 30, 2020, the governor of Nevada announced Nevada's "Roadmap to Recovery Plan", which outlined certain criteria and milestones that had to be met in order to safely restart Nevada's economy. Phase 1 and Phase 2 of the Nevada reopening plan commenced on May 9, 2020 and May 29, 2020, respectively, allowing certain non-essential businesses to voluntarily reopen under strict restrictions. The Company's development activities, including exploration drilling, are considered an "essential business" in Nevada and are permitted to continue, so long as masks are worn indoors.

The impact of COVID-19 on the Company's operations has been minimal throughout the pandemic.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

These financial statements were authorized for issue on February 28, 2022 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards ("IFRS")
These financial statements of the Company have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee. These financial statements comply with International Accounting Standard ("IAS") 1 *Presentation of Financial Statements.*

Basis of preparation
These financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale or fair value through profit or loss ("FVTPL") that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective or available for adoption on October 31, 2021, the Company's annual reporting date.

Certain amounts in the prior period have been reclassified to conform to the current period presentation.

Basis of consolidation
The financial statements of the Company include the following subsidiary:

Name of subsidiary	Place of incorporation	Percentage ownership
Blackrock Gold Corp.	*USA*	100%

Blackrock Gold Corp. ("Blackrock US") was incorporated on May 9, 2018. The Company consolidates the subsidiary for the year ended October 31, 2021, on the basis that it controls the subsidiary through its ability to govern its financial and operating policies. Blackrock US has a December 31 year-end, differing from the Company's year-end of October 31 for tax purposes.

All intercompany transactions and balances are eliminated on consolidation.

2. BASIS OF PRESENTATION – Continued

Accounting estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Other accounting estimates and judgments include functional currency determination, recoverability of exploration and evaluation costs, impairment of exploration and evaluation assets, valuation of share-based payments and non-recognition of income tax assets.

Foreign currencies

The Company assesses functional currency on an entity-by-entity basis based on the related fact pattern and only when events and conditions of the underlying transactions have changed; however, the presentation currency used in these financial statements is determined at management's discretion.

The functional currency of the parent company, and the presentation currency applicable to these financial statements, is the Canadian dollar. The functional currency of the Company's wholly owned subsidiary is the US dollar for the year ended October 31, 2021.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each consolidated statement of financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items 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 as a foreign currency translation adjustment in other comprehensive income (loss) and accumulated in equity.

2. BASIS OF PRESENTATION – Continued

New accounting standard and interpretation

The new IFRS pronouncement listed below became effective on November 1, 2020 and was adopted by the Company during the current year:

Business combinations

Narrow-scope amendments to IFRS 3 *Business Combinations* were issued in October 2018 and apply to annual reporting periods beginning on or after January 1, 2020. The amendments clarify the definition of a business.

Future accounting standards and interpretations

New IFRS pronouncements that have been issued, but are not yet effective at the date of these financial statements, are listed below. The Company plans to apply the new standards or interpretations in the annual period for which they are first required.

Presentation of financial statements

An amendment to IAS 1 *Presentation of Financial Statements* was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least twelve months after the reporting period.

Income taxes

In May 2021, the IASB issued amendments to IAS 12 *Income Taxes.* The amendments to IAS 12 narrow the scope of the initial recognition exemption so that it no longer applies to transactions that give rise to equal amounts of taxable and deductible temporary differences. The Company is to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition for certain transactions, including leases and reclamation provisions. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The Company is currently evaluating the impact of these amendments on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consists of balances on deposit and investments in highly liquid short-term deposits that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in fair value. The Company had no cash equivalents at October 31, 2021 and 2020.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income or FVTPL. At initial recognition, financial liabilities are measured at fair value and classified as, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss).

The Company's financial instruments are classified and subsequently measured as follows:

Account	Classification
Cash and guaranteed investment certificate ("GIC")	Amortized cost
Amounts receivable (excluding Goods and Services Tax/sales tax)	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Due to related parties	Amortized cost

Impairment

The Company recognizes an allowance using the expected credit loss ("ECL") model on financial assets classified as subsequently measured at amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all trade receivables. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as subsequently measured at amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the consolidated statement of income (loss) and comprehensive income (loss).

Exploration and evaluation assets

Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition and holding of a mineral property are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and the decision to proceed with development are recognized in profit or loss as incurred, net of recoveries. Costs incurred before the Company has obtained the legal rights to explore an area are charged to profit or loss. Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Equipment

Equipment is recorded at cost less accumulated depreciation and any impairment losses. Equipment includes in its purchase price, any costs directly attributable to bringing equipment to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset. Upon sale or abandonment of any equipment, the cost and related accumulated depreciation and impairment losses, are written off and any gains or losses thereon are included in the consolidated statement of income (loss) and comprehensive income (loss).

The carrying amounts of equipment are depreciated on a straight-line basis over the estimated useful life. When parts of an item of equipment have different useful lives, they are accounted for as separate items (or components).

Equipment: 5–7-year basis

Depreciation methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate. Depreciation is expensed through the consolidated statement of income (loss) and comprehensive income (loss).

Impairment of non-current assets

The Company's exploration and evaluation assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss). Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the impairment charge for the period.

The Company provides for the costs of future reclamation activities at the time it conducts exploration and evaluation activities and records the present value of the estimated reclamation expenditures required to restore the exploration sites in the year in which the obligation is incurred. When the obligation is recognized, the estimated expenditures are recorded in operations. Changes in estimated reclamation expenditures will be recognized as changes to the corresponding assets and reclamation liability in the year in which they occur.

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. Common shares issued for consideration other than cash, are valued based on their market value at the date the agreement to issue shares was concluded.

The Company uses the residual method in determining the fair value of warrants issued to subscribers, which method provides for the allocation of the consideration received to the fair value of the common shares issued and allocating any residual amount to the warrants issued.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Share-based payments

Share options

The Company grants share purchase options to directors, officers, employees and consultants to purchase common shares. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in 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.

