Consolidated financial statements of
Maple Gold Mines Ltd.
(An Exploration Stage Company)

For the years ended December 31, 2022 and 2021

Deloitte LLP
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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Maple Gold Mines Ltd.

Opinion

We have audited the consolidated financial statements of Maple Gold Mines Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 financial statements.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 5, 2023

Maple Gold Mines Ltd.

Consolidated statements of financial position

As at December 31, 2022 and 2021

(Expressed in Canadian dollars)

	Notes	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	4	**9,758,175**	21,905,081
Sales taxes receivable		**512,272**	33,514
Prepaid expenses and deposits		**410,427**	160,765
		10,680,874	22,099,360
Non-current assets			
Property and equipment	5	**515,467**	242,895
		11,196,341	22,342,255
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**716,885**	970,325
Sales taxes payable		**106,709**	22,980
Flow-through share premium liability	7	**—**	2,641,200
Payable to tax authorities	8	**133,738**	190,870
Share-based payment obligation	11(c)	**343,463**	252,089
Lease liabilities	9	**160,668**	194,985
Loan payable	10	**40,000**	40,000
		1,501,463	4,312,449
Non-current liabilities			
Share-based payment obligation	11(c)	**64,511**	79,796
Lease liabilities	9	**276,422**	—
Provision for site reclamation and closure		**50,384**	50,384
		1,892,780	4,442,629
Equity			
Share capital	11	**71,689,848**	71,154,922
Reserves	11	**15,541,566**	14,392,629
Deficit		**(77,927,853)**	(67,647,925)
		9,303,561	17,899,626
		11,196,341	22,342,255

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

Approved by the Board

/s/ B. Matthew Hornor

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B. Matthew Hornor, Director

/s/ Michelle Roth

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Michelle Roth, Director

Maple Gold Mines Ltd.
Consolidated statements of loss and comprehensive loss
Years ended December 31, 2022 and 2021
(Expressed in Canadian dollars, except share amounts)

	Notes	2022 $	2021 $
Operating expenses (income)			
Exploration and evaluation expenses	6	**7,649,983**	1,435,664
General and administrative	12	**5,923,363**	4,898,877
Finance income	6(a)	**(764,301)**	(501,935)
Finance expense		**112,083**	100,692
Amortization of flow-through share premium	7	**(2,641,200)**	—
Loss and comprehensive loss for the year		**10,279,928**	5,933,298
Basic and diluted loss per share		**0.03**	0.02
Weighted average number of common shares outstanding (basic and diluted)		**336,185,486**	322,184,250

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

Maple Gold Mines Ltd.

Consolidated statements of changes in equity

Years ended December 31, 2022 and 2021

(Expressed in Canadian dollars, except share amounts)

		Share capital		Reserves				
	Notes	Number	Amount $	Share-based payments reserve $	Warrants reserve $	Total reserves $	Deficit $	Total $
Balance, January 1, 2021		321,067,848	67,085,588	3,822,249	9,901,987	13,724,236	(61,714,627)	19,095,197
Shares issued for exploration property	11(b)(viii)	128,400	50,000	—	—	—	—	50,000
Shares issued on vesting of RSUs	11(b)(vii)	304,591	82,240	(82,240)	—	(82,240)	—	—
Shares issued pursuant to a private placement, net of share issue costs and flow-through share premium liability		13,020,000	3,740,781	—	—	—	—	3,740,781
Options exercised	11(c)(i)	533,333	196,313	(65,313)	—	(65,313)	—	131,000
Share-based payments	11(c)	—	—	815,946	—	815,946	—	815,946
Loss and comprehensive loss for the year		—	—	—	—	—	(5,933,298)	(5,933,298)
Balance, December 31, 2021		335,054,172	71,154,922	4,490,642	9,901,987	14,392,629	(67,647,925)	17,899,626
Shares issued for exploration property	11(b)(i)(v)	398,851	100,000	—	—	—	—	100,000
Shares issued on vesting of RSUs	11(b)(ii)(iv)	516,668	180,001	(180,001)	—	(180,001)	—	—
Options exercised	11(c)(i)	1,650,000	254,925	(89,925)	—	(89,925)		165,000
Share-based payments	11(c)	—	—	1,430,707	—	1,430,707	—	1,430,707
RSU modifications		—	—	(11,844)	—	(11,844)	—	(11,844)
Loss and comprehensive loss for the year		—	—	—	—	—	(10,279,928)	(10,279,928)
Balance, December 31, 2022		**337,619,691**	**71,689,848**	**5,639,579**	**9,901,987**	**15,541,566**	**(77,927,853)**	**9,303,561**

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

Maple Gold Mines Ltd.
Consolidated statements of cash flows
Years ended December 31, 2022 and 2021
(Expressed in Canadian dollars)

	2022 $	2021 $
Operating activities		
Loss for the period	**(10,279,928)**	(5,933,298)
Adjustments for		
Depreciation	**212,919**	304,266
Share-based payments	**1,418,863**	815,946
Shares issued for exploration property	**100,000**	50,000
Amortization of flow-through share premium	**(2,641,200)**	—
Finance expense	**26,156**	75,772
Loss on disposal of property and equipment	**—**	6,811
Changes in non-cash working capital items		
Sales taxes receivable	**(478,758)**	210,128
Prepaid expenses and deposits	**(249,662)**	564,579
Accounts payable and accrued liabilities	**(253,440)**	(439,975)
Sales taxes payable	**83,729**	22,980
Share-based payment obligation	**76,089**	331,885
Payable to tax authorities	**(57,132)**	(255,819)
	(12,042,364)	(4,246,725)
Investing activities		
Acquisition of property and equipment	**(46,494)**	(72,451)
Proceeds on disposal of property and equipment	**—**	45,000
	(46,494)	(27,451)
Financing activities		
Proceeds from issuance of common shares, net of share issue costs	**—**	6,381,981
Proceeds from option exercise	**165,000**	131,000
Repayment of lease liabilities	**(223,048)**	(348,525)
	(58,048)	6,164,456
Net change in cash and cash equivalents	**(12,146,906)**	1,890,280
Cash and cash equivalents, beginning of year	**21,905,081**	20,014,801
Cash and cash equivalents, end of year	**9,758,175**	21,905,081

