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**GRANADA GOLD MINE INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS -  
QUARTERLY HIGHLIGHTS  
THREE MONTHS ENDED SEPTEMBER 30, 2022**

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**Granada Gold Mine Inc.  
Management's Discussion and Analysis  
For The Three Months Ended September 30, 2022  
Dated - November 23, 2022**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS**

The following Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook of Granada Gold Mine Inc. ("Granada" or the "Company"), and it has been prepared by management and should be read in conjunction with the unaudited condensed interim financial statements of Granada for the three months ended September 30, 2022 and in addition to the audited annual financial statements for the years ended June 30, 2022 and 2021, together with the notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The discussion covers the three months ended September 30, 2022 and up to the date of filing of this MD&A. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR website ([www.sedar.com](http://www.sedar.com)).

**FORWARD-LOOKING INFORMATION**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such reflect the current views of the Company with respect to future events and are subject to certain statements risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

**DESCRIPTION OF BUSINESS**

Granada is a junior natural resource company whose business is to seek out exploration opportunities with a focus on the Granada Gold Mine in Rouyn-Noranda, Quebec. Operations are conducted either directly or through consulting agreements with third-parties. The Company finances its properties by way of equity or debt financing or by way of joint ventures. Additional information is provided in the Company's audited financial statements for the year ended June 30, 2022. These documents are available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company also maintains a website at [www.granadagoldmine.com](http://www.granadagoldmine.com).

The Company is a reporting issuer in the Provinces of British Columbia and Alberta, and trades on the TSX Venture Exchange ("TSXV") under the symbol GGM, the US OTC market under the symbol GBBFF and the Frankfurt Stock Exchange under the symbol B6D-FRA.

The corporate office of the Company is located at 3028 Quadra Court, Coquitlam, BC V3B 5X6.

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**GOING CONCERN**

The unaudited condensed interim financial statements for the three months ended September 30, 2022, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company had cash and cash equivalents of \$562,231 at September 30, 2022 (June 30, 2022: \$132,159), but management cannot provide assurance that the Company will ultimately achieve profitable operations, or raise additional debt and/or equity capital.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to obtain additional funds to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and renegotiation of contracts.

The unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

As at September 30, 2022, the Company had not yet achieved profitable operations, has an accumulated deficit, has a working capital deficiency and expects to incur further losses in the development of its business.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing accumulated operating losses and a significant working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions indicate the existence of material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

**NOVEL CORONAVIRUS ("COVID-19")**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

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**CORPORATE**

On July 13, 2022, the Company announced the results of the 2022 Annual General Meeting was held, and is pleased to report that all resolutions were approved with over 99.92% voting in favour in all categories.

On September 16, 2022, the Company announced it has amending the terms of 9,053,800 share purchase warrants by reducing the exercise price from \$0.15 per share to \$0.075 per share and extending the term of the warrants by two years so that the warrants will expire on September 27, 2024. Further the warrants will include an accelerated expiry clause such that the exercise period of the warrants will be reduced to 30 days if, for any 10 consecutive trading days during the unexpired term of the warrants, the closing price of the Company's shares is \$0.095 or more. All other terms of the warrants remain the same. The effective date of the warrant amendment will take place after September 27, 2022.

**CORPORATE EVENTS SUBSEQUENT TO SEPTEMBER 30, 2022**

The Company announced it reached an agreement with a third party to repay a debt in the amount of \$417,489 through the issuance of 8,349,780 shares in the capital of the Company at a deemed price of \$0.05 per share. The shares for debt transaction is subject to the acceptance from the TSX Venture Exchange.

**EXPLORATION AND EVALUATION PROJECTS**

In total, the Company currently retains rights to 2 mining leases and 50 mining claims for a cumulative total of 1474 hectares. The mining leases are subject to a 2% GMR, of which half may be purchased for \$1,000,000 and a 1% NSR and 23 of the mining claims are subject to a 1% NSR. In July 2022, the total land package (excluding the Mining Leases BM813 and BM852) increased from 1162.29 ha to 1212.61 ha due to a governmental restructuring of lot sizes and distribution.