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

Share compensation liability

A Restricted Share Unit ("RSU" or "RSUs") Plan was established for employees, officers and directors of the Company. The RSUs vest equally over a three-year period and entitle the RSU holder to settle vested RSUs in cash or common shares of the Company, at the holder's option, at the market price of the Company's publicly traded common shares on the settlement date, less applicable tax withholdings. The cost of the RSUs is measured, initially, at fair value on the date of grant based on the market price of the Company's common shares. The cost of RSUs is recognized as a liability, in accordance with IFRS 2 *Share-based Payments*, in the Company's consolidated statements of financial position. The liability is remeasured at each reporting period, with changes in the fair value of the liability being recognized in the Company's consolidated statement of income (loss) and comprehensive income (loss). Until such time as the holder elects to settle the RSUs as either cash settlement or equity settlement, in accordance with the RSU plan (Note 8), the RSUs continue to be recognized as a liability.

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

Income taxes
The Company accounts for income taxes using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the consolidated statement of financial position and their corresponding tax values, using enacted or substantially enacted income tax rates at each consolidated statement of financial position date. Deferred assets also result from unused losses and other deductions carried forward. The valuation of deferred tax assets is reviewed on a regular basis and adjusted to the extent that it is not probable that sufficient taxable profit will be available to allow all or a part of the deferred income tax asset to be utilized by use of a valuation allowance to reflect the estimated realizable amount.

(Expressed in Canadian dollars)

4. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses at October 31, 2021 and 2020 is comprised of the following:

	2021	2020
Consulting	**$ -**	$ 47,709
Insurance	**37,375**	16,749
Marketing and lead generation	**87,139**	32,397
Other prepaid expenses	**14,779**	16,325
	$ 139,293	$ 113,180

5. EQUIPMENT

	Equipment
Cost	
As at October 31, 2020	$ -
Additions	162,537
Currency translation adjustment	(3,254)
Balance as at October 31, 2021	$ **159,283**
Depreciation	
As at October 31, 2020	$ -
Charged for the year	(22,845)
Currency translation adjustment	457
Balance as at October 31, 2021	$ **(22,388)**
Net book value	
As at October 31, 2020	**$ -**
As at October 31, 2021	**$ 136,895**

Depreciation related to the assets specific to exploration activity was recorded as a part of exploration expenditures (Note 6) on the consolidated statement of loss and comprehensive loss. Of the total, $15,869 (2020 - $Nil) was recorded as part of drilling costs and $6,976 (2020 - $Nil) was recorded in geology and consulting.

During the year ended October 31, 2020, the Company had recorded depreciation of $4,912 to fully depreciate its assets.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

Title disclaimer
As at October 31, 2021, all of the Company's exploration and evaluation assets are located in Nevada, United States. Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, its properties are in good standing.

United States

Acquisition and Holding Costs		**Silver Cloud**		**Tonopah West**		**Total**
Balance, October 31, 2019	$	920,721	$	-	**$**	**920,721**
Additions		275,667		513,274		**788,941**
Foreign currency translation		(254)		(30,970)		**(31,224)**
Balance, October 31, 2020		1,196,134		482,304		**1,678,438**
Additions		313,217		598,079		**911,296**
Foreign currency translation		(31,166)		(43,375)		**(74,541)**
Balance, October 31, 2021	$	1,478,185	$	1,037,008	**$**	**2,515,193**

The acquisition cost and exploration and evaluation expenditures relating to the West Silver Cloud property have been included with those of Silver Cloud.

The exploration expenditures for the year ended October 31, 2021 were as follows:

Exploration Expenditures		**Silver Cloud**		**Tonopah West**		**Generative**		**Total**
Drilling (Note 5)	$	575,276	$	18,716,015	**$**	-	**$**	**19,291,291**
Geology and consulting (Note 5)		58,779		1,148,376		-		**1,207,155**
Geophysics		3,687		106,903		-		**110,590**
Legal		-		19,609		-		**19,609**
Property investigation		-		-		46,042		**46,042**
Total	$	637,742	$	19,990,903	**$**	46,042	**$**	**20,674,687**

The exploration expenditures for the year ended October 31, 2020 were as follows:

Exploration Expenditures		**Silver Cloud**		**Tonopah West**		**Total**
Drilling (Note 5)	$	719,292	$	4,208,454	**$**	**4,927,746**
Geology and consulting (Note 5)		166,743		262,950		**429,693**
Geophysics		137,959		54,761		**192,720**
Legal		4,879		24,406		**29,285**
Total	$	1,028,873	$	4,550,571	**$**	**5,579,444**

6. EXPLORATION AND EVALUATION ASSETS – Continued

Silver Cloud Project

On October 27, 2017, the Company entered into a Lease Agreement (the "Lease") with Pescio Exploration, LLC ("Pescio" or the "Lessor") with respect to 552 unpatented lode mining claims situated in Elko County, Nevada, and known as the Silver Cloud Project (the "Property"). The Lease affords Blackrock all rights and privileges incidental to ownership, including rights to explore, develop and mine the Property. The term of the Lease is 10 years from October 27, 2017 (the "Effective Date"), and so long thereafter as: a) exploration and/or development is taking place on the Property, and/or b) the Property is held by Blackrock or its successors and assigns, unless earlier terminated in accordance with the terms of the Lease.

In June 2019, the Company completed negotiations to amend the Lease terms and conditions with the underlying owner. The amended Lease provides for lower upfront payments, a reduction of the net smelter return royalty through a buyout, and a purchase option for the Property.

Pursuant to the original Lease, to acquire and maintain the Lease in good standing, Blackrock:

a) Reimbursed the Lessor US$92,308 ($120,296) for the 2017 Bureau of Land Management ("BLM") fees;
b) Paid US$100,000 ($130,320) and issued 1,000,000 common shares of the Company to the Lessor at a price of $0.13 per share;
c) Paid US$100,000 ($131,810) in lease payments to the Lessor for year 1;
d) Must perform a minimum total of 15,000 feet of drilling on the Property during the first three years of the term of the Lease;
e) Must drill an additional 90,000 feet from years 4 to 9 and 20,000 feet each subsequent year;
f) Must pay all BLM permit costs. The Company paid BLM fees of US$91,080 ($123,459) in 2020 and US$91,080 ($119,415) in 2019; and
g) Must make additional payments to the Lessor of US$100,000 in year 2, US$150,000 in year 3, US$200,000 in year 4, US$250,000 in year 5, US$500,000 in year 6, US$750,000 in year 7 and US$1,500,000 per year starting in year 8.