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

1. Corporate information

Maple Gold Mines Ltd. (the "Company" or "Maple Gold") is a company domiciled in Canada. Maple Gold was incorporated on June 3, 2010 under the Ontario Business Corporations Act and was continued under the Canada Corporations Act by articles of continuance dated June 22, 2011 and subsequently was continued under the British Columbia Business Corporations Act on January 7, 2021. The address of the Company's registered office is 2200-885 West Georgia Street, Vancouver, BC V6C 3E8. The Company is primarily involved in the exploration of mineral resources.

2. Basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on March 30, 2023.

(b) Basis of preparation and consolidation

These consolidated financial statements have been prepared on a historical cost basis. The presentation currency is the Canadian dollar; therefore all amounts are presented in Canadian dollars unless otherwise noted.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

On January 11, 2021, the Company incorporated a wholly owned subsidiary, MGM Douay Gold Project Ltd, under the Canada Business Corporations Act. MGM Douay Gold Project Ltd. is the Company's only subsidiary and its purpose is the management of the joint operation described in note 6(a).

(c) Critical accounting judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Critical judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Going concern risk assessment

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

2. Basis of presentation (continued)

(c) Critical accounting judgments and estimates (continued)

(i) Going concern risk assessment (continued)

The Company is a resource exploration stage company, which does not generate any revenue and has been relying mainly on equity-based financing to fund its operations. As such, judgment is required to determine whether there exists any event(s) or condition(s) that may cast significant doubt on the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future that may affect the Company which includes, at a minimum, the next twelve months from the end of the reporting period. Such information includes, but is not limited to, the Company's cash and working capital balance, future committed expenditures and other commitments, funding to be received under a joint venture agreement as well as potential equity and/or debt financings.

(ii) Mineral exploration tax credits ("METC") recoverable

Due to complex tax laws and regulations, the Company estimates amounts recoverable as METC based on returns filed, the assessment history of the filings by the respective regulatory authorities and the expected recoverable amount on claimable qualifying expenditures. METC's complexity requires management to make judgments about the eligible exploration expenditures.

The Company's previous METC payments from Revenu Quebec ("RQ") that were under review by RQ (Note 8) have been audited by RQ and final payments have been received.

(iii) Leases

Management applies judgment to determine whether a contract is, or contains, a lease from both a lessee and lessor perspective. This assessment is based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Key judgments include whether a contract identifies an asset (a portion of an asset may be identified), whether the lessee obtains substantially all of the economic benefits of the asset over the contract term, and whether the lessee has the right to direct the asset's use. Judgment is also applied in determining the rate used to discount the lease payments. Management applies its best estimate with respect to the likelihood of renewal, extension and termination option exercise in determining the lease term.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

(i) Provisions

Provisions recognized in the consolidated financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

2. Basis of presentation (continued)

(c) Critical accounting judgments and estimates (continued)

(ii) Share-based compensation

The Company determines the fair value of share options granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

(iii) Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

(d) Accounting policies not yet adopted

Issued but not yet effective - Amendments to IAS 1 – Presentation of Financial Statements

In January 2020 and October 2022, the IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify the requirements under the standard for classifying a liability as non-current in nature. The amendments include:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Specifying that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, disclosure of information about these covenants in the notes to the financial statements is required ; and
- Clarifying if the settlement of a liability refers to the transfer of cash, equity instruments, other assets or services.

The Company will perform an assessment of the amendments on its financial statements prior to the effective date of January 1, 2024. Based on the currently available information, the Company does not anticipate any material impact from these amendments on its financial statements.

3. Significant accounting policies

(a) Foreign currency translation

The consolidated financial statements of the Company are prepared in its functional currency determined on basis of the primary economic environment in which it operates. The presentation and functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates and non-monetary items measured at historical cost are translated into the entity's functional currency at rates in effect at the date the transaction took place.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are included in the consolidated statement of loss and comprehensive loss for the period in which they arise.

(b) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid short-term investments that are readily convertible to cash and have maturities with terms of less than ninety days and/or with original maturities over ninety days but redeemable on demand without penalty.

(c) METC

The Company recognizes METC amounts when the Company's METC application is approved by relevant taxation authorities or when the amount to be received can be reasonably estimated and collection is reasonably assured. These METC amounts are offset against exploration and evaluation expenses.

(d) Joint arrangements

The Company undertakes some of its exploration and evaluation activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that most significantly affect the returns from the arrangement) require the unanimous consent of the parties sharing control. The Company currently has one type of joint arrangement, being the joint operation described in note 6(a).

A joint operation is a joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. In relation to its interests in joint operations, the consolidated financial statements of the Company include:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly; and
- Exploration and evaluation expenses, including its share of any expenses incurred jointly.

All such amounts are measured in accordance with the terms of each arrangement which are in proportion to the Company's interest in each asset, liability, income and expense of the joint operation.

When the Company, acting as Lead Manager of the joint operation, receives reimbursement of direct costs recharged to the joint operation, such recharges represent reimbursements

3. Significant accounting policies (continued)

(d) Joint arrangements (continued)

of costs that the Company incurred as an agent for the joint operation, and therefore have no effect on profit or loss.