The Granada deposit is a quartz-vein mesothermal gold deposit hosted by late Archean Timiskaming sedimentary rock and younger syenite porphyry dykes. The dykes belong to a late tectonic suite that hosts the mesothermal gold mineralization in the Kirkland Lake and Timmins gold camps in Ontario and in Duparquet, north of Rouyn-Noranda, in Quebec.

Gold mineralization is hosted by east-west trending, smokey-grey, fractured quartz veins and stringers. Free gold occurs at vein margins or within fractures of the quartz veins or sulphides. Late northeasterly-trending, sigmoidal faults also host high-grade gold mineralization.

As of the date of this report, mineralization at the Granada gold mine remains open to the east and west and consistently to depth, down-dip to the north.

In 2007, the Company processed a bulk sample of 140,000 tonnes from an open pit at the Granada site of which 30,000 tonnes was milled using an on-site mill. The average gold grade from this large sample was 1.62 g/t with a 90-per-cent rate of recovery realized. The waste from this bulk sample, along with stockpiled waste from past bulk sampling programs from previous operators at Granada, was also assayed returning a grade of 1.75 g/t gold. These results confirmed the presence of gold mineralization between the known individual east-west trending vein structures. All core drilled from 2009 through 2012 was analyzed to determine whether there is sufficient grade between the higher-grade vein structures to allow for bulk, open pit extraction.

The first four phases of the drill campaign between Dec 2009 and May 2012 totaled just under 90,000 metres drilled. A table of highlights from all drilling can be found below. Most of the drill holes have been drilled close to perpendicular to the veins. The core length is, in general, 85% to 90% of the true width for the holes drilled south-southwest.

Drill Hole	From (m)	To (m)	Interval (m)	Weighted grade g/t Au
<b>PHASE 1 HIGHLIGHTS</b>				
GR-09-02	15.50	48.00	32.50	1.78
including	40.70	41.00	0.30	96.60
GR-09-05	92.00	123.00	31.00	0.92

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GR-09-06	36.00	52.50	16.50	1.22
GR-09-08	17.00	68.00	51.00	0.93
GR-10-12	4.30	87.00	82.70	0.90
GR-10-13	32.20	59.95	27.75	1.27
GR-09-15	73.20	147.00	73.80	0.88
GR-10-17	3.50	102.70	99.20	0.95
including	3.50	69.00	65.50	1.21
GR-10-18	37.50	56.50	19.00	1.02
<b>PHASE 2 HIGHLIGHTS</b>				
GR-10-33	23.00	146.50	123.50	1.07
GR-10-41	3.65	153.00	149.35	0.83
including	54.90	130.00	75.10	1.50
GR-10-53	5.00	112.50	107.50	1.37
including	8.00	73.30	65.30	2.14
GR-10-55	86.64	304.14	217.50	0.95
including	86.64	271.43	184.79	1.06
GR-10-79	22.50	185.00	162.50	0.88
GR-10-99	3.50	87.00	83.50	0.98
GR-10-104	3.00	231.00	228.00	0.51
GR-10-108	117.58	259.28	141.70	0.70
including	184.84	259.28	74.44	1.06
GR-10-113	22.97	252.92	229.95	0.93
including	232.50	233.59	1.09	162.75
GR-10-117	3.00	201.00	198.00	0.74
including	4.60	77.50	72.90	1.02
GR-10-126	29.10	85.05	55.95	1.01
GR-10-128	3.00	116.50	113.50	0.55
including	55.50	116.50	61.00	0.81
including	60.00	61.50	1.50	15.70
GR-10-130	2.00	96.00	94.00	1.03
GR-10-138	116.00	171.50	55.50	0.77
including	116.00	125.00	9.00	2.16
GR-10-141	3.00	279.00	276.00	0.52
<b>PHASE 3 HIGHLIGHTS</b>				
GR-10-153	3.90	139.00	135.10	0.62
including	3.90	80.10	76.20	0.99
including	3.90	4.90	1.00	54.98
GR-10-157	45.50	116.50	71.00	1.06
including	56.50	61.00	4.50	3.75
including	69.00	70.00	1.00	44.80
GR-10-169	9.00	117.00	108.00	0.64
including	51.00	115.50	64.50	1.03
GR-10-173	117.75	356.00	238.25	0.52
including	253.50	333.50	80.00	1.36
GR-10-178	193.00	376.50	183.50	0.50
GR-10-179	3.00	159.00	156.00	0.61
including	50.75	123.00	72.25	1.25
GR-10-189	99.50	170.40	70.90	1.06
GR-11-199	60.00	146.00	86.00	1.20
including	60.00	61.00	1.00	63.50
and including	129.75	146.00	16.25	1.86
GR-11-200	50.50	156.50	106.00	0.81