Pursuant to the amending agreement:

(i) The Company must make the following cash payments:
   i. 2nd anniversary of the Effective Date, October 27, 2019, US$75,000 ($98,731) (paid);
   ii. 3rd anniversary of the Effective Date, October 27, 2020, US$100,000 ($131,640) (paid);
   iii. 4th anniversary of the Effective Date, October 27, 2021, US$150,000 ($188,565) (paid);
   iv. 5th anniversary of the Effective Date, October 27, 2022, US$200,000;
   v. 6th anniversary of the Effective Date, October 27, 2023, US$500,000;
   vi. 7th anniversary of the Effective Date, October 27, 2024, US$750,000; and
   vii. 8th anniversary of the Effective Date and all subsequent anniversaries the Lease is in effect, US$1,500,000.

   The Company is committed to and must pay all minimum payments up to and including the October 27, 2022 payment. The cash minimum payments will not be credited cumulatively against the Company's royalty payment obligations.

(ii) The Company must complete the following minimum drilling requirements:
   i. 1st to 5th years of the Lease, 25,000 feet;
   ii. 6th year of the Lease, 10,000 feet;
   iii. 7th year of the Lease, 20,000 feet;
   iv. 8th year of the Lease, 20,000 feet; and
   v. 9th year of the Lease and each subsequent Lease year, 20,000 feet.

6. EXPLORATION AND EVALUATION ASSETS – Continued

If the minimum drilling threshold is not achieved, the Company is subject to a penalty of US$50 per foot of undrilled footage.

(iii) The Company was granted the sole and exclusive option to purchase and own 100% of the Property for a total purchase price of US$3,500,000 on or before October 27, 2023. Exercising the purchase option will terminate the Company's obligation with respect to making any further cash payments and the only further payment obligation is the royalty. If the option to purchase is exercised, the exploration drilling commitment or drilling escape payment obligations remain in effect. If the Company elects to exercise the purchase option after October 27, 2023, it will have to pay a total purchase price of US$5,000,000 and will be obligated to pay all minimum payments and any and all related financial obligations.

(iv) The Company will pay Pescio a non-participating royalty of 3.5% based on the gross value from the production or sale of minerals from the Property and any area of interest acquired interests. The royalty percentage, as a whole, is made subject to a buy-down option of 3.5% representing 1% of the gross value for a total of US$3,000,000 at any time within the first five years.

On July 11, 2019, the Company, through its subsidiary, Blackrock US, entered into a purchase agreement for 20 unpatented mining claims located immediately adjacent to the western boundary of the Property. These unpatented lode mining claims, collectively known as the West Silver Cloud property, extend the Property westward from the Northwest Canyon target. The Company:

(i) Paid US$5,000 upon closing of the transaction;
(ii) Issued 150,000 common shares of the Company; and
(iii) Issued 50,000 common share purchase warrants exercisable for a period of 3 years with an exercise price of $0.20 per common share.

The Property is subject to a production royalty equal to one-half of 1% (0.5%) of the net smelter returns. The Company has the right to purchase the royalty at any time for US$500,000.

<u>Tonopah West Project</u>
On February 24, 2020, the Company, through its subsidiary, Blackrock US, entered into the Blackrock Gold Corp. Option Agreement (the "OA") with Nevada Select Royalty, Inc. ("Nevada Select"), a wholly owned subsidiary of Ely Gold Royalties Inc., with respect to 17 unpatented mining claims and 23 patented mining claims (the Tonopah Claims), 2 unpatented mining claims and 74 patented mining claims (the Cliff ZZ Claims), collectively known as the Nevada Select Claims, situated in Esmeralda and Nye counties, Nevada, and known as the Tonopah West Project (the "Project"). The OA gives and grants Blackrock US the sole and exclusive right and option to purchase 100% of Nevada Select's right, title and interest in and to the Project, including the existing data (as defined) possessed by Nevada Select and any additional data, information and records regarding the Project acquired by Nevada Select during the option period. The term of the OA is until the first to occur of (i) the option closing; (ii) the termination of the OA; or (iii) four years from April 1, 2020 (the "Initial Closing Date"). Until all option payments have been made and the option is exercised and closed, Blackrock US must pay all claim maintenance and rental fees for the Nevada Select Claims.

Pursuant to the OA, the total purchase price of US$3,000,000 will be paid by the following option payments:

(i) On the Initial Closing Date, US$325,000 ($464,815) (paid);
(ii) 1st anniversary of the Initial Closing Date, US$325,000 (paid);
(iii) 2nd anniversary of the Initial Closing Date, US$650,000;
(iv) 3rd anniversary of the Initial Closing Date, US$700,000; and
(v) 4th anniversary of the Initial Closing Date, US$1,000,000.

6. EXPLORATION AND EVALUATION ASSETS – Continued

Upon the option exercise, Blackrock US will grant Nevada Select a 3% net smelter returns mineral production royalty in respect of all products (as defined) produced from the Nevada Select Claims.

During the option period and following the option exercise, if the option closing occurs and unless otherwise agreed to by the parties, if either party or its affiliate acquires, directly or indirectly, any additional mining claims, located wholly or partly within the area of interest (as defined), the after-acquired interest will be included in and form part of the Nevada Select Claims and will be subject to the OA. If any unpatented or patented claims or other property are or become subject to any third-party royalty obligations that existed prior to initial closing, the royalty will be reduced so that the total royalty percentage on each of the mining claims or real property interests comprising the Project does not exceed 3%.

Blackrock US can terminate the OA without further liability at any time by giving written notice of termination to Nevada Select, and Nevada Select will retain all payments made prior to termination.

