Condensed Consolidated Interim Financial Statements of

Almadex Minerals Ltd.

For the three months ended March 31, 2022
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Almadex Minerals Ltd. (“the Company”) for the three months ended March 31, 2022 have been prepared by the management of the Company and approved by the Company’s Audit Committee and the Company’s Board of Directors.

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

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

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

Almadex Minerals Ltd.
Condensed consolidated interim statements of financial position
(Unaudited - Expressed in Canadian dollars)

	March 31, 2022	December 31, 2021
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 13)	**17,240,034**	17,216,481
Accounts receivable and prepaid expenses (Note 4 and 11(b))	**851,591**	755,286
Marketable securities and investments (Note 5)	**1,736,765**	1,832,061
	19,828,390	19,803,828
Non-current assets		
Gold loan receivable (Note 7)	**4,498,534**	4,278,297
Contingent shares receivable (Note 6)	**11,700**	15,600
Deferred income tax assets	**601,342**	601,342
Property and equipment (Note 8)	**885,823**	931,919
Exploration and evaluation assets (Note 9)	**514,962**	286,291
	6,512,361	6,113,449
TOTAL ASSETS	**26,340,751**	25,917,277
LIABILITIES		
Current liabilities		
Trade and other payables (Note 11(b))	**408,871**	493,920
Income tax payable	**694,005**	694,005
Total liabilities	**1,102,876**	1,187,925
EQUITY		
Share capital (Note 10)	**23,307,146**	23,307,146
Reserves (Note 10)	**1,933,180**	1,928,180
Deficit	**(2,451)**	(505,974)
Total equity	**25,237,875**	24,729,352
TOTAL EQUITY AND LIABILITIES	**26,340,751**	25,917,277

Subsequent Events (Note 17)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 27, 2022.

They are signed on the Company’s behalf by:

/s/Duane Poliquin
Director

/s/ Lawrence Segerstrom
Director

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Almadex Minerals Ltd.

Condensed consolidated interim statements of income (loss) and comprehensive income (loss)
(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31, 2022	2021
	$	$
Revenue		
Exploration and drilling services (Note 11(b))	**991,155**	53,273
Financing fees (Note 7)	**74,036**	67,162
Interest income and others	**3,209**	2,852
	1,068,400	123,287
Expenses		
Administrative services fee (Note 11(a)(b))	**171,071**	163,523
Depreciation (Note 8)	**51,736**	48,538
Professional fees	**66,291**	30,087
Office and admin	**41,580**	19,929
Stock exchange, transfer agent and filing fees	**12,755**	9,259
Travel and promotion	**14,528**	9,864
Share-based payments (Note 10(c))	**5,000**	-
	362,961	281,200
Operating income (loss)	**705,439**	(157,913)
Other income (loss)		
Impairment of exploration and evaluation assets (Note 9)	**(43,902)**	(81,677)
Gain on sale of exploration and evaluation assets (Note 9)	**10,000**	11,667
Gain on sale of property and equipment (Note 8)	**16,468**	-
Unrealized gain (loss) on gold loan receivable (Note 7)	**207,523**	(413,151)
Unrealized foreign exchange loss on gold loan receivable (Note 7)	**(61,322)**	(51,200)
Unrealized loss on marketable securities and investments (Note 5)	**(105,296)**	(270,075)
Loss on marketable securities or investments	**-**	(3,460)
Unrealized loss on contingent shares receivable (Note 6)	**(3,900)**	-
Foreign exchange loss	**(221,487)**	(41,943)
Net income (loss) and comprehensive income (loss) for the period	**503,523**	(1,007,752)
Basic and diluted net income (loss) per share (Note 12)	**0.01**	(0.02)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Almadex Minerals Ltd.
Condensed consolidated interim statements of cash flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31, **2022**	2021
	$	$
Operating activities		
Net income (loss) for the period	**503,523**	(1,007,752)
Items not affecting cash		
Depreciation	**51,736**	48,538
Unrealized gain on contingent shares receivable	**3,900**	-
Unrealized loss on marketable securities and investments	**105,296**	270,075
Loss on sale of marketable securities and investments	**-**	3,460
Unrealized (gain) loss on gold loan receivable	**(207,523)**	413,151
Unrealized foreign exchange loss on gold loan receivable	**61,322**	51,200
Gain on sale of exploration and evaluation assets	**(10,000)**	(11,667)
Gain on sale of property and equipment	**(16,468)**	-
Impairment of exploration and evaluation assets	**43,902**	81,677
Financing fees	**(74,036)**	(67,162)
Share-based payments	**5,000**	-
Changes in non-cash working capital components		
Accounts receivable and prepaid expenses	**(96,305)**	(119,770)
Trade and other payables	**(119,540)**	12,708
Net cash from (used in) operating activities	**250,807**	(325,542)
Investing activities		
Exploration and evaluation assets - costs	**(168,113)**	(78,756)
Property and equipment – purchase	**(96,847)**	(10,201)
Net proceeds from sale of marketable securities	**-**	15,230
Net proceeds from sale of property and equipment	**37,706**	-
Net cash used in investing activities	**(227,254)**	(73,727)
Financing activities		
Net cash from financing activities	**-**	-
Change in cash and cash equivalents	**23,553**	(399,269)
Cash and cash equivalents, beginning of period	**17,216,481**	5,203,877
Cash and cash equivalents, end of period	**17,240,034**	4,804,608