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GR-11-216	1.50	57.60	56.10	0.56
GR-11-223	3.40	54.00	50.60	0.56
GR-11-231	174.50	227.00	52.50	0.52
GR-11-235	2.20	150.00	147.80	0.50
including	6.50	96.00	89.50	0.78
GR-11-237	42.00	130.00	88.00	0.50
GR-11-256	75.00	173.00	98.00	1.21
including	139.00	168.50	29.50	2.34
GR-11-271	24.55	207.50	182.95	1.11
including	24.55	25.30	0.75	207.27
and including	71.50	72.50	1.00	13.71
and including	206.00	207.50	1.50	10.49
and including	206.00	258.00	52.00	0.79
GR-11-287	104.00	173.50	69.50	1.05
including	110.40	111.30	0.90	30.03
and including	122.50	123.00	0.50	38.75
and including	172.60	173.50	0.90	15.79
and including	129.60	146.00	16.25	1.86

The Company completed a 450 metre trenching program during the summer of 2013 that was undertaken to further evaluate the near-surface mineralized zones of the potential open pit at the Granada Gold Mine. Assays from channel samples taken from the trenched areas varied from 22.42 g/t Au over 1.04 metres to 0.01 g/t Au over 0.82 metres. The higher grades were from samples in the eastern section of the extended LONG Bars zone. Significant visible gold was also encountered very near surface at a depth of 10 centimetres in the western area of trenching.

In September 2014, approximately 600 metres of additional trenching in 6 trenches was completed immediately east of Pit 2A. Bedrock was uncovered with the majority of the work conducted as continuous channel sampling. The program was carried out by Technominex and supervised by L. Caron, Géo. GoldMinds Geoservices Inc.

A total of 334 channel samples were assayed for gold by Accurassay Laboratory in Rouyn-Noranda with fire assay SAA/PCI method on 30 gram samples and by gravimetric method on 50 gram samples for those samples with more than 10g/t Au. QA/QC: samples were 1m long with a standard inserted every 20 samples, and a blank inserted every 40 samples.

Gold mineralization was identified within the quartz veinlets through the syenite porphyry and the conglomerate of the Granada Formation in the Temiskaming Group. The conglomerate shows a chlorite alteration in the footwall of the mineralized zone that is rather sericitic and ankeritic. Trenching work outlined the mineralization zones that were cut by the previous diamond drill holes and provided important information in terms of where to commence upcoming surface mining operations within the context of the PFS.

In 2015, three trenches were completed in the area covering the smallest proposed pit located furthest west with channel sampling from the middle trench, TR15-11, returning 6.05 g/t Au over 8 metres including 14.98 g/t Au over 3 m (Press Release April 22, 2015). Surface channel sampling grades confirmed the continuity of the near-surface, drill-intersected mineralization over a potential strike length of 3.5 kilometres from the western to the eastern trenches – this is a very positive development within the rolling start mining plan.