On April 6, 2021, the Company announced that it had acquired three strategic patented mining claims covering the centre portion of the project area. Blackrock acquired the three claims through a land swap with local land owners. The Company acquired surface and mineral rights to 14.3 hectares in exchange for surface rights covering 19.8 hectares. The Company retains the mineral rights beneath the 19.8 hectares. After completion of the transaction, the Company controls mineral rights on 19 unpatented lode mining claims and 100 patented lode claims (fee lands) totaling 566.5 hectares (1,400 acres).

In addition, on July 19, 2021, the Company increased its land position to the north and west of the existing patented lands. The Company has staked an additional 260 unpatented lode mining claims covering approximately 21 square kilometres, more than tripling its land position within this prolific mining camp.

(Expressed in Canadian dollars)

7. LOANS PAYABLE

Loans payable at October 31, 2021 and 2020 is comprised of the following:

		2021		2020
Related parties:				
Principal (i, iii)	**$**	**-**	$	81,364
Principal (ii, iii)		**-**		32,860
Interest		**-**		24,780
Foreign exchange		**-**		(51)
Repayment		**-**		(138,953)
Total	**$**	**-**	$	-

(i) On November 10, and 14, 2017, the Company entered into loan agreements with two directors of the Company to borrow a total of $81,364 for a period of one year. Of this amount, $40,308 was a non-interest-bearing advance at October 31, 2017 that was converted into a loan. As further consideration for advancing the loans, the Company issued a total of 1,162,273 bonus warrants to the directors exercisable at a price of $0.07 per share for a period of 12 months. The warrants subsequently expired unexercised. These loans were extended for an additional six-month term expiring on May 10, and 14, 2019 and have not been further extended. The principal balance of $81,364 and accrued interest totaling $20,343 were repaid during the 2020 fiscal year.

(ii) On January 14, 2019, the Company entered into a loan agreement with a director of the Company to borrow a total of $32,860 (US$25,000) for a period of one year. The principal balance of $32,860 and accrued interest totaling $4,437 were repaid during the 2020 fiscal year.

(iii) These loans were unsecured and bore interest at 8% per annum with interest accruing and payable at maturity. Principal and all accrued and unpaid interest were payable in full on maturity or upon demand after six months. Overdue principal and accrued interest bore interest at 8% per annum.

Loan agreements that include bonus warrants are considered to be a compound financial instrument with the liability and equity component being classified separately in the consolidated statements of financial position on the date of issuance. The fair value of the liability component is determined first, with the residual value, if any, being allocated to the equity component. At the time of issuance, the fair value of the liability component was determined not to be materially different from the loan proceeds. Accordingly, no amount was allocated to the equity component.

8. SHARE CAPITAL

a) Authorized
The authorized share capital of the Company consists of unlimited common shares without par value.

b) Issued
During the year ended October 31, 2021, the Company issued the following common shares:

(i) On August 5, 2021, 120,664 RSUs vested with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 120,664 common shares for gross proceeds of $102,098 and incurred share issue costs of $1,148. The net proceeds of $100,950 were used to settle the 120,664 RSUs that vested.

8. SHARE CAPITAL – Continued

b) Issued – Continued

(ii) On July 19, 2021, the Company granted an aggregate 335,000 RSUs under its RSU plan to its directors, officers and employees. The RSUs awarded will vest as to one-third on each of the first, second and third anniversaries of the date of grant. The RSUs awarded are subject to any necessary regulatory approvals, which, at the date of filing, had not been received. See Note 8(e).

(iii) On June 8, 2021, the Company closed a non-brokered private placement. The Company issued a total of 2,666,667 units of the Company at a price of $0.75 per unit for gross proceeds of $2,000,000. Each unit consisted of one common share of the Company (each a "Common Share") and one-half of one Common Share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at an exercise price of $1.15 until June 8, 2023.

In connection with the offering, the Company paid total cash commission of $120,000 and 80,000 non-transferable finders' warrants, each entitling the holder to purchase one Common Share of the Company at a price of $0.75 until June 8, 2023. The Warrants had a fair value of $65,264 (Note 8(f)) and were treated as non-cash share issue costs.

(iv) On June 8, 2021, the Company completed a bought-deal financing for a total of 13,333,334 units at a price of $0.75 per unit for gross proceeds of $10,000,001. Each unit is comprised of one common share in the capital of the Company (each a "Common Share") and one-half of one Common Share purchase warrant (each a "Warrant"). Each whole Warrant is exercisable into one Common Share at a price of $1.15 at any time on or before the date that is 24 months after the closing date of the offering. Of the total units issued, 253,339 units were purchased by a director and an officer of the Company.

In connection with the offering, the underwriters received a total cash commission of $560,000 and 386,666 finders' warrants, each entitling the underwriters to purchase one Common Share of the Company at a price of $0.75 until June 8, 2023. The warrants had a fair value of $315,442 (Note 8(f)) and were treated as non-cash share issue costs.

(v) On February 19, 2021, the Company completed a bought-deal financing for a total of 14,375,000 units at a price of $0.72 per unit for gross proceeds of $10,350,000. Each unit is comprised of one common share in the capital of the Company (each a "Common Share") and one-half of one Common Share purchase warrant (each a "Warrant"). Each whole Warrant is exercisable into one Common Share at a price of $1.10 at any time on or before the date that is 36 months after the closing date of the offering.

In connection with the offering, the underwriters received a total cash commission of $586,878 and 419,402 finders' warrants, each entitling the underwriters to purchase one Common Share of the Company at a price of $0.72 until February 19, 2024. The warrants had a fair value of $249,082 (Note 8(f)) and were treated as non-cash share issue costs.

(vi) On January 18, 2021, the Company granted an aggregate 466,800 RSUs under its RSU plan to its directors, officers and employees. The RSUs awarded will vest as to one-third on each of the first, second and third anniversaries of the date of grant. The RSUs awarded are subject to any necessary regulatory approvals, which, at the date of filing, had not been received. See Note 8(e).

(vii) The following equity instruments have been exercised during the year

- 800,000 share options have been exercised for total proceeds of $60,000;
- 5,705,937 warrants have been exercised for total proceeds of $1,678,485; and
- 72,678 finders' warrants have been exercised for total proceeds of $21,803.