Supplemental cash flow information (Note 13)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Almadex Minerals Ltd.

Condensed consolidated interim statements of changes in equity

(Unaudited - Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of shares	Amount	Share-based payments	Total reserves	**Deficit**	**Total**
		$	$	$	$	$
Balance, January 31, 2021	**60,584,969**	**23,307,146**	**1,312,724**	**1,312,724**	**(12,545,213)**	**12,074,657**
Loss and comprehensive loss for the period	-	-	-	-	(1,007,752)	(1,007,752)
Balance, March 31, 2021	**60,584,969**	**23,307,146**	**1,312,724**	**1,312,724**	**(13,552,965)**	**11,066,905**
Share-based payments	-	-	615,456	615,456	-	615,456
Income for the period	-	-	-	-	13,046,991	13,046,991
Balance, December 31, 2021	**60,584,969**	**23,307,146**	**1,928,180**	**1,928,180**	**(505,974)**	**24,729,352**
Share-based payments	-	-	5,000	5,000	-	5,000
Income for the period	-	-	-	-	503,523	503,523
Balance, March 31, 2022	**60,584,969**	**23,307,146**	**1,933,180**	**1,933,180**	**(2,451)**	**25,237,875**

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

1. Nature of Operations

Almadex Minerals Ltd., (the "Company" or "Almadex") was incorporated on February 26, 2018 under the laws of Canada Business Corporations Act as part of a Plan of Arrangement to reorganize Azucar Minerals Ltd. ("Azucar"). The Company's intended business activity is the acquisition and exploration of exploration and evaluation properties in Canada, US and Mexico. The Company's head office is located at Suite 210 – 1333 Johnston Street, Vancouver, BC, V6H 3R9, Canada.

2. Basis of Presentation

(a) Statement of Compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards ("IAS") 34 "*Interim Financial Reporting"* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes the Company will continue its operations for a reasonable period of time. The Company's ability to continue its operations is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

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

3. Significant Accounting Policies

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the period ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ended December 31, 2022

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. There have been no changes in estimates since the annual consolidated financial statements as at and for the year ended December 31, 2021.

(Unaudited - Expressed in Canadian dollars)

4. Accounts Receivable and Prepaid Expenses

Accounts receivable and prepaid expenses consist of the following:

	March 31, 2022	December 31, 2021
	$	$
Accounts receivable (Note 11)	**811,223**	705,783
Prepaid expenses	**40,368**	49,503
	851,591	755,286

5. Marketable Securities and Investments

a) Marketable securities consist of common shares in publicly-traded companies over which the Company does not have control or significant influence. Marketable securities are designated as FVTPL and valued at fair value of $1,643,765 (December 31, 2021 - $1,707,061) as at March 31, 2022. Unrealized loss due to period-end revaluation to fair value of $73,296 (2021 – $305,075) are recorded in profit or loss. The valuation of the common shares has been determined in whole by reference to the closing price traded on the exchange at each reporting date.

b) The Company received 500,000 transferable share purchase warrants issued by Almaden with an exercise price of $1.50 per share and an expiry date of May 14, 2024 as an arrangement fee of $50,000 (Note 7) for the gold loan. The warrants are designated as FVTPL and has a fair value of $35,000 as at March 31, 2022 (December 31, 2021 - $25,000). An unrealized gain due to period-end revaluation to fair value of $10,000 (2021 – gain of $35,000) is recorded in profit or loss. These warrants were valued using the Black-Scholes option-pricing model with the following assumptions: expected life of 2.12 years, risk-free interest rate of 2.37%, expected dividend yield of 0% and expected volatility of 79.55%.

c) The Company received 829,652 transferable share purchase warrants issued by Star Royalties Ltd. ("Star Royalties") with an exercise price of $0.70 per share and an expiry date of September 29, 2023 as a part of consideration (Note 9) for the sold of its 2% NSR royalty on the Elk property. The warrants are designated as FVTPL and has a fair value of $58,000 as at March 31, 2022 (December 31, 2021 - $100,000). An unrealized loss due to period-end revaluation to fair value of $42,000 (2021 – $Nil) is recorded in profit or loss. These warrants were valued using the Black-Scholes option-pricing model with the following assumptions: expected life of 1.75 years, risk-free interest rate of 2.37%, expected dividend yield of 0% and expected volatility of 47.69%.