A program of approximately 2500m additional diamond drilling was completed in October 2016. This drill program was designed to test several target areas. One of these areas was the Aukeko West and Pontiac vein systems located approximately 500 metres west of the historical Aukeko Shaft and 2,000 metres east of the historical Granada shafts. This Aukeko area had not yet been explored by Granada Gold Mine Inc. Other drill holes in 2016 focused on the areas closer to the historic pit areas which had been recently stripped and reported as showing visible gold up to 2 centimetres long (Press release September 28, 2016) as well as another area identified in stripping. Two holes were drilled near the northern boundary of the property to test the Syncline vein where a historical grab sample in 1992 averaged 0.357 ounces (11.1 grams) per tonne (Press Release September 8, 2016).

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The Company announced on May 26, 2016 that it had received its Certificate of Authorization "C of A" from Quebec's Government of Environment (MDDELCC) for gold mining at the Granada property for 75,000 ounces of near-surface, high-grade gold at a cash cost of US \$797 per ounce. The MDDELCC is now satisfied that the Company has answered all prerequisite questions, submitted all requested studies, all of which have now been reviewed with the file deemed to be in order (Press Release May 26, 2016).

Sound studies, completed in 2014, measured average noise levels at three stations between 700 and 900 metres from the proposed Mousseau Pit at 40db to 50db during the night and at 45db to 55db during the day with no mining activity taking place. Installation of water and air monitoring stations has been completed and are in operation.

The 480,000-tonne historic waste rock dump material was processed and screened in 2010 and 2011 for valorization as part of the Company's Voluntary Rehabilitation initiative. This process commenced in 2010 as preliminary work for sound barrier construction that will proceed when the area is cleared. The sound barrier will contain and reduce noise from mining activity to shield the nearest neighbours approximately 700 metres south of the initial pit. The rest of the land between these neighbours and the pit is a dense boreal forest that will also buffer noise and act as a natural dust filter.

Some of this screened material has since been used to stabilize drill trails, minimize soil damage and to improve recreational trails on the property. As part of the preparation for production and in consideration of the changes to long-standing trail permissions, the Company voluntarily moved the trails to allow local long-term recreational users affected by the changes to continue using Granada land for leisure pursuits.

A Communication Protocol Agreement has been signed between The Company and Temiskaming First Nations (TFN) to facilitate and ensure timely, effective and transparent communications moving forward (see Company Press Release August 26, 2014). This Communications Protocol is for the purposes of establishing a positive working relationship based on mutual respect concerning the Granada Mine project and any other Company mining activities located on the TFN's traditional territory. The Communications Protocol Agreement is intended to serve as a framework to develop a more specific agreement.

In January 2015, a Memorandum of Understanding (MOU) was signed between the Timiskaming First Nations and Granada Gold Mine Inc. to work together moving forward towards a rolling production start at Granada (see Company Press Release January 30, 2015).

Also, of note in 2017, the Company signed an LOI with Temagami First Nation (TFN) and Teme-Augama Anishnabai (TAA) that would provide Granada Gold Mine the opportunity to evaluate brownfield sites on TFN's/TAA's traditional territory for the potential of redevelopment.

With initial stripping in the summer and fall of 2016, a new high-grade mineralized zone was uncovered with visible gold found on surface (Press Release September 28, 2016). The zone, associated with the feldspar porphyry, is in a quartz vein zone up to 3 metres thick and has been noted over 125-metre strike length. A 5-tonne mini bulk sample was taken by breaking the rock with a hydraulic hammer on an excavator then taking grab samples arbitrarily every 0.5 metre along 3 lines across the zone with lines spaced approximately 10 metres apart. Samples from each line were sampled separately as described in the press release. A total of 9 samples were assayed giving results ranging from 1.1 to 13.3 g/t gold with an average of 4.37 g/t gold.

A drill program of 2500 metres was initiated in September 2016 initially targeting the new mineralized zone as well as the western end of the Aukeko zone, resulting in the following early highlights from a press release on November 9, 2016.