8. SHARE CAPITAL – Continued

b) Issued – Continued

Share issuance costs

During the year ended October 31, 2021, total share issuance costs of $2,332,401 (2020 - $1,667,014) comprised of cash outflows of $1,702,611 (2020 - $726,362) relating to commissions and legal fees, and non-cash outflows of $629,790 (2020 - $940,652) relating to finders' warrants.

During the year ended October 31, 2020, the Company issued the following common shares:

(i) On November 1, 2019, the Company issued 200,000 common shares to the estate of Brian Morris, former president of the subsidiary, that was a part of his signing bonus when hired.

(ii) There was a total of 3,929,937 share purchase warrants exercised for proceeds of $886,094, of which 49,437 exercised warrants were finders' warrants. A total of $13,585 was transferred from reserves to share capital, representing the fair value of the finders' warrants exercised during the year.

(iii) There was a total of 2,605,000 share options exercised for proceeds of $170,750. A total of $205,814 was transferred from reserves to share capital, representing the fair value of the share options exercised during the year.

(iv) On January 30, 2020, the Company closed the first tranche of a non-brokered private placement. In connection with the first tranche closing, the Company issued a total of 2,685,000 units of the Company at a price of $0.20 per unit for gross proceeds of $537,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.30 until January 30, 2022. On closing, the Company paid a cash commission of $1,200, representing 6% of the proceeds raised in respect of a portion of the private placement.

(v) On February 13, 2020, the Company closed the final tranche of the non-brokered private placement. In connection with the closing of the final tranche, the Company issued a total of 3,512,065 units of the Company at a price of $0.20 per unit for gross proceeds of $702,413. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.30 until February 13, 2022. On closing, the Company paid a cash commission of $13,500, representing 6% of the proceeds raised in respect of a portion of the private placement.

(vi) On June 4, 2020, the Company closed a non-brokered private placement. In connection with the closing, the Company issued a total of 22,670,737 units of the Company at a price of $0.20 per unit for gross proceeds of $4,534,148. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.30 until June 4, 2023. On closing, the Company paid a cash commission of $193,090, representing 7% of the proceeds raised in respect of a portion of the private placement. The Company also issued 950,950 finders' warrants, representing 7% of the units placed by finders. The finders' warrants were fair valued at $261,321 and were treated as non-cash share issue costs.

(Expressed in Canadian dollars)

8. SHARE CAPITAL – Continued

b) Issued – Continued

(vii) On July 31, 2020, the Company closed a non-brokered private placement. In connection with the closing, the Company issued a total of 10,416,667 units of the Company at a price of $0.72 per unit for gross proceeds of $7,500,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $10 until July 31, 2022. On closing, the Company paid a cash commission of $399,280, representing 6% of the proceeds raised in respect of a portion of the private placement. The Company also issued 554,556 finders' warrants, representing 6% of the units placed by finders. The finders' warrants were fair valued at $679,331 and were treated as non-cash share issue costs.

c) Share purchase options

The Company adopted an incentive stock option plan (the "Plan"), which provides that the number of shares issuable under the Plan may not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Plan may have a maximum term of 10 years. The exercise price of options granted under the Plan may not be less than the discounted market price of the shares on grant date, or such other price as may be agreed to by the Company and accepted by the TSX-V.

The continuity of share purchase options for the years ended October 31, 2021 and 2020 is as follows:

	2021		2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	**7,695,000**	**0.62**	5,665,000	0.14
Granted	**4,310,000**	**0.86**	4,760,000	0.90
Exercised	**(800,000)**	**0.08**	(2,605,000)	0.08
Expired/Cancelled	**-**	**-**	(125,000)	0.31
Outstanding, end of the year	**11,205,000**	**0.75**	7,695,000	0.62
Exercisable, end of the year	**11,030,000**	**0.72**	7,345,000	0.59

As a part of the share options issued on February 24, 2021, and October 4, 2021, the Company granted 150,000 and 100,000 share options for investor relations purposes. The share options vest over a 12-month period, from the date of grant, with 25% of the share options vesting every 3 months. On August 5, 2020, as part of the Company's grant of share options, the Company granted 350,000 share option for investor relations purposes. The share options vest over a 12-month period, from the date of grant, with 25% of the share options vesting every 3 months. All other share options granted vested immediately upon grant.

(Expressed in Canadian dollars)

8. SHARE CAPITAL – Continued

c) Share purchase options – Continued

The options have a weighted average life of 3.78 (2020 - 4.23) years.

Expiry Date	Number of Options (Outstanding)	Number of Options (Exercisable)	Exercise Price
			$
May 2, 2023	200,000	200,000	0.12
May 14, 2024	250,000	250,000	0.05
May 28, 2024	240,000	240,000	0.06
June 19, 2024	520,000	520,000	0.10
September 10, 2024	1,325,000	1,325,000	0.31
April 3, 2025	1,550,000	1,550,000	0.15
August 5, 2025	2,560,000	2,560,000	1.43
August 6, 2025	250,000	250,000	1.33
February 24, 2026	2,510,000	2,435,000	0.91
October 4, 2026	1,800,000	1,700,000	0.79
	11,205,000	11,030,000	

The fair value of the share-based payments expense for the years ended October 31, 2021 and 2020 as determined by the Black-Scholes option pricing model was estimated using the following assumptions:

	2021 (weighted average)	2020 (weighted average)
Risk-free interest rate	**0.88%**	0.44%
Expected annual volatility	**141.81%**	145.44%
Expected life (years)	**5**	5
Weighted average exercise price	**$0.86**	$0.90
Dividend yield	**0%**	0%

The weighted average grant date fair value per option was $0.76 (2020 - $0.79).

d) Warrants

The continuity of warrants for the years ended October 31, 2021 and 2020 is as follows:

	2021		2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	**22,016,792**	**0.45**	11,117,562	0.20
Issued	**15,187,496**	**1.13**	19,642,230	0.49
Exercised	**(5,705,937)**	**0.29**	(3,880,500)	0.22
Expired	**-**	**-**	(4,862,500)	0.19
Outstanding, end of the year	**31,498,351**	**0.81**	22,016,792	0.45

(Expressed in Canadian dollars)

8. SHARE CAPITAL – Continued

d) Warrants – Continued

The warrants have a weighted average life of 1.44 (2020 - 2.12) years.