6. Contingent Shares Receivable

Goldgroup Mining Inc.

As part of the Plan of Arrangement with Azucar (Note 1), the Company obtained contingent shares receivable of 7,000,000 shares of Goldgroup Mining Inc. ("Goldgroup") which may be obtained upon satisfaction of the following conditions:

i. 1,000,000 common shares will be received upon commencement of commercial production on the Caballo Blanco project ("Caballo Blanco");
ii. 2,000,000 common shares will be received upon measured and indicated resources including cumulative production for Caballo Blanco reaching 2,000,000 ounces of gold;
iii. 2,000,000 common shares will be received upon measured, indicated and inferred resources including cumulative production for Caballo Blanco reaching 5,000,000 ounces of gold; and
iv. 2,000,000 common shares will be received upon measured, indicated and inferred resources including cumulative production for Caballo Blanco reaching 10,000,000 ounces of gold.

6. Contingent Shares Receivable *(Continued)*

On December 24, 2014, Goldgroup sold Caballo Blanco to Timmins Gold Corp ("Timmins"). On July 22, 2016, Timmins Gold Corp ("Timmins") sold Caballo Blanco to Candelaria Mining Corp ("Candelaria"). If Candelaria achieves the above conditions, management believes that the bonus common shares will continue to be payable from Goldgroup.

The Company has recorded contingent shares receivable of $11,700 (December 31, 2021 - $15,600) based on management's best estimate of the fair value of the Goldgroup common shares as at March 31, 2022, and an unrealized loss of $3,900 (2021 – $Nil) on fair value adjustment in profit or loss during the period ended March 31, 2022.

7. Gold Loan Receivable

Almaden (or the "Borrower") entered into a secured gold loan agreement ("Gold Loan") with the Company pursuant to which the Company has agreed to loan up to 1,597 ounces of gold bullion to Almaden. The approximate value of this gold as at May 14, 2019 was US$2,072,060 or $2,790,858.

Under the terms of the Gold Loan, Almaden will be entitled to draw-down the gold in minimum 400 ounce tranches. At any given time, the amount of gold ounces drawn multiplied by the London Bullion Market Association ("LBMA") AM gold price in US dollars, plus any accrued interest or unpaid fees, shall constitute the Loan Value.

The maturity date for the Gold Loan is March 31, 2024, and can be extended by two years at the discretion of the Borrower (the "Term"). Repayment of the Loan Value shall be made either through delivery of that amount of gold equivalent to the loan value, or through the issuance of common shares of Almaden ("Shares"), according to the Company's discretion. Mandatory prepayment shall be required in the event that Almaden's Ixtaca gold-silver project located in Puebla State, Mexico (the "Ixtaca Project") enters into commercial production during the Term, requiring the Borrower to deliver 100 gold ounces per month to the Company. In addition, Almaden has the right to pre-pay the Loan Value at any time without penalty, in either gold bullion or Shares as chosen by the Company, and the Company has the right to convert the Loan Value into Shares at any time during the Term. The conversion rate is equal to 95% of the 5 trading day volume weighted average price of the Shares on the Toronto Stock Exchange or an equivalent.

The interest rate of the Gold Loan is 10% of the Loan Value per annum, calculated monthly, paid in arrears. Interest payments can either be accrued to the Loan Value, or paid by the Borrower in cash or gold bullion. A standby fee of 1% per annum, accrued quarterly, will be applied to any undrawn amount on the Gold Loan.

In addition, the Company received on May 14, 2019 from Almaden 500,000 transferable share purchase warrants ("Warrants"), with an exercise price of $1.50 per Share and an expiry date of May 14, 2024 as an arrangement fee to cover the administrative costs of setting up the credit facility. These warrants were valued at $50,000 using the Black-Scholes option-pricing model with the following assumptions: expected life of five years, risk-free interest rate of 1.54%, expected dividend yield of 0% and expected volatility of 44%.

Security for the loan is certain equipment related to Almaden's Rock Creek Mill. The Gold Loan includes industry standard provisions in the event of default, material breach and change of control.

The convertible gold loan receivable is classified as a financial asset and has been designated at FVTPL with an embedded derivative from the indexation of the loan principal portion to the movement in the price of gold in the US dollar denominated financial instrument. The gold loan receivable was recorded at fair value at inception in accordance with IFRS 13 and is subsequently remeasured with changes in fair value being recognized in the statement of operations.