GR-16-03 intersects 3.62 g/t Au over 15m including 43.58 g/t Au over 1m
GR-16-11 intersects 5.67 g/t Au over 2m including 9.31 g/t Au over 1m
GR-16-12 intersects 9.25 g/t Au over 3m including 24.99 g/t Au over 1m

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The drill program was extended to include an additional 8000 metres targeting a significant resource expansion in the northern part of the Granada property (press release December 2, 2016). Hole GR- 16-14, the first deep hole of this program, intersected one of the best intersections at depth on the property to date with 14.5 g/t Au over 4.0m including 55.9 g/t Au over 1.0m at a depth of 881 metres and 7.3 g/t over 1m at 710 metres downhole.

As part of this program, the company drill tested the thickness of mineralization under the porphyry intrusion between the old Pit #1 and the 2014 proposed pit. The Company successfully intersected mineralization in two zones near the surface in this area that had not been included in previous resource estimates. These intersections provide confirmation of the new mineralization model associated with the intrusive dykes similar to Canadian Malartic mine as well as the Barry and Windfall models (Press Release February 28, 2017).

The "heat engine" for Granada mineralization is believed to exist in the northwest part of the property, a high priority untested area now referred to as the "Genesis Target" that includes a large granite intrusion and intense shearing immediately south of the Cadillac fault.

As of the effective date of November 11, 2018 (report date of February 13, 2019), the current resource at the Company's Granada Gold project in Rouyn-Noranda, Quebec is detailed in the report filed on SEDAR, a technical report compliant with National Instrument 43-101 titled, "Granada Gold Project Mineral Resource Estimate Rouyn-Noranda, Quebec, Canada." The report, written by Independent Qualified Persons Allan Armitage, PhD, P.Geo, and Maxime Dupere, BSc, P.Geo. of SGS Canada Inc. provides support for the following resource estimate:

<b>Current Resources: 2019 Pit-Constrained Resource Estimate</b>			
Category	Tonnes	Grade (g/t Au)	Contained Gold (oz.)
Measured	12,637,000	1.02	413,000
Indicated	9,630,000	1.13	349,000
M&I Total	22,267,000	1.06	762,000
Inferred	6,930,000	2.04	455,000

In late Fall 2018, Granada Gold completed a 4-hole drill program totaling 2,889m. Holes GR-18-01 and GR-18-03 targeted the down-dip extension of gold mineralization below the Pit-Constrained resources. Hole GR-18-03 intersected multiple gold-bearing quartz veins between 564 and 680 metres downhole, exhibiting similar character to the veins typically exposed at surface within the stripped area. Hole GR- 18-01 intersected a high-grade zone at around 270 metres from surface, associated with a silicified zone with disseminated pyrite within the conglomerate unit.

Drill holes GR-18-04 and GR-18-05 tested a new magnetic anomaly in the North-West part of the property, outside the known resource envelope. Hole GR-18-04 confirms the presence of a new gold- bearing area northwest of the Pit-Constrained resources, hosted in a strong, reddish (hematised), silicified conglomerate with disseminated sulfides and visible gold (VG).

**Selected Drill Hole Assay Results**

Hole Name	From (m)	To (m)	Length (m)	Au g/t	Type
GR-18-01	365.00	368.00	3.00	8.15	FA
including	366.00	367.00	1.00	23.30	FA
GR-18-01	495.00	500.00	5.00	1.10	FA
GR-18-01	517.00	520.00	3.00	1.75	FA
GR-18-01	525.00	528.00	3.00	2.30	SM
including	525.00	526.00	1.00	4.12	SM
GR-18-01	551.00	552.00	1.00	3.75	FA
GR-18-03	572.00	578.00	6.00	8.39	FA
including	573.00	577.00	4.00	12.42	FA
including	573.00	574.00	1.00	45.70	FA
GR-18-03	564.00	570.00	6.00	1.05	FA
including	569.00	570.00	1.00	3.32	FA
GR-18-03	613.00	614.00	1.00	1.09	FA
GR-18-03	686.00	687.00	1.00	1.36	FA



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GR-18-04	660.00	664.00	4.00	5.45	SM
including	662.00	663.50	1.50	13.70	SM
including	662.50	663.00	0.50	37.30	SM
GR-18-04	367.00	368.00	1.00	1.48	FA

Core length, not capped FA=Standard Fire assay, SM Screen Metallic 1kg

In August 2019, the Company started a short drill program. Three surface-outcropping, mineralized structures have been defined. Drilling was to be completed, all within 150 metres of surface, to assess near-surface mineralization within the two-kilometre extended LONG Bars zone of the potential 5.5- kilometre long, east-west-trending mineralized structure.