When the Company charges a fee to cover other costs incurred, such as reimbursement for leasing fees, in carrying out the activities on behalf of the joint operation, it is not acting as an agent. Therefore, the general overhead expenses and the management fee are recognized in the consolidated statement of loss and comprehensive loss as an exploration and evaluation expense and finance income, respectively.

Amounts received from the joint operation's other operator are deferred to the extent that the Company has future committed funding performance obligations to the joint operation. The deferred amounts are recognized as finance income as the Company fulfills its funding performance obligation by incurring exploration and evaluation expenditures at the joint operation. To the extent that there are no future committed funding performance obligations, amounts received are recognized directly into finance income.

(e) Property and equipment

Property and equipment is stated at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method over the estimated useful lives as follows:

Camp equipment	5 years
Computer equipment	3 years
Leasehold improvements	Lower of term of lease or useful life
Office furniture	Lower of term of lease or useful life

Amortization methods, useful lives and residual values are reviewed periodically and at each financial year end and adjusted, if appropriate.

(f) Exploration and evaluation expenses

Title to mineral 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 historical characteristic of many properties. The Company has investigated title to its mineral property and, to the best of its knowledge title to its property is in good standing.

The costs of acquiring rights to explore, exploratory drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contain proven and probable reserves are exploration and evaluation expenses and are expensed as incurred to the date of establishing that costs incurred are economically recoverable. Exploration and evaluation expenses incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related mining property.

Management uses the following criteria in its assessments of economic recoverability and probability of future economic benefit:

(i) Geology: there is sufficient geologic certainty of converting a mineral deposit into a proven and probable reserve. There is a history of conversion to reserves at operating mines;

3. Significant accounting policies (continued)

(f) Exploration and evaluation expenses (continued)

(ii) Scoping, prefeasibility or feasibility: there is a scoping study, prefeasibility or preliminary feasibility study that demonstrates the additional reserves and resources will generate a positive commercial outcome. Known metallurgy provides a basis for concluding there is a significant likelihood of being able to recover the incremental costs of extraction and production;

(iii) Accessible facilities: the mineral deposit can be processed economically at accessible mining and processing facilities where applicable;

(iv) Life of mine plans: an overall life of mine plan and economic model to support the economic extraction of reserves and resources exists. A long-term life of mine plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body; and

(v) Authorizations: operating permits and feasible environmental programs exist or are obtainable.

Prior to capitalizing exploratory drilling, evaluation, development and related costs, management determines that the following conditions have been met:

(i) It is probable that a future economic benefit will flow to the Company;

(ii) The Company can obtain the benefit and controls access to it;

(iii) The transaction or event giving rise to the future economic benefit has already occurred; and

(iv) Costs incurred can be measured reliably.

(g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(h) Provision for site reclamation and closure

An obligation to incur rehabilitation and site restoration costs arises when environmental disturbance is caused by the exploration, development or on-going production of a mineral property interest. Costs for restoration of subsequent site damage, which is created on an on-going basis during production, are provided for at their estimated net present values and will be charged against earnings as extraction progresses.

3. Significant accounting policies (continued)

(i) Impairment of property and equipment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An asset's recoverable amount is the higher of fair value less costs of disposal 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 CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive 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 of impairment is recognized in the consolidated statement of loss and comprehensive loss.

(j) Share-based compensation

Equity-settled share-based Option Plan

From time to time, the Company grants stock options to employees and non-employees. An individual is classified as an employee, versus a non-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 of stock options, measured using the Black-Scholes option pricing model at the date of grant, is charged to the consolidated statement of loss and comprehensive loss over the vesting period. Performance vesting conditions and forfeitures are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of loss and comprehensive loss over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

When the value of goods or services received in exchange for a share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

3. Significant accounting policies (continued)

(j) Share-based compensation (continued)

Equity-settled share-based Option Plan (continued)

All equity-settled share-based payments are recorded in equity reserves until exercised. Upon exercise, shares are issued from treasury and the amount previously recorded in equity reserves is reclassified to share capital along with any consideration paid.

Restricted Share Unit ("RSU") Plan and Deferred Share Unit ("DSU") Plan

The Company adopted an RSU and DSU plan for its employees, directors and eligible consultants. The Company determines whether to account for RSUs or DSUs, as the case may be, as equity-settled or cash-settled share-based payment based on the contractual terms of the arrangement and whether the entity has a present obligation to settle in cash.

At grant date, the fair value of RSUs or DSUs is estimated using the quoted market price of the underlying common shares of the Company and expensed over the vesting period as share-based payment in the consolidated statement of loss and comprehensive loss, with a corresponding increase in equity for an equity-settled award or with a corresponding recognition of liability for a cash-settled award; and in the case of the latter, the liability is marked to market using quoted market price of the underlying common shares at the end of each reporting period.

(k) Flow-through common shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions in order to fund its exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of subscription. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized through the consolidated statement of loss and comprehensive loss as the eligible expenditures are incurred.

(l) Income taxes

Income tax reported in the consolidated statement of loss and comprehensive loss for the period presented comprises current and deferred income tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax for the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or recoverable with regards to previous periods.

Deferred income tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the expected future tax rates enacted or substantively enacted at the reporting date.

3. Significant accounting policies (continued)

(l) Income taxes (continued)

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(m) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. The diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

(n) Leased assets

Lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statement of loss and comprehensive loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, if this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in property and equipment, and the lease liability is presented as a separate line in the consolidated statement of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statement of loss and comprehensive loss.

3. Significant accounting policies (continued)

(n) Leased assets (continued)

Lessor

Lessor leases are classified as either operating leases or finance leases according to the substance of the contract. Leases transferring substantially all of the risks incidental to asset ownership are classified as finance leases, while all other leases are classified as operating leases. Subleases are classified as either operating or finance leases in reference to the ROU asset arising from the head lease.