(Unaudited - Expressed in Canadian dollars)

7. Gold Loan Receivable *(Continued)*

As at March 31, 2022, the Company deposited the full 1,597 ounces of gold bullion and Almaden has drawn 1,200 ounces on the account. The fair value of the gold loan receivable for the period ended March 31, 2022 increased by $207,523 (December 31, 2021 – decrease by $143,909) due to an increase in the price of gold.

	March 31, 2022	December 31, 2021
Gold loan receivable, opening balance	**$ 4,278,297**	$ 4,158,059
Accrued interest income	**71,650**	271,093
Accrued standby fees	**2,386**	8,743
Change in FVTPL	**207,523**	(143,909)
Foreign exchange difference	**(61,322)**	(15,689)
	$ 4,498,534	$ 4,278,297

8. Property and Equipment

	Automotive equipment	**Office equipment**	**Geological library**	**Field equipment**	**Drill equipment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Cost						
December 31, 2021	**435,644**	**1,055**	**114**	**97,683**	**1,107,170**	**1,641,666**
Additions	26,878	-	-	-	-	26,878
Disposals	(77,315)	-	-	-	-	(77,315)
March 31, 2022	**385,207**	**1,055**	**114**	**97,683**	**1,107,170**	**1,591,229**
Accumulated depreciation						
December 31, 2021	**193,534**	**711**	**58**	**44,973**	**470,471**	**709,747**
Disposals	(56,077)	-	-	-	-	(56,077)
Depreciation	17,236	26	3	2,636	31,835	51,736
March 31, 2022	**154,693**	**737**	**61**	**47,609**	**502,306**	**705,406**
Carrying amounts						
December 31, 2021	242,110	344	56	52,710	636,699	931,919
March 31, 2022	**230,514**	**318**	**53**	**50,074**	**604,864**	**885,823**

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets

Exploration and evaluation assets	San Pedro	Lajas	Nueva España	Logan	Davis	Other Properties	Total
	$	$	$	$	$	$	$
Acquisition costs:							
Opening balance – December 31, 2021	**1**	**1**	**1**	**10,100**	**1**	**15**	**10,119**
Additions	-	-	-	110,900	-	12,488	**123,388**
Recovery of acquisition costs	-	-	-	-	-	(12,488)	**(12,488)**
Closing balance – March 31, 2022	**1**	**1**	**1**	**121,000**	**1**	**15**	**121,019**
Deferred exploration costs:							
Opening balance – December 31, 2021	**151,443**	**74,675**	**50,054**	**-**	**-**	**-**	**276,172**
Costs incurred during the period:							
Drilling and related costs	-	-	-	-	17,721	-	**17,721**
Professional/technical fees	62	941	-	-	3,424	94	**4,521**
Claim maintenance/lease costs	11,476	9,546	16,633	-	16,099	28,234	**81,988**
Geochemical, metallurgy	1,281	-	-	-	-	-	**1,281**
Travel and accommodation	1,294	1,639	105	-	8,215	523	**11,776**
Geology, geophysics, exploration	15,134	780	5,833	4,001	-	1,391	**27,139**
Supplies and miscellaneous	-	-	-	-	3,587	519	**4,106**
Reclamation, environmental	-	-	-	-	-	653	**653**
Impairment of deferred exploration costs				-	-	(31,414)	**(31,414)**
Total deferred exploration costs during the period	29,247	12,906	22,571	4,001	49,046	-	**117,771**
Closing balance – March 31, 2022	**180,690**	**87,581**	**72,625**	**4,001**	**49,046**	**-**	**393,943**
Total exploration and evaluation assets	**180,691**	**87,582**	**72,626**	**125,001**	**49,047**	**15**	**514,962**

The following is a description of the Company's most significant property interests and related spending commitments:

(a) San Pedro

San Pedro is a 100% owned project acquired by staking in Jalisco State, Mexico.

(b) Lajas

Lajas project is a 100% owned project acquired by staking in San Luis Potosi State, Mexico.

(c) Nueva España

Nueva España is a 100% owned project acquired by staking.

(d) Logan

The Company acquired 100% ownership of the Logan project on May 26, 2022 located in Yukon, Canada.

(e) Davis

On November 15, 2019, the Company entered into an option to purchase a 100% interest in the Davis property in Nevada, USA. Pursuant to an amending agreement dated August 31, 2020, the Company's amended commitment the purchase agreement to pay cash as follows:

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets *(Continued)*

(e) Davis (Continued)

	$USD	
Upon execution of the agreement	100,000	Paid on November 15, 2019
August 31, 2020	25,000	Paid on August 7, 2020
May 15, 2021	25,000	Paid on May 14, 2021
May 15, 2022	50,000	Paid on May 13, 2022
May 15, 2023	50,000	
May 15, 2024	100,000	
May 15, 2025	200,000	Greater of $US200,000 or 140 ounces of gold
Total	**550,000**	

The Company has the right to purchase the Davis property at any time to a maximum of US$800,000 plus 180 ounces of gold bullion. Upon commencement of production from the property, the Company shall pay a 2% NSR royalty with a buy down provision on the first 1% NSR royalty at the greater of $2,000,000 and 1,400 ounces of gold bullion and the remaining 1% NSR royalty at the greater of $6,000,000 and 4,000 ounces of gold bullion.