Initial results were reported in a press release on October 15, 2019. The 450-metre drill program focused on testing the gold grade continuity and variability within mineralized structures. Six holes were drilled to test for near surface high-grade mineralization. Coarse, native gold was observed in the drill core.

GR-19-E intersected a high-grade zone with 12.32 g/t Au over 2 m including 48.80 g/t over 0.50 m at a core length depth of 35.5 metres on the extended LONG Bars zone.

GR-19-C intersected a high-grade zone with 7.67 g/t Au over 15 m of core length from 18.5 m to 33.5 m downhole on the extended LONG Bars zone.

GR-19-B intersected 3.41 g/t Au over 6.0 m from surface down to 6.0. The mineralized zone is composed of smoky quartz veins adjacent to a porphyry dyke intruded by multiple quartz veinlets south of the altered sheared conglomerate (Press Release November 6, 2019).

The company further reported, in a press release January 9, 2020 additional highlights from Hole GR- 19-A which was drilled down-dip from a surface exposure of the mineralized zone composed of a massive quartz vein within a sheared and altered conglomerate adjacent to feldspar porphyry to the south. The entire mineralized zone has a 9-metre horizontal thickness in that sector. GR-19-A was drilled at azimuth 21 degrees North with a dip of 41 degrees in NQ core size.

Hole GR-19-A intersected 11.45 g/t over 33.0 metres from 0 to 33 m core length including high-grade intercepts of 42.5 g/t over 1.5 m from 0 to 1.5 m, plus 480 g/t over 0.4 m from 8.1 to 8.5 m, and another of 70.8 g/t over 0.5 m from 31.9 to 32.4 m. The horizontal width, based on outcrop, is about 9 metres and true width is estimated at 6.3 metres. The core length reported is estimated to have intersected only 15-20% of the entire thickness of the zone. However, it is a real known extent in that direction down dip of gold mineralization within the intersected length. Assays are uncut where indicated.

A further 50 metre strike length of stripping uncovered a massive mineralized quartz zone exposing strong veining with visible gold on surface.

These preliminary results highlight the potential of near-surface, high-grade mineralization and continue to support higher grades that are in line with historic production grades of 8 to 10 g/t gold when it was mined in the 1930s from the two shafts and with later open pit grades from 5 to 3.5 g/t gold. The Company's earlier drill programs were designed to define structures. Drill holes intersected the mineralized structure perpendicularly. This recent program was designed to unlock the higher-grade potential of mineralized intersections near surface identified from previous drill holes.

As reported March 2, 2020, Granada Gold Mine continued to intersect near-surface, high-grade gold with follow-up drilling. The company intersected two near-surface, mineralized zones grading 11.53 g/t Au over 2.9 m at core length 65.85 – 68.75 metres and 2.61 g/t over 24.7 metres at core length 25.5 – 50.2 metres in hole GB-19-SA. This drill hole is 77 metres to the south of GR-19-A which intersected 11.45 g/t Au over 33.0 m core length (see Granada news release dated January 9th, 2020). The GR- 19-A hole zone is 6 metres true width. The continuing near-surface drilling program has begun to unlock the excellent potential for defining further high-grade intersections within the recently explored 2-km LONG Bars Zone of the five-and-a-half-kilometre Granada Shear zone which trends East-West on the property.

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Two additional drill holes from the 450-metre 2019 follow-up drill program also intersected near-surface, high-grade mineralization from the recent 50-metre on-strike stripping program which uncovered a massive quartz zone exposing strong veining and visible gold on surface. Drill hole GR-19-WB, collared 19 metres Northwest from GR-19-A, intersected 4.83 g/t Au over 6 metres at core length of 16-22 metres and drill hole GR-19-G, 240 metres East-Southeast from GR-19-A, intersected two zones grading 2.82 g/t Au over 6.65 metres at a core length of 40.5-46.75 metres and 2.28 g/t Au over 5 metres at a core length of 68-73 metres. The B and G zones are 4.5 metres and 4 metres true width, respectively.