Expiry Date	Number of Warrants	Exercise Price
		$
*January 30, 2022	1,167,500	0.30
*February 13, 2022	1,337,282	0.30
June 17, 2022	1,330,000	0.16
July 31, 2022	5,208,331	1.00
September 6, 2022	1,332,375	0.25
June 4, 2023	5,935,367	0.30
June 8, 2023	7,999,996	1.15
February 19, 2024	7,187,500	1.10
	31,498,351	

* Warrants were exercised subsequent to year-end (Note 15).

e) Restricted share units

On July 20, 2020, the Company adopted its RSU plan for the purpose of securing for the Company and its shareholders the benefits of incentive inherent in share ownership by the employees, officers and directors of the Company and its affiliates who, in the judgment of the Board of Directors (the "Board") and the Compensation Committee, will be largely responsible for the Company's future growth and success. Subject to the specific provisions of the RSU plan, eligibility, vesting period, terms of the RSUs and the number of RSUs granted are to be determined by the Board or the Compensation Committee at the time of the grant. Each award granted entitles the participant to receive one RSU. Within two business days of the award grant, the participant must send a written settlement election to the Company choosing whether it wishes the awards to be subject to cash or share settlement procedures. The RSUs vest over a three-year period with one-third vesting on the first anniversary date, one-third on the second anniversary date and the final one-third on the third anniversary date.

The continuity of restricted share units for the years ended October 31, 2021 and 2020 is as follows:

	2021	2020
	Number of RSUs	Number of RSUs
Balance, beginning of the year	**362,000**	-
Granted	**801,800**	362,000
Settled	**(120,664)**	-
Outstanding, end of the year	**1,043,136**	362,000

In accordance with IFRS 2 *Share-based Payments*, where there is an option to settle the payment in cash, the entity recognizes the services received and a liability to pay for those services. Until the liability is settled, the Company remeasures the fair value of the liability at the end of each reporting period and at date of settlement, with any changes in fair value recognized in profit and loss for the period.

(Expressed in Canadian dollars)

8. SHARE CAPITAL – Continued

e) Restricted share units – Continued

		2021		2020
		Share Compensation Liability		Share Compensation Liability
Balance, beginning of the year	**$**	**39,249**	$	-
Share-based compensation		**501,849**		74,311
RSU settlement, net of share issuance costs		**(107,381)**		-
Change in fair value		**(21,590)**		(35,062)
Outstanding, end of the year	**$**	**412,127**	$	39,249

The current portion of the share compensation liability is $231,680 (2020 - $21,408) and the long-term portion of the liability is $180,447 (2020 - $17,841).

The following table summarizes the status of the Company's outstanding RSUs as at October 31, 2021:

Grant date	Vesting Date	RSUs Outstanding	Grant Date Fair Value
			$
August 5, 2020	August 5, 2022	120,667	1.42
August 5, 2020	August 5, 2023	120,668	1.42
January 18, 2021	January 18, 2022*	155,600	0.79
January 18, 2021	January 18, 2023	155,600	0.79
January 18, 2021	January 18, 2024	155,600	0.79
July 16, 2021	July 16, 2022	111,667	0.86
July 16, 2021	July 16, 2023	111,667	0.86
July 16, 2021	July 16, 2024	111,667	0.86
		1,043,136	

* RSUs were settled subsequent to year-end (Note 15).

(Expressed in Canadian dollars)

8. SHARE CAPITAL – Continued

f) Finders' warrants

The continuity of finders' warrants for the years ended October 31, 2021 and 2020 is as follows:

	2021		2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	**1,456,069**	**0.57**	-	-
Issued	**886,068**	**0.74**	1,505,506	0.56
Exercised	**(72,678)**	**0.30**	(49,437)	0.30
Outstanding, end of the year	**2,269,459**	**0.64**	1,456,069	0.57

Expiry Date	Number of Finders' Warrants	Exercise Price
		$
July 31, 2022	554,556	1.00
June 4, 2023	828,835	0.30
June 8, 2023	466,666	0.75
February 19, 2024	419,402	0.72
	2,269,459	

The finders' warrants have a weighted average life of 1.52 (2020 - 2.27) years.

The fair value of the finders' warrants for the year ended October 31, 2021, as determined by the Black-Scholes option pricing model was estimated using the following assumptions:

	2021 (weighted average)	2020 (weighted average)
Risk-free interest rate	**0.31%**	0.29%
Expected annual volatility	**138.57%**	152.33%
Expected life (years)	**2.47**	2.63
Grant date fair value	**0.71**	0.62
Dividend yield	**0%**	0%

9. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

As at October 31, 2021, the Company owed $260,090 (2020 - $228,491) to related parties as follows:

(i) $83,178 (2020 - $60,292) in management fees, $5,077 (2020 - $5,412) in office fees and $3,932 (2020 - $Nil) in exploration fees to Tanadog Management and Technical Services, Inc., a company controlled by the current chairman of the board. In addition, a total of $12,600 (2020 - $57,484) is payable as expense reimbursements;
(ii) $20,500 (2020 - $20,000) in management fees to the Company's chief financial officer ("CFO");
(iii) $65,000 (2020 - $40,000) to The Mining Recruitment Group Ltd., a company controlled by the chief executive officer ("CEO") of the Company for consulting fees;
(iv) $24,500 (2020 - $Nil) to Jasper Skye Ltd., a company controlled by the senior vice president ("SVP") of Corporate Development of the Company for consulting fees; and
(v) $45,303 (2020 - $45,303) to the former CEO of the Company for management fees.

Of the units issued by the Company in 2021, 253,339 (2020 - Nil) were issued to insiders of the Company (see Note 8).