(f) Other Properties

Other properties consist of a portfolio of early-stage exploration projects located in Canada, the United States and Mexico. During the period ended March 31, 2022, the Company recorded an impairment of acquisition cost and deferred exploration costs of $43,902 with respect to such properties. Each remaining property is carried at $1 as at March 31, 2022.

Los Venados

The Los Venados property was transferred from Azucar to Almadex on May 18, 2018. On October 6, 2015, Azucar entered into an option to purchase a 100% interest in the Los Venados project in Sonora State Mexico. The Company's commitments to pay cash and issue common shares of Azucar are as follows:

	No. of Common Shares of Azucar	Fair value on issued $	Cash paid $	
Beginning balance May 18, 2018	200,000	183,250	30,000	Paid and issued by Azucar
October 14, 2018	100,000	44,000	20,000	Paid by Aloro Mining Corp. ("Aloro") and issued by Almadex
October 14 and October 6, 2019	100,000	20,500	20,000	Paid by Aloro and issued by Almadex
October 14 and October 6, 2020	100,000	18,000	20,000	Paid by Aloro and issued by Almadex
October 6, 2021	-	-	60,000	Paid by Aloro
Total	**500,000**	**265,750**	**150,000**	

Almadex will meet minimum assessment requirements and pay claim taxes. Almadex will also make a one-time $500,000 payment due when a National Instrument 43-101 compliant resource greater than 500,000 ounces of gold has been identified. The vendor will have a 2% NSR royalty on the project, 100% of which can be purchased by the Company at any time for $1,000,000.

On November 29, 2016, Azucar signed a definitive agreement to option all of its interest in the Los Venados project to Aloro in exchange for the following:

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets *(Continued)*

(f) ***Other Properties*** *(Continued)*

Los Venados *(Continued)*

	No. of Common Shares of Aloro	Fair value on receipt $	Cash received $	
Beginning balance May 18, 2018	500,000	52,500	30,000	Received by Azucar
February 9, 2019	500,000	55,000	-	Received by Almadex
February 9, 2020	1,000,000	40,000	-	Received by Almadex
Total	**2,000,000**	**147,500**	**30,000**	

In addition to the share issuances above, Almadex retained a 2.0% NSR royalty on the property, and Aloro assumed all obligations of Azucar to the underlying owner of the Los Venados claims, with the exception of the issuance of Azucar shares, but including the annual cash payments and the contingent one-time $500,000 payment due when a National Instrument 43-101 compliant resource greater than 500,000 ounces of gold has been identified.

The estimated fair value of consideration to be received from Aloro on option of the project by the Company is expected to be less than the consideration payable by the Company to the optionor. As a result, the project is carried at $1.

Willow

The Willow property was transferred from Azucar to Almadex on May 18, 2018. The Company's wholly-owned U.S. subsidiary, Almadex America Inc., signed a definitive agreement to option up to 75% of its interest in the Willow project, Nevada, to Abacus Mining and Exploration Corp. ("Abacus").

Abacus can earn an initial 60% interest in the Willow project by incurring work expenditures on the project totaling US$3,000,000 and issuing a total of 416,668 shares to the Company over a five-year period.

	No. of Common Shares in Abacus	Fair value on receipt $	Cumulative Amount of Exploration Expenditures ($US)
Beginning balance May 18, 2018	83,334	31,667	100,000
February 22, 2019	41,667	2,917	400,000
February 22, 2020	41,667	4,167	1,000,000
February 22, 2021	83,333	11,667	1,800,000
February 22, 2022	166,667	10,000	3,000,000
Total	**416,668**	**60,418**	**$ 3,000,000**

Upon having earned its initial interest, Abacus will be required to incur minimum annual exploration expenditures of US$500,000 on the property and, by February 22, 2027, deliver a Feasibility Study in respect of the Willow project to Almadex, subject to certain rights of extension. Should Abacus fail to incur the minimum annual expenditures for two consecutive years, Almadex may elect to become operator of the project, and the parties will enter into a 60%/40% joint venture agreement with standard dilution provisions.

Abacus will earn an additional 15% interest in the project upon delivery of a Feasibility Study to Almadex, at which point a 75%/25% joint venture will be formed, with pro-rata funding of ongoing work in proportion to the respective interests held at that time. Until such time as a joint venture is formed pursuant to the agreement, Almadex's interest is a carried interest.