In 1994, Granada Gold Mine Inc. extracted a bulk sample of 87,311 tonnes from surface grading 5.17 g/t gold from Vein 1 containing 451,397.87 grams (13,167.97 troy ounces) gold. The current drill program is east of, and on strike with Pit 1 which was taken from East-West-trending Vein 1. This recent drilling confirms the extension of Vein 1 from Pit 1 for 500 metres east to hole GR-19-E which intersected 2.0 metres grading 12.3 g/t Au (see company press release dated October 15, 2019). The Vein 1 zone is open to the east and is within the 5.5-kilometre East-West mineralized structure.

Drill programs in 2019 focused on testing the gold grade continuity and variability within mineralized structures (refer to holes GR-19-A to GR-19-F above, as well as the follow-up holes). Coarse, native gold was observed in the drill core of hole GR-19-E which intersected a high-grade zone with 12.32 g/t Au over 2 metres core length at a depth of 35.5 metres on the extended LONG Bars zone (refer to Oct 15, 2019, news release). The core length reported is estimated to have intersected 85-90% of true thickness of the zone. Assays are uncut except where indicated. It is important to note that the current NI 43-101 resource calculation by SGS (press release February 13, 2019) does not include the above mineralized zone as it was recently uncovered by stripping for a water sump.

A grab sample totaling 1,220 kilograms of mineralized material was taken in 2020 over a 3-metre strike length from Vein No 1 structure where diamond drill hole GR-19-A intersected 11.45 g/t gold from 0 to 33 metres core length. Visible gold was present in the core. True width is estimated at 6.3 metres (refer to January 9, 2020, news release). The 1,220-kg sample returned a calculated grade of 55.6 g/t from the native gold component. The sample was processed at Temiskaming Testing Labs in Cobalt, Ontario, which is fully owned by Canada Silver Cobalt Works Inc., a related company with common directors and officers. Conventional gravity concentration was used and therefore only native gold was recovered and quantified. The gold-bearing sulfides were not recovered (Press release, August 11, 2020). The native gold component has been defined for the Granada Gold Mine to represent an average of 50% percent of the recoverable gold from the mineralized deposit (43-101 Technical Report dated February 13, 2019 on the Granada Gold Project Mineral Resource Estimate, Rouyn Noranda, Quebec authored by the Qualified persons, Allan Armitage, Ph. D., P. Geo and Maxime Dupere, B.SC., Geo both of SGS Canada Inc. - Section 13.1).

The mineralized structure has been traced on surface for over 115 metres east-west trend by stripping, and stripping continues to the west along strike. The structure extends over 500 metres when we connect the pierce points with the drill holes. Historically, the mill grades at Granada Mine were higher than drill grades. This is common with high-grade native gold concentration deposits on the Cadillac Trend - as it is with this deposit. The 1,220-kg sample returned 4 times the drill grade of the core – when using only the native gold component.

Also in 2020, a 500-tonne mineralized material, and 900-tonne waste rock bulk sample was taken from surface 400 metres east of Pit #1 on the Vein 1 structure which trends approximately 5.2 kilometres east-west. Historically, Vein 1 was mined from underground in the 1930s at 9-10 grams per tonne gold, and mined by open pit in 1993-94 grading 5.15 grams per tonne gold in 87,000 tonnes and again in 1996 at a grade of 3.46 grams per tonne gold in 22,095 tonnes.