Assets under finance lease are recognized in finance lease receivables at the value of the net investment in the lease. The net investment in the lease is measured at the net present value of the future amounts receivable, discounted using the interest rate implicit in the lease, if this rate cannot be readily determined, the Company uses its incremental borrowing rate. Finance income is recognized over the lease term in a pattern reflecting a consistent rate of return on the finance lease receivable.

(o) Financial instruments

The Company recognizes financial assets and liabilities on its consolidated statement of financial position when it becomes a party to the contract creating the asset or liability.

On initial recognition, all financial assets and liabilities are recorded by the Company at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as FVTPL for which transaction costs are expensed in the period in which they are incurred.

Amortized cost

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

The Company's financial assets at amortized cost primarily include cash and deposits.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets classified as FVTOCI.

3. Significant accounting policies (continued)

(o) Financial instruments (continued)

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

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to retained earnings.

Financial assets measured subsequently at fair value through profit or loss (“FVTPL”)

By default, all other financial assets are measured subsequently at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in note 16.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company’s own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

The Company's financial liabilities at amortized cost primarily include accounts payable and accrued liabilities and loan payable.

Financial instruments designated as hedging instruments

The Company does not currently apply nor have a past practice of applying hedge accounting to financial instruments.

(Expressed in Canadian dollars, unless otherwise stated)

3. Significant accounting policies (continued)

(p) Impairment of financial assets

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

(q) Comprehensive loss

Other comprehensive loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive loss comprises net loss and other comprehensive loss.

4. Cash and cash equivalents

	December 31, 2022 $	December 31, 2021 $
Components of cash and cash equivalents		
Cash	**1,398,645**	20,081,854
Cash equivalents	**8,359,530**	1,823,227
	9,758,175	21,905,081

As at December 31, 2022, cash and cash equivalents includes $21,402 (December 31, 2021 - $216,123) of cash contributed by the Company to the Douay Gold-Joutel Joint Venture (Note 6(a)) that has not yet been spent.

5. Property and equipment

	Right of use assets $	Camp equipment $	Computer equipment $	Office furniture $	Leasehold improvements $	Total $
Cost						
Balance, December 31, 2020	987,052	85,875	128,399	23,884	100,040	1,325,250
Additions	—	67,242	9,284	3,070	15,097	94,693
Disposals	(259,876)	(76,559)	—	—	—	(336,435)
Balance, December 31, 2021	727,176	76,558	137,683	26,954	115,137	1,083,508
Additions	438,997	46,494	—	—	—	485,490
Disposals	—	—	—	—	—	—
Balance, December 31, 2022	**1,166,173**	**123,052**	**137,683**	**26,954**	**115,137**	**1,568,999**
Accumulated depreciation						
Balance, December 31, 2020	473,709	49,498	124,438	13,886	100,040	761,571
Depreciation	279,143	13,631	4,464	4,512	2,516	304,266
Disposals	(200,475)	(24,749)	—	—	—	(225,224)
Balance, December 31, 2021	552,377	38,380	128,902	18,398	102,556	840,613
Depreciation	179,115	19,960	3,789	5,024	5,032	212,919
Balance, December 31, 2022	**731,492**	**58,340**	**132,691**	**23,421**	**107,588**	**1,053,532**
Net book value						
December 31, 2021	174,799	38,178	8,781	8,556	12,851	242,895
December 31, 2022	**434,681**	**64,712**	**4,992**	**3,533**	**7,549**	**515,467**

(Expressed in Canadian dollars, unless otherwise stated)

6. Exploration and evaluation expenses

The exploration and evaluation expenses, which have been incurred, are as follows:

	For the year ended December 31,									
	Douay	**Joutel**	**Eagle**	**Morris**	**2022**	Douay	Joutel	Eagle	Morris	2021
	$	**$**	**$**	**$**	**$**	$	$	$	$	$
Acquisition costs	**—**	**—**	**200,000**	**—**	**200,000**	—	—	100,000	5,000	105,000
Airborne survey	**31,509**	**5,198**	**—**	**—**	**36,707**	164,894	—	—	—	164,894
Camp set up, camp costs and field supplies	**105,553**	**230,736**	**639,545**	**—**	**975,834**	85,879	9,870	—	—	95,749
Depreciation	**24,273**	**—**	**—**	**—**	**24,273**	117,973	—	—	—	117,973
Digitization	**—**	**—**	**—**	**—**	**—**	—	316,580	—	—	316,580
Drilling and core assaying	**600,365**	**1,553,794**	**2,617,953**	**—**	**4,772,112**	239,825	—	6,388	1,400	247,613
Equipment rental and fuel	**8,051**	**15,255**	**5,621**	**—**	**28,927**	12,405	—	—	—	12,405
Geology	**29,990**	**34,847**	**8,270**	**—**	**73,107**	48,392	—	3,658	10,640	62,690
Geophysics	**—**	**—**	**153,617**	**126,805**	**280,422**	—	86,769	12,200	40,420	139,389
Licences and permits	**7,795**	**4,435**	**1,308**	**—**	**13,538**	10,717	—	—	—	10,717
Other exploration support costs	**(9,291)**	**4,339**	**88,372**	**—**	**83,420**	35,024	—	—	—	35,024
Salaries and benefits	**122,470**	**277,685**	**572,858**	**429**	**973,442**	225,081	186	7,309	13,332	245,908
Share-based payments	**121,634**	**—**	**62,660**	**—**	**184,294**	56,999	—	—	—	56,999
	1,042,349	**2,126,289**	**4,350,204**	**127,234**	**7,646,076**	997,189	413,405	129,555	70,792	1,610,941
Mineral exploration tax credits	**3,907**	**—**	**—**	**—**	**3,907**	(175,277)	—	—	—	(175,277)
	1,046,256	**2,126,289**	**4,350,204**	**127,234**	**7,649,983**	821,912	413,405	129,555	70,792	1,435,664