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets *(Continued)*

(f) ***Other Properties*** *(Continued)*

Willow *(Continued)*

On February 16, 2022, the Company received 166,666 shares of Abacus at a fair value of $10,000. On March 4, 2021, the Company received 83,333 shares of Abacus at a fair value of $11,667.

On February 9, 2022, the definitive agreement was amended to include a certain drill hole at a designated location on the property and to extend the completion of the U$3 million cumulative exploration expenditures to December 31, 2022.

Nicoamen and Merit

On March 27, 2019, the Company signed a definitive agreement to option a 60% interest in the Nicoamen and Merit projects to Independence Gold Corp. ("IGC"). IGC can acquire a 60% interest in the respective property by incurring work expenditures on each project totaling $725,000 and issuing a total of 650,000 shares to the Company over a three-year period per each project. In addition, IGC commits to drill 1,000 meters during a three-year option period per each project.

Nicoamen	No. of Common Shares in IGC	Fair value on receipt $	Cash received $	Cumulative Amount of Exploration Expenditures ($CAD)
March 27, 2019	-	-	10,000	-
April 2, 2019	100,000	8,000	-	-
April 2, 2020	100,000	4,500	-	75,000
April 2, 2021	200,000	28,000	-	325,000
April 2, 2022	250,000	-	-	725,000
Total	**650,000**	**40,500**	**10,000**	**$ 725,000**

Merit	No. of Common Shares in IGC	Fair value on receipt $	Cash received $	Cumulative Amount of Exploration Expenditures ($CAD)
March 27, 2019	-	-	10,000	-
April 2, 2019	100,000	8,000	-	-
April 2, 2020	100,000	4,500	-	75,000
April 2, 2021	200,000	28,000	-	325,000
April 2, 2022	250,000	-	-	725,000
Total	**650,000**	**40,500**	**10,000**	**$ 725,000**

Upon completion of the 60% earn-in, IGC and the Company will immediately form a joint venture for the purpose of carrying out further exploration work on the respective property. If either party's participating interest falls below 15%, their interest will be converted into a 2% NSR royalty.

On April 1, 2021, the Company received 400,000 shares of IGC at a fair value of $56,000.

On March 28, 2022, the option partner terminated its options on the Nicoamen and Merit projects.

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets *(Continued)*

(f) Other Properties (Continued)

Ponderosa

On September 11, 2019, the Company signed a definitive agreement to option a 60% interest in the Ponderosa project to 1201361 B.C. Ltd. (“Optionee”). Optionee can acquire a 60% interest in the property by incurring work expenditures totaling $500,000, including 500 meters of drilling within three-years and completing a “liquidity event” within four years. In addition, the Optionee issued 5% of its issued capital to the Company, and will top-up to this amount at the time of a liquidity event.

A “liquidity event” is some form of transaction which results in the Optionee’s, or its affiliates’, common shares becoming publicly traded on a recognized stock exchange.

Upon completion of the 60% earn-in, Almadex and the Optionee have agreed to immediately form a 40/60 joint venture for the purpose of carrying out further exploration work on the project with the Optionee as operator and straight line dilution for failure to participate in work programs. If either party’s participating interest falls below 10%, their interest will be converted into a 2% NSR royalty.

On December 21, 2020, the liquidity event occurred where Company received a top up amount of 336,635 shares of 1201361 B.C. Ltd. and exchanged all of its shares of 1201361 B.C. Ltd. for 332,791 shares of Au Gold Corp. at fair value of $16,639.

Royalty on the Elk property

On September 29, 2021, the Company sold its 2% NSR royalty on the Elk property to Star Royalties Ltd. (“Star Royalties”) for gross proceeds of $13,561,506. The Company received USD$10,000,000 in cash, 1,659,304 common shares of Star Royalties and 829,652 common shares warrants of Star Royalties exercisable for two years at $0.70 per common share.

10. Share Capital and Reserves

(a) Authorized share capital

At March 31, 2022, the Company’s authorized share capital consisted of an unlimited number of common shares without par value.

(b) Warrants

The continuity of warrants for the period ended March 31, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Issued	Exercised	Expired	March 31, 2022
October 16, 2022	$ 0.40	5,400,000	-	-	-	5,400,000
Warrants outstanding and exercisable		**5,400,000**	**-**	**-**	**-**	**5,400,000**
Weighted average exercise price		$ 0.40	-	-	-	$ 0.40

(Unaudited - Expressed in Canadian dollars)

10. Share Capital and Reserves *(Continued)*

(c) Stock option plan

The Company's stock option plan permits the issuance of options to acquire up to a maximum of 10% of the Company's issued common shares. Stock options issued to any consultant or person providing investor relations services cannot exceed 2% of the issued and outstanding common shares in any twelve month period. At March 31, 2022, the Company may reserve up to 138,497 shares that may be granted as stock options. The exercise price of any option cannot be less than the volume weighted average trading price of the shares for the five trading days immediately preceding the date of the grant. The maximum term of all options is ten years. The Board of Directors determines the term of the option and the time during which any options may vest. Options granted to consultants or persons providing investor relations services shall vest in stages with no more than 25% of such option being exercisable in any three month period. All options granted during the three months ended March 31, 2022 vested on the date of grant.