<u>Key management compensation</u>
During the year ended October 31, 2021, the Company paid or accrued compensation to key management, or companies controlled by them, totalling $1,114,837 (2020 - $710,075). Of this amount:

(i) $5,500 (2020 - $43,000) in management fees to Minhas Consulting Corp., a company controlled by the current CFO, including a $Nil (2020 - $10,000) bonus;
(ii) $177,023 (2020 - $20,000) in management fees, including $39,278 bonuses to the current CFO;
(iii) $355,692 (2020 - $332,380) in management fees, $63,336 (2020 - $27,695) in office fees and $42,486 (2020 - $Nil) in exploration fees to Tanadog Management and Technical Services, Inc., a company controlled by the current chairman of the board, including bonuses totalling $118,790 (2020 - $118,273);
(iv) $350,525 (2020 - $287,000) in management fees to The Mining Recruitment Group Ltd., a company controlled by the CEO, including bonuses totalling $120,525 (2020 - $107,000); and
(v) $107,675 (2020 - $Nil) in management fees to Jasper Skye Ltd., a company controlled by the Senior Vice President ("SVP") of Corporate Development, including bonuses totalling $37,175 (2020 - Nil).

During the year ended October 31, 2021, $3,378,505 (2020 - $3,276,126) in share-based payments and $35,348 (2020 - $29,526) in health and dental benefit premiums were paid to or on behalf of officers, employees and directors of the Company.

During the year ended October 31, 2020, $14,000 was recorded in share-based compensation related to 200,000 common shares issued to the estate of the former president of the subsidiary.

9. RELATED PARTY TRANSACTIONS – Continued

On October 1, 2019, the Company entered into a consulting agreement with a company whereby that company's director was retained to perform executive, technical, managerial and consulting services, as directed by the Company's Board, to act as executive chair of the Company, to serve as a director of the Company and to hold such additional offices to which he may be appointed by the Company or any subsidiary of the Company. The agreement is effective September 1, 2019 for a term of one year with automatic renewals of consecutive one-year terms. Pursuant to the agreement, the consultant will receive a consulting fee at the base rate of US$144,000 per annum, payable in equal monthly instalments of US$12,000. Effective August 1, 2020, the agreement was amended to increase the base rate to US$186,000 per annum, payable in equal monthly instalments of US$15,500. Subsequent to year-end, the agreement was amended to increase the base rate to $252,000 per annum.

On October 1, 2019, the Company entered into a consulting agreement with a company whereby that company's president was retained to perform executive, managerial and consulting services, as directed by the Company's Board, to act as president and chief executive officer of the Company, to serve as a director of the Company and to hold such additional offices to which he may be appointed by the Company or any subsidiary of the Company. The agreement is effective October 1, 2019 for a term of one year with automatic renewals of consecutive one-year terms. Pursuant to the agreement, the consultant will receive a consulting fee at the base rate of $180,000 per annum, payable in equal monthly instalments of $15,000. Effective January 1, 2021, the base rate was increased to $240,000 per annum, payable in monthly instalments of $20,000. Subsequent to year-end, the base rate was increased to $252,000 per annum.

Pursuant to the agreements:

(i) The annual base rates are subject to increase at the Board's discretion;
(ii) The consultants are entitled to receive an annual bonus, as determined at the Board's discretion;
(iii) The consultants are entitled to participate in the Company's share option plan;
(iv) The consultants may terminate the agreements upon three months' written notice and will receive a termination payment equal to the then applicable base rate per annum if terminated for other than cause; and
(v) If at any time during the term of the agreements there is a change of control (as defined) and the contracts are terminated within six months of the date of change of control, the consultants will receive an amount equal to two times both the then applicable base rate and any bonus paid or payable in respect of the Company's most recently completed financial year.

On November 1, 2019, the Company entered into an employment agreement with its corporate secretary for a term of one year with automatic renewals. Pursuant to the agreement, the corporate secretary will:

(i) Receive a severance benefit equal to three times his current monthly salary, which shall increase by one month per year to a maximum of six months. In addition, his coverage under employee benefit programs will continue for an equal period of time unless the Company elects to pay a lump sum cash payment equal to the projected cost of maintaining him in such programs in lieu; and

(ii) If at any time during the term of the agreement there is a change of control (as defined) and his employment is terminated within six months of the date of change of control, he will receive an amount equal to six times his current monthly salary, which will increase by one month per year to a maximum of 12 months and benefits for the same period in lieu of notice, severance, damages or other payments.

9. RELATED PARTY TRANSACTIONS – Continued

On January 1, 2021, the Company entered into an employment agreement with its CFO. Pursuant to the agreement, the CFO:

(i) Is eligible for a target annual bonus based on the Company achieving its annual targets, individual performance and according to the annual bonus plan, as determined by the Compensation Committee;
(ii) If terminated without cause or if he leaves the Company within six months of a change of city from which the Company carries on business, is entitled to three months of his current annual base salary plus the pro rata amount of the previous year's annual bonus plus the cash equivalent of accrued vacation pay; and
(iii) If terminated within six months of a change of control (as defined), is entitled to receive severance pay equal to 12 months of annual base salary, plus the pro rata amount of the previous year's annual bonus plus the cash equivalent of accrued vacation pay.

On February 24, 2021, the Company entered into a consulting agreement with a Jasper Skye Ltd. whereby that company's president was retained to perform executive, managerial and consulting services, as directed by the Company's CEO, to act as SVP of Corporate Development of the Company and to hold such additional offices to which he may be appointed by the Company or any subsidiary of the Company. The agreement is effective February 24, 2021 for a term of one year with automatic renewals of consecutive one-year terms. Pursuant to the agreement, the consultant will receive a consulting fee at the base rate of $108,000 per annum, payable in equal monthly instalments of $9,000. Effective September 27, 2021, the base rate was increased to $198,000 per annum, payable in monthly instalments of $16,500. Subsequent to year-end, the agreement with Jasper Skye Ltd., was replaced with an agreement with Silver Green Resources, SLU, a company controlled by the SVP of Corporate Development under the same terms.