(Expressed in Canadian dollars, unless otherwise stated)

6. Exploration and evaluation expenses (continued)

(a) Douay and Joutel

On February 2, 2021 the Company and Agnico Eagle Mines Limited ("Agnico") entered into the Joint Venture Agreement ("JV Agreement") pursuant to which the parties agreed to form a 50-50 joint operation (the "JV"), which combined the Company's Douay Gold Project ("Douay") and Agnico's Joutel Project ("Joutel") into a consolidated joint property package. Douay and Joutel (the latter hosting Agnico's past-producing Telbel mine) are contiguous properties located in the James Bay subregion of Northern Quebec.

The terms and conditions of the JV Agreement provide that: (i) Agnico will fund $16,000,000 in exploration expenses to the JV, and fund $2,000,000 directly to the Company over a four-year period; (ii) the Company will fund $2,000,000 in exploration expenses to the JV over the same four-year period and contribute Property and Equipment with an approximate value of $40,000 located at Douay; (iii) Agnico and the Company in year one will jointly fund an additional $500,000 in exploration activities in relation to Douay; and (iv) Agnico and the Company will each be granted a 2% Net Smelter Returns Royalty ("NSR") on the property that they contribute to the JV, with respective aggregate buyback provisions of $40 million.

Committed funding to the JV from both operators is expected to occur as follows: $4,000,000 in each of years one and two; $5,000,000 in year three; and $5,500,000 in year four. These funds will be allocated based on management committee budgets. Agnico and Maple Gold will contribute proportionately for expenditures thereafter.

Amounts received by the Company from Agnico are deferred to the extent that the Company has future committed funding performance obligations to the joint operation. The deferred amounts are recognized as finance income as the Company fulfills its funding performance obligation by incurring exploration and evaluation expenditures at the joint operation.

During the year ended December 31, 2022 the Company received $500,000 (December 31, 2021 - $250,000) from Agnico with regard to Agnico's contribution to the Company, in accordance with the terms outlined above. During the year ended December 31, 2022, $500,000 (December 31, 2021 - $250,000) of this contribution was incurred on qualified exploration expenditures and has been recognized in finance income on the consolidated statements of loss and comprehensive loss.

(b) Eagle

On July 19, 2021, the Company announced that it had entered into an option agreement with Globex Mining Enterprises Inc. ("Globex") to acquire a 100% interest in the Eagle Mine Property ("Eagle") in Quebec. The Company can earn a 100% interest in Eagle by completing payments to Globex totaling $1.2 million in cash and shares over five years and incurring exploration expenditures on Eagle of $1.2 million over a four-year period as outlined in the table below:

Date	**Cash payments**		**Shares**		**Cumulative exploration expenditures**	
	$		**$**		**$**	
On signing	50,000	*Paid*	50,000	*Issued*	—	
January 16, 2022	50,000	*Paid*	50,000	*Issued*	200,000	*Incurred*
July 16, 2022	50,000	*Paid*	50,000	*Issued*	200,000	*Incurred*
January 16, 2023	62,500	*Paid*	62,500	*Issued*	200,000	*Incurred*
July 16, 2023	62,500		62,500		500,000	*Incurred*
July 16, 2024	75,000		75,000		800,000	*Incurred*
July 16, 2025	100,000		100,000		1,200,000	*Incurred*
July 16, 2026	150,000		150,000		1,200,000	*Incurred*
	600,000		**600,000**		**1,200,000**	

(Expressed in Canadian dollars, unless otherwise stated)

6. Exploration and evaluation expenses (continued)

(b) Eagle (continued)

Globex will retain a 2.5% Gross Metal Royalty ("GMR") which is subject to a right of first refusal and can be reduced to a 1.5% GMR in consideration for a cash payment of $1.5 million.

(c) Morris

On July 22, 2021, the Company acquired a 100% interest in 34 mining claims (the "Morris Claims") located in the Morris Township, Quebec by paying $5,000 and issuing a 1% NSR in respect of the Morris Claims. The Company subsequently staked an additional 39 claims in January 2022 that expanded the Morris property to a current total of 73 mining claims.

7. Flow-through share premium liability

	2022	2021
	$	$
Balance, beginning of year	**2,641,200**	—
Flow-through share premium liability at issuance (i)	**—**	2,641,200
Amortization of flow-through share premium	**(2,641,200)**	—
Balance, end of year	**—**	2,641,200

(i) On December 9, 2021, the Company completed a non-brokered private placement for gross proceeds of $7,030,800 through the issuance of 13,020,000 flow-through shares at a price of $0.54 per flow-through share (note 11(b)(ix)). The flow-through shares were issued at a premium of $0.20 per flow-through share, with the total flow-through share premium liability related to the 13,020,000 flow-through shares issued being $2,641,200, representing the Company's obligation to spend the $7,030,800 on eligible expenditures. The liability has been fully amortized as of December 31, 2022.

8. Payable to tax authorities

Canada Revenue Agency ("CRA") has re-assessed the Company's 2010 Part XII.6 tax filing. The Company intends to defend its filing position and has filed a notice of objection with CRA for the 2010 tax year, although there is no way of knowing to what extent the Company will be successful in its objection.

RQ conducted audits of the Company's METC filings for the 2011 to 2020 tax years and disallowed certain amounts that the Company subsequently disputed. The dispute has now been resolved, with the Company being entitled to the amounts pursuant to the METC which were previously disallowed.