The continuity of stock options for the period ended March 31, 2022 is as follows:

Expiry date	Exercise price	December 31, 2021	Granted	Exercised	Expired/ cancelled	March 31, 2022
May 9, 2022	$ 0.19	425,000	-	-	-	425,000
December 23, 2022	$ 0.21	330,000	-	-	-	330,000
May 11, 2023	$ 0.26	2,849,200	-	-	-	2,849,200
June 14, 2023	$ 0.27	433,000	-	-	-	433,000
July 8, 2023	$ 0.30	757,800	-	-	-	757,800
December 5, 2023	$ 0.31	1,075,000	-	-	-	1,075,000
January 26, 2024	$ 0.31	-	50,000	-	-	50,000
Options outstanding and exercisable		**5,870,000**	**-**	**-**	**-**	**5,920,000**
Weighted average exercise price		$ 0.27	$ 0.31	-	-	$ 0.27

The fair value of the options granted during the period ended March 31, 2022, was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.26%
Expected life	2 years
Expected volatility	64.48%
Expected dividend yield	Nil
Weighted average fair value per option	$0.10

During the period ended March 31, 2022, the Company recognized share-based payments expense of $5,000 (2021 - $Nil) associated with the vesting of stock options granted.

(Unaudited - Expressed in Canadian dollars)

11. Related Party Transactions and Balances

(a) Compensation of key management personnel

Key management personnel include these persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management includes members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the Executive Vice President. These amounts are included within administrative services fee expense. The aggregate value of compensation to key management personnel was as follows:

	Three months ended March 31,	
	2022	2021
	$	$
Management fees(1)	**111,263**	117,225
	111,263	117,225

(1) Management fees are recorded within Administrative services fees.

(b) Other related party transactions

Administrative Services Agreement

The Company paid administrative services fees to Almaden Minerals Ltd. ("Almaden") pursuant to an Administrative Services Agreement dated May 18, 2018, under which Almaden provides the Company with office space, executive management, marketing support, technical oversight, and financial/corporate secretary duties, amongst other administrative services.

At March 31, 2022, included in trade and other payables is $168,959 (December 31, 2021 - $69,298) due to Almaden. Amounts owing to related parties are unsecured, non-interest bearing and due on demand.

Other

At March 31, 2022, $991,155 (2021 - $53,273) included in exploration and drilling services revenue was billed by the Company to Almaden $Nil (2021 - $11,123), Azucar $Nil (2021 - $36,908) and third parties $991,155 (2021 - $5,242) for mining exploration services in Mexico and US of which $72,932 (2021 - $72,130), $82,213 (2021 - $81,309) and $580,296 (2021 - $486,735) are recorded in accounts receivable in relation to Almaden, Azucar and third parties respectively.

12. Net Income (Loss) per Share

Basic and diluted net income (loss) per share

The calculation of basic net income per share for the period ended March 31, 2022 was based on the net income attributable to common shareholders of $503,523 (2021 – net loss of $1,007,752) and a weighted average number of common shares outstanding of 60,584,969 (2021 – 60,584,969).

The calculation of diluted net income per share for the period ended March 31, 2022 includes a weighted average number of common shares outstanding of 64,550,339, adjusted for the effects of all dilutive potential common shares, which comprises 3,965,370 stock options and nil warrants.

The calculation of diluted net loss per share for the periods ended March 31, 2021 did not include the effect of stock options and warrants as they were considered anti-dilutive.

13. Supplemental Cash Flow Information

Supplemental information regarding the split between cash and cash equivalents is as follows:

	March 31, 2022	December 31, 2021
	$	$
Cash	**4,368,834**	3,872,381
Term Deposits	**12,871,200**	13,344,100
	17,240,034	17,216,481

Supplemental information regarding non-cash transactions is as follows:

Investing and financing activities	**March 31, 2022**	March 31, 2021
	$	$
Fair value of shares received on disposal of exploration and evaluation assets (Note 9(f))	**10,000**	11,667

As at March 31, 2022, $123,584 of exploration and evaluation asset costs are included in trade and other payables (December 31, 2021 - $19,124).