Pursuant to the agreements:

(i) The annual base rates are subject to increase at the Board's discretion;
(ii) The consultant is entitled to receive an annual bonus, as determined at the Board's discretion;
(iii) The consultant is entitled to participate in the Company's share option plan;
(iv) The consultants may terminate the agreements upon three months' written notice and will receive a termination payment equal to the then applicable base rate per annum if terminated for other than cause; and
(v) If at any time during the term of the agreements there is a change of control (as defined) and the contracts are terminated within six months of the date of change of control, the consultants will receive an amount equal to one time both the then applicable base rate and any bonus paid or payable in respect of the Company's most recently completed financial year.

(Expressed in Canadian dollars)

10. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery for the years ended October 31, 2021 and 2020 is as follows:

		2021		2020
Net loss for the year	**$**	**(28,021,130)**	$	(11,701,580)
Canadian federal and provincial income tax rates		**27.00%**		27.00%
Expected income tax recovery		**(7,566,000)**		(3,159,427)
Difference between Canadian and Foreign tax rates		**426,000**		-
Change in statutory tax rates		**137,000**		-
Net effect of non-deductible amounts and other		**1,059,000**		777,015
Share issuance costs		**(460,000)**		-
Change in valuation allowance		**6,404,000**		2,382,412
	$	**-**	$	-

The significant components of the Company's deferred income tax assets at October 31, 2021 and 2020 are as follows:

		2021		2020
Deferred tax assets:				
Exploration and evaluation assets	**$**	**6,247,000**	$	212,760
Non-capital loss carry-forwards		**3,678,000**		3,549,690
Capital loss carry-forwards		**111,000**		110,700
Equipment		**4,000**		5,400
Share issuance costs		**489,000**		163,620
Total deferred tax assets		**10,529,000**		4,042,170
Unrecognized deferred tax assets		**(10,529,000)**		(4,042,170)
Net	**$**	**-**	$	-

The Company did not recognize the deferred tax asset for the year ended October 31, 2021, as it was unlikely to be realized.

The Company has capital and non-capital losses expiring for which deductions against future taxable income are uncertain as follows:

Expiry dates	Canadian Non-capital losses	Canadian capital losses	Canadian resource pool	US Non-capital losses
2026-2041	$10,757,000	-	-	-
No expiry	-	$819,000	$1,473,000	$2,500,000 ($3,158,000 CAD)

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its projects. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents. There are no external restrictions on the use of the Company's capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash and cash equivalents.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets and its ability to compete for investment or support of its projects.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Financial instruments

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

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

Cash is measured using Level 1 while the Company's share compensation liability is measured using Level 2. The Company does not have any financial instruments that are measured using Level 3 inputs. During the year, there were no transfers between Level 1, Level 2 and Level 3 classified assets and liabilities.

The Company's financial instruments are exposed to certain financial risks, including the following:

Financial risk factors

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with two major banks, one in Canada and one in the US. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions, as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at October 31, 2021, the Company had cash of $8,535,438 to settle current liabilities of $1,321,062. The Company is not subject to significant liquidity risk.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS – Continued

Foreign currency risk

The Company's functional currency is the Canadian dollar; however, there are expenses, assets and liabilities in US dollars. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. As at October 31, 2021, the Company had cash balances of US$2,604,356 (2020 - US$2,267,749), and accounts payable and accrued liabilities of US$623,324 (2020 - US$937,051). Should the Canadian exchange rate against the US dollar change by 10%, the potential impact on the Company's net income (loss) would be approximately $400,000. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

13. COMMITMENTS AND CONTINGENCIES

Commitments related to the Property are disclosed in Note 6. The Company has no other commitments that extend more than 12 months into the future.

The Company has corporate credit cards with limits totalling $33,000. The GIC is being held as security for the credit cards by the bank. The GIC matures on October 21, 2022 and has an interest rate of 1%.

14. SEGMENTED INFORMATION

The Company considers itself to operate in a single operating segment, being resource exploration. The Company's assets and liabilities are located within two geographical areas, Canada and the state of Nevada in the United States of America.

		October 31, 2021		October 31, 2020
Total Assets				
Canada	**$**	**6,974,309**	$	5,576,634
USA		**4,465,889**		2,891,017
	$	**11,440,198**	$	8,467,651
Total Liabilities				
Canada	**$**	**801,074**	$	291,723
USA		**700,435**		1,220,940
	$	**1,501,509**	$	1,512,663
Exploration Expenditures				
Canada	**$**	**-**	$	-
USA		**20,674,687**		5,579,444
	$	**20,674,687**	$	5,579,444
Operating Expenditures				
Canada	**$**	**7,448,787**	$	6,006,304
USA		**87,569**		59,844
	$	**7,536,356**	$	6,066,148

15. SUBSEQUENT EVENTS

The following transactions, not disclosed elsewhere in the financial statements, occurred subsequent to the year-end:

(i) On February 24, 2022, the Company announced a non-brokered private placement. The Company expects to issue a total of 5,681,819 common shares of the Company at a price of $0.88 per common share for gross proceeds of $5,000,001. The non-brokered private placement is expected to close on or about March 3, 2022 and consists of a single investor. In connection with the financing, the Company will issue 227,272 shares as a finders' fee to Research Capital Corporation.

(ii) On January 18, 2022, 155,600 RSUs vested with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 155,600 common shares for gross proceeds of $143,742 and incurred share issue costs of $1,477. The net proceeds of $142,265 were used to settle the 155,600 RSUs that vested.

(iii) On November 3, 2021, the Company closed a non-brokered private placement. The Company issued a total of 8,750,000 units of the Company at a price of $0.80 per unit for gross proceeds of $7,000,000, of which $5,045,611 was raised, net of related share issue costs, during the year. Each unit consisted of one common share of the Company (each a "Common Share") and one-half of one Common Share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at an exercise price of $1.20 until November 3, 2023. Two insiders of the Company purchased or acquired direction and control over a total of 112,500 units under the private placement.

In connection with the offering, the Company paid total cash commission of $267,348 and issued 167,093 non-transferable finders' warrants, each entitling the holder to purchase one Common Share of the Company at a price of $0.80 until November 3, 2023.

(iv) Subsequent to year-end, a total of 3,177,094 share purchase warrants were exercised for total proceeds of $950,628.