(Expressed in Canadian dollars, unless otherwise stated)

9. Lease liabilities

	2022	2021
	$	$
Balance, beginning of year	**194,985**	504,896
Lease payments made	**(223,048)**	(348,525)
Interest expense on lease liabilities	**26,156**	75,772
Lease additions	**438,997**	—
Lease modification	**—**	(37,158)
	437,090	194,985
Less: current portion	**(160,668)**	(194,985)
Balance, end of year	**276,422**	-

10. Loan payable

During the year ended December 31, 2020, the Company applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account ("CEBA"). The Company received a CEBA loan of $40,000 which is due on December 25, 2025. In October 2022, the Government of Canada extended the deadline for the interest free period on CEBA loans. The loan is now interest free until December 31, 2023 and bears interest at 5% per annum thereafter. If at least 75% of the loan principal is paid before December 31, 2023, the balance of the loan will be forgiven. It is the Company's intention to repay before December 31, 2023 and as such this loan payable is presented as a current liability.

11. Share capital and reserves

(a) Authorized

Unlimited common shares without par value

(b) Share issuances

Year ended December 31, 2022:

(i) On January 14, 2022 the Company issued 144,126 common shares with a deemed value of $50,000 with respect to the Eagle option agreement (Note 6(b)).

(ii) On March 23, 2022, the Company issued 200,001 common shares on the vesting of 200,001 restricted share units.

(iii) On April 28, 2022, the Company issued 200,000 common shares on the exercise of 200,000 stock options.

(iv) On May 16, 2022, the Company issued 316,667 common shares on the vesting of 316,667 restricted share units.

(v) On July 12, 2022, the Company issued 254,725 common shares with a deemed value of $50,000 with respect to the third tranche of payments required on the Eagle option agreement (Note 6(b)).

(vi) On September 28, 2022, the Company issued 1,450,000 common shares on the exercise of 1,450,000 stock options.

Year ended December 31, 2021:

(vii) On April 30, 2021 and December 28, 2021, the Company issued 284,002 and 20,589 common shares, respectively, on the vesting of 304,591 restricted share units.

(viii) On July 28, 2021, the Company issued 128,400 common shares with a deemed value of $50,000 with respect to the Eagle option agreement (Note 6(b)).

(Expressed in Canadian dollars, unless otherwise stated)

11. Share capital and reserves (continued)

(b) Share issuances (continued)

(ix) On December 9, 2021, the Company closed a brokered private placement of 13,020,000 flow through common shares at a price of $0.54 per share for gross proceeds of $7,030,800. In connection with the flow-through share placement, the Company incurred a total of $648,819 in cash share issuance costs.

A reconciliation of the impact of the brokered private placement on the common shares is as follows:

	Number of common shares #	Amount $
Private placement – flow–through shares	13,020,000	7,030,800
Share issuance costs	—	(648,819)
	13,020,000	6,381,981
Flow–through share premium liability (Note 7)	—	(2,641,200)
	13,020,000	**3,740,781**

(c) Share based compensation plans

On December 17, 2020, the Company adopted a rolling Equity Incentive Plan (the "Plan"), pursuant to which eligible directors, officers, employees, and consultants may be granted stock options, RSUs and DSUs. The aggregate maximum number of common shares available for issuance from treasury underlying RSUs and DSUs under the Plan is 12,000,000 common shares (9,000,000 for RSUs and 3,000,000 for DSUs). The Plan also includes a purchase program for eligible employees to purchase Program Shares.

The aggregate number of Common Shares that may be subject to issuance under the Plan, together with any other securities-based compensation arrangements of the Company, shall not exceed 10% of the Company's issued and outstanding common shares at the time of the grant.

The following table summarizes share-based compensation for the year:

	2022 $	2021 $
Equity settled awards		
Stock option expense	**1,071,937**	449,268
RSU expense	**218,770**	285,679
DSU expense	**140,000**	81,000
Compensation expense - equity settled awards	**1,430,707**	815,947
Cash settled awards		
RSU expense	**486,877**	402,000
DSU expense	**38,750**	92,500
Compensation expense - cash settled awards	**525,627**	494,500
Total compensation expense - equity and cash settled awards	**1,956,334**	1,310,447
Compensation expense included in:		
General and administrative (Note 12)	**1,772,040**	1,253,448
Exploration and evaluation (Note 6)	**184,294**	56,999
	1,956,334	1,310,447

(Expressed in Canadian dollars, unless otherwise stated)

11. Share capital and reserves (continued)

(c) Share based compensation plans (continued)

(i) Stock options

The continuity of the number of stock options issued and outstanding is as follows:

	Number of stock options	Weighted average exercise price
		$
Outstanding, December 31, 2020	22,730,100	0.23
Granted	1,500,000	0.38
Exercised	(533,333)	0.25
Cancelled/Forfeited	(1,063,334)	0.26
Outstanding, December 31, 2021	**22,633,433**	**0.18**
Granted	7,600,000	0.32
Exercised	(1,650,000)	0.10
Expired	(5,783,333)	0.31
Outstanding, December 31, 2022	**22,800,100**	**0.21**

As at December 31, 2022, the number of stock options outstanding and exercisable was:

Expiry date	Number of options	Exercise price	Outstanding remaining contractual life (years)	Number of options	Exercise price	Exercisable remaining contractual life (years)
	#	$		#	$	
January 23, 2024	4,258,400	0.16	1.06	4,258,400	0.16	1.06
April 28, 2025	8,191,700	0.10	2.33	8,191,700	0.10	2.33
June 1, 2025	300,000	0.10	2.42	300,000	0.10	2.42
August 25, 2025	175,000	0.24	2.65	175,000	0.24	2.65
September 11, 2025	750,000	0.20	2.70	750,000	0.20	2.70
October 12, 2025	250,000	0.23	2.78	250,000	0.23	2.78
January 4, 2026	400,000	0.39	3.01	266,667	0.39	3.01
March 3, 2026	400,000	0.33	3.17	266,667	0.33	3.17
June 21, 2026	100,000	0.51	3.47	66,667	0.51	3.47
October 18, 2026	400,000	0.38	3.80	266,667	0.38	3.80
March 25, 2027	3,475,000	0.42	4.23	1,158,333	0.42	4.23
April 14, 2027	50,000	0.34	4.29	16,667	0.34	4.29
June 17, 2027	3,000,000	0.23	4.46	1,000,000	0.23	4.46
August 15, 2027	1,050,000	0.26	4.62	350,000	0.26	4.62
	22,800,100	**0.21**	**2.85**	**17,316,768**	**0.17**	**2.39**

(Expressed in Canadian dollars, unless otherwise stated)

11. Share capital and reserves (continued)

(c) Share based compensation plans (continued)

(i) Stock options (continued)

The Company uses the fair value method of accounting for all share-based payments to directors, officers, employees and others providing similar services. The fair values of the share options granted in 2022 and 2021 were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

	2022 Option grants	2021 Option grants
Risk-free interest rate	**2.23%**	0.48%
Expected dividend yield	**nil**	nil
Stock price volatility	**90%**	95%
Expected life in years	**5**	5
Weighted average grant date fair value	**$0.18**	$0.24

The expected volatility assumption is based on the historical and implied volatility of the Company's common shares. The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields and treasury bills with a remaining term that approximates the expected life of the stock options.

(ii) Restricted Share Units

RSU's are granted under the Company's Equity Incentive Plan and are accounted for based on the market value of the underlying shares on the date of grant and vest as determined by the Board of Directors. These units are exercisable into one common share once vested, for no additional consideration. They can be redeemed in cash, at the Company's discretion.

The continuity of the number of cash and equity settled RSUs issued and outstanding is as follows:

	Cash-settled RSUs	Equity-settled RSUs	Total Number of RSUs
Outstanding, December 31, 2020	-	-	-
Granted	1,761,002	1,413,998	3,175,000
Modification	66,666	(66,666)	
Vested	(587,075)	(304,591)	(891,666)
Forfeited	(135,000)	-	(135,000)
Outstanding, December 31, 2021	1,105,593	1,042,741	2,148,334
Granted	2,878,000	652,000	3,530,000
Modification	105,256	(105,256)	-
Vested	(1,617,496)	(516,668)	(2,134,164)
Forfeited	(94,334)	-	(94,334)
Outstanding, December 31, 2022	**2,377,019**	**1,072,817**	**3,449,836**

11. Share capital and reserves (continued)

(c) Share based compensation plans (continued)

(ii) Restricted Share Units (continued)

2,377,019 RSUs were determined to be cash settled awards. For cash-settled awards the liability is marked to market using the quoted market price of the underlying common shares at the end of each reporting period. During the year ended December 31, 2022 the share-based payment related to these cash settled awards was calculated as $486,877 (year ended December 31, 2021 - $402,000).

1,072,817 RSUs were determined to be equity settled awards. The fair value of equity settled RSUs was determined based on the Company's share price on the date of grant. During the year ended December 31, 2022 the share-based payment related to these equity settled awards was calculated as $218,770 (year ended December 31, 2021 - $285,679).

On March 25, 2022, the Company granted 3,530,000 RSUs to its directors, officers and employees and subject to vesting provisions of one-third on April 30, 2022, one-third on March 25, 2023 and one-third on March 25, 2024.

On May 16, 2022, 926,664 RSUs vested and were settled through cash payments by the Company of $250,199.

On March 3, 2021, the Company granted 3,175,000 RSUs to its directors, officers and employees and subject to vesting provisions of one-third on April 30, 2021, one-third on March 3, 2022 and one-third on March 3, 2023.

(iii) Deferred Share Units

DSUs are granted under the Company's Equity Incentive Plan and are accounted for based on the market value of the underlying shares on the date of grant and vest immediately. These units are exercisable into one common share for no additional consideration. In the event a participant resigns or is otherwise no longer an eligible participant during the period, then any grant of DSUs that are intended to cover such period, the participant will only be entitled to a pro-rated DSU payment. These units can be redeemed in cash, at the Company's discretion. The Company did not issue DSUs prior to 2021.

For cash-settled awards the liability is marked to market using the quoted market price of the underlying common shares at the end of each reporting period. During year ended December 31, 2022 the share-based payment related to these cash settled awards was calculated as $38,750 (year ended December 31, 2021 - $92,500).

The fair value of equity settled DSUs was determined based on the Company's share price on the date of grant. During the year ended December 31, 2022 the share-based payment related to these equity settled awards was calculated as $140,000 (year ended December 31, 2021 - $81,000).

On March 25, 2022, the Company granted 900,000 DSUs to its directors and these units vested in full at the grant date.

On March 3, 2021, the Company granted 550,000 DSUs to its directors and these units vested in full at the grant date.

(Expressed in Canadian dollars, unless otherwise stated)

11. Share capital and reserves (continued)

(c) Share based compensation plans (continued)

(iii) Deferred Share Units (continued)

As at December 31, 2022, 1,450,000 DSUs remain outstanding (550,000 as at December 31, 2021), consisting of 750,000 cash settled DSU's (250,000 as at December 31, 2021) and 700,000 equity settled DSU's (300,000 as at December 31, 2021).

(d) Share purchase warrants

The continuity of the number of share purchase warrants issued and outstanding is as follows:

	Number of warrants	Weighted average exercise price
		$
Outstanding, December 31, 2021	56,871,971	0.37
Expired	(31,033,150)	0.40
Outstanding, December 31, 2022	**25,838,821**	**0.34**

As at December 31, 2022, all of the outstanding warrants expire on October 13, 2023.