14. Financial Instruments

The fair values of the Company's cash and cash equivalents, accounts receivable and trade and other payables approximate their carrying values because of the short-term nature of these instruments. The fair value of the gold loan receivable is based on the gold market price as at each reporting date.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and commodity and equity price risk

(a) Currency risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and foreign currencies. The Company does not invest in foreign currency contracts.

As at March 31, 2022, the Company is exposed to foreign exchange risk through the following assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary:

All amounts in Canadian dollars	**US dollar**	**Mexican peso**
	$	**$**
Cash and cash equivalents	15,267,826	329,162
Accounts receivable and prepaid expenses	591,506	159,448
Gold loan receivable	4,498,534	-
Total assets	**20,357,866**	**488,610**
Trade and other payables	64,137	115,373
Total liabilities	**64,137**	**115,373**
Net assets	**20,293,729**	**373,237**

14. Financial Instruments *(Continued)*

(a) Currency risk *(Continued)*

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by $2,000,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's profit or loss by $37,000.

(b) Credit risk

The Company's cash and cash equivalents are held in large Canadian and Mexican financial institutions. The Company's accounts receivable consists primarily of receivables on equipment rental fees charged to third parties, Almaden and Azucar. The Company also has a gold loan receivable from Almaden. The Company is exposed to credit risks through its accounts receivable and gold loan receivable.

To mitigate exposure to credit risk on cash and cash equivalents, the Company has established policies to limit the concentration of credit risk with any given banking institution where the funds are held, to ensure counterparties demonstrate minimum acceptable credit risk worthiness and ensure liquidity of available funds.

To mitigate exposure to credit risk on the gold loan receivable, the Company has secured the gold loan receivable with certain equipment related to Almaden's Rock Creek Mill, and also has been monitoring the share price of Almaden to ensure the loan can be settled with Almaden's common shares according to the terms of the loan agreement.

As at March 31, 2022, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents, accounts receivable and gold loan receivable.

(c) 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.

Trade and other payables are due within twelve months of the statement of financial position date.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to varying interest rates on cash and cash equivalents. The Company has no interest-bearing debt.

A 1% change in the interest rate does not have a significant impact on the Company's net loss.

(Unaudited - Expressed in Canadian dollars)

14. Financial Instruments *(Continued)*

(e) Commodity and equity price risk

(i) Commodity price risk

The ability of the Company to explore its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company is exposed to the commodity price risk on fluctuation of gold prices on its gold loan receivable. The Company monitors gold prices to determine the appropriate course of action to be taken by the Company.

A 1% change in the price of gold would affect the fair value of the Company's gold loan receivable by $45,000.

(ii) Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's operations due to movements in individual equity price or general movements in the level of the stock market. The Company closely monitors the individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(f) Classification of financial instruments

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Marketable securities and investments	1,643,765	93,000	-	1,736,765
Contingent shares receivable	-	11,700	-	11,700
Gold loan receivable	4,498,534	-	-	4,498,534

Level 2 inputs used in determining the fair value of contingent shares receivable includes the use of quoted market prices for the underlying shares of the public companies, as well as estimates regarding the likelihood of achieving certain milestones that would trigger the collection of the contingent shares receivable by the Company.

Level 2 inputs are also used in determining the fair value of warrants received from Almaden (Note 5(b)) and Star Royalties (Note 5(c) and Note 9(f)) as an arrangement fee to cover the administrative costs of setting up the gold loan using the Black-Scholes option-pricing model and proceeds on sale of royalties respectively.

(Unaudited - Expressed in Canadian dollars)

14. Financial Instruments *(Continued)*

(g) Concentration risk

Concentration risk of 71.8% of accounts receivable is due from one customer.

15. Management of Capital

The Company considers its capital to consist of components of equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations for the foreseeable future. There have been no changes to the Company`s capital management approach during the period. The Company is not subject to externally imposed capital requirements.

16. Segmented Information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral resource properties in Canada, the United States, and Mexico.

Geographic information is as follows:

	Gold loan receivable	Contingent shares receivable	Deferred income tax assets	Property and equipment	Exploration and evaluation assets	March 31, 2022
	$	$	$	$	$	$
Canada	4,498,534	11,700	601,342	6,096	125,006	5,242,678
United States	-	-	-	191,919	49,051	240,970
Mexico	-	-	-	687,808	340,905	1,028,713
	4,498,534	**11,700**	**601,342**	**885,823**	**514,962**	**6,512,361**

The Company's revenue from interest income on cash and cash equivalents was earned in Canada. Other income from exploration and drilling services was earned in Mexico and USA.

17. Subsequent Events

On April 29, 2022, the Company received $4,750 on the exercise of 25,000 stock options with exercise price of $0.19.

On May 13, 2022, the Company paid $50,000 USD to the Optionor of the Davis property.