12. General and administrative

	2022	2021
	$	$
Business development	**830,196**	741,545
Depreciation	**188,646**	186,293
Directors' fees	**95,500**	85,000
Office and general	**371,242**	314,718
Professional fees	**274,317**	474,965
Regulatory transfer agent and shareholder information	**166,012**	135,922
Salaries and benefits	**1,355,676**	898,970
Share–based payments	**1,772,040**	1,253,448
Travel, marketing and investor relations	**869,734**	808,016
	5,923,363	4,898,877

(Expressed in Canadian dollars, unless otherwise stated)

13. Related party balances and transactions

Compensation of key management personnel

During the year, compensation to key management personnel was as follows:

	2022	2021
	$	$
Salaries and benefits	**1,401,378**	866,574
Share-based payments	**1,080,089**	780,511
Termination payments	**324,000**	—
	2,805,467	1,647,085

14. Segmented information

The Company operates in a single segment, engaged in mineral exploration in Canada. Geographic information of the Company's exploration and evaluation expenses is included in Note 6.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segment, has been identified as the Chief Executive Officer.

15. Loss per share

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	2022	2021
	$	$
Loss attributable to ordinary shareholders	**10,279,928**	5,933,298
Weighted average number of common shares	**336,185,486**	322,184,250
Basic and diluted loss per share	**0.03**	0.02

As at December 31, 2022, the Company had 22,800,100 share options (22,633,433 as at December 31, 2021), 25,838,821 share purchase warrants (56,871,971 as at December 31, 2021), 3,449,836 RSUs (2,148,334 as at December 31, 2021) and 1,450,000 DSUs (300,000 as at December 31, 2021) outstanding, all of which were anti-dilutive because the Company was in a loss position for the years ended December 31, 2022 and December 31, 2021.

16. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, deposits, accounts payable and accrued liabilities and loan payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

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:

16. Financial instruments (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.

As at December 31, 2022 and 2021, no financial instruments were measured at fair value.

No transfer occurred between the levels during the period.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks, which include currency risk and interest rate risk.

(a) Credit risk

Credit risk is the risk that a third party fails to discharge its obligations under the terms of the financial contract and causes a financial loss for the Company. The Company's credit risk is attributable to its cash and cash equivalents and deposits. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalent balances in highly rated Canadian financial institutions. The Company considers the risk of loss associated with cash and cash equivalents to be low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within twelve months of the statement of financial position date.

(c) Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risks to which the Company is exposed are as follows:

(i) Foreign currency risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency (the Canadian dollar). As at December 31, 2022 and 2021 and throughout the respective periods, the Company held immaterial balances in foreign currencies. Foreign currency risk is considered to be minimal.

(ii) Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's exposure to interest rate risks is limited to potential increases or decreases on the interest rate offered on cash and cash equivalents held at chartered Canadian financial institutions, which would result in higher or lower relative interest income. This risk is considered to be minimal.

(Expressed in Canadian dollars, unless otherwise stated)

17. Income taxes

(a) Income tax recovery provision

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is:

	2022	2021
	$	$
Loss before income taxes	**10,279,928**	5,933,298
Canadian federal and provincial income tax rates	**26.5%**	26.5%
Expected income tax recovery	**(2,724,181)**	(1,572,324)
Increase (decrease) in income tax recovery resulting from		
Non-deductible exploration and evaluation expenses	**(4,930)**	(36,827)
Share-based compensation	**378,720**	247,422
Share issuance costs	**–**	(171,937)
Changes in unrecognized deferred tax assets	**879,942**	21,441
Flow-through shares renunciation	**1,863,162**	–
Amortization of flow-through share premium	**(699,918)**	–
Increase in unrecognized tax asset	**307,205**	1,512,225
Income tax recovery	**–**	–

(b) Unrecognized deferred tax assets

Deferred income tax assets are only recognized to the extent that the realization of tax benefits is determined to be probable. As at December 31, 2022 and 2021, the Company has not recognized the benefit of the following tax losses and deductible temporary differences:

	2022	2021
	$	$
Non-capital losses	**7,824,827**	20,983,587
Capital losses	**135,319**	135,319
Exploration and evaluation costs	**26,620,654**	11,795,624
Property and equipment	**437,090**	470,269
Share issuance costs	**906,881**	1,377,263
Share-based payment obligation	**74,511**	182,296
Site reclamation provision	**50,384**	50,384
	36,049,666	34,994,742

(c) Tax losses

The Company has accumulated non-capital losses of $20,985,388 ($20,983,587 in December 31, 2021) in Canada, which may be carried forward to reduce taxable income of future years. The non-capital losses will, if unused, expire between 2030 and 2042.

18. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and development of resource properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company considers the components of shareholders' equity to be its capital.

The Company manages the 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 or debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to maximize ongoing development efforts, the Company does not pay out dividends, does not have any long-term debt and is not subject to any externally imposed capital requirements.

The Company currently has sufficient working capital and is able to meet its ongoing current obligations as they become due. However, the Company will likely require additional capital in the future to meet its project-related expenditures. Future liquidity will depend upon the Company's ability to arrange additional debt or equity financing, as the Company relies on equity financings to fund its exploration and corporate activities.

19. Subsequent events

- On February 7, 2023, the Company announced the grant of 200,000 stock options at an exercise price of $0.26 and a 5-year term to certain consultants.
- On March 16, 2023, the Company announced annual equity incentive plan grants of 3,525,000 stock options at an exercise price of $0.20 and a 5-year term, 2,825,000 RSUs and 550,000 DSUs to certain employees, officers, directors and consultants.