From the 500-tonnes of mineralized material, a 10.5-tonne composite sample was crushed, ground and screened at 20-mesh to ensure no visible gold was in the sample to be evaluated. The screened, minus 20 mesh material was passed through the sampling tower at Temiskaming Testing Laboratory (TTL) in Cobalt, Ontario. Five super sacs were sampled by taking four samples from each super sac for assaying. Duplicate assays were run on one sample per super sac. The table below identifies the sample assay results. No visible gold was recovered when processing the minus 20 mesh portion of the bulk sample. Visible gold was present in the plus 20 mesh material. At this stage of evaluating the surface mineralization sample, the company is assessing the grade of the material without any high-grade visible gold (Press Release May 10, 2022). It has been estimated, based on metallurgical testing, that close to 50 percent of the gold at Granada is in native form (43-101 Technical Report Updated Mineral Resource Estimate, March 15, 2021).

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Further, test work was carried out on a 100-kilogram sample from the 900-tonne mineralized waste rock. The 100-kilogram sample was sent to Gekko Systems. The combined test results from three gravity concentration processes carried out on a low-grade sample indicate that the Granada Gold sample is amenable to pre-concentration via the Gekko IPJ (InLine Pressure Jig). The concentrate, produced by the three combined tests, had an average grade of 1.16 g/t gold, which was 251 percent higher than the 0.33 g/t assayed grade of the test sample. The concentrate amount was 18.2 percent of the sample size but with 47.1 percent recovery of the gold. (Press Release, June 28, 2021).

An additional bulk sample is to be taken at this location to further quantify the grade of the mineralized material. The bulk sample is to be processed at Temiskaming Testing Labs, Cobalt, Ontario.

Additional drill results from beneath the pit-constrained mineral resource were released on December 31, 2020 by the Company including highlights:

5.64 g/t gold over 6.86m in GR-20-10 from 364.64 to 371.50m  
4.26 g/t gold over 4.50m in hole GR-20-13 from 290.50 to 295.00m

The Company completed the 6,000-metre drill program and has begun another 6,000-metre drill program with 2 drills on site.

Assay results from below pit-constrained mineral resource (press release September 30, 2020):

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)
GR-20-10	364.64	371.50	6.86	5.64
Including	364.64	365.84	1.20	4.47
Including	370.00	371.50	1.50	20.40
GR-20-11	292.50	294.00	1.50	3.37
GR-20-12	338.70	341.70	3.00	3.07
Including	339.70	340.20	0.50	14.40
GR-20-13	290.50	295.00	4.50	4.26
Including	292.00	293.50	1.50	11.90
GR-20-14	304.90	306.00	1.10	4.51
AND	324.15	324.65	0.50	11.65
AND	430.90	431.40	0.50	5.92
AND	445.30	446.80	1.50	4.41
GR-20-16	356.66	360.15	3.47	2.87
Including	358.16	359.16	1.00	7.17

Lengths stated are core length and are close to true widths, no capping applied. Au is Gold by Fire assay, or by gravimetric finish or screen metallic method. The assays are still pending for holes GR-20- 15 and GR-20-17.

The drill hole data under the pit-constrained resource could potentially change the economics of developing the Granada Mine Property. The property was previously explored as a low-grade, open-pit deposit but the company now envisions an initial open pit with a ramp from the bottom of the pit into the higher-grade mineralization below, significantly adding more ounces to the current resource.

Holes GR-20-10 through GR-20-13 were drilled in front of (collared to the south of) GR-11-384 to enable definition of an underground mineral resources panel in that sector. GR-11-384 intersected 3.05m at 35.76 g/t Au at 425.45m. This interval is 225m up dip of GR-18-03 which intersected 8.0m at 6.65 g/t Au at a depth of 569m in vein 2 (footwall vein historical labelling within the LONG Bars Zone.)

Holes GR-20-14 and GR-20-15 were drilled 50 metres to the north of GR-11-377 to enable definition of underground mineral resources in that sector. GR-11-377 previously intersected the 3 veins: Vein 1, Vein 3 & Vein 2 (foot wall) with high-grade individual assays of 3.64 g/t Au over 1.5m at 265.5m, 14.37g/t Au over 1.5m 328.5m, and 6.65 g/t Au over 1.3m at 429.7m.

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Holes GR-20-16 and GR-20-17 were then drilled on the same set-up as GR-11-393 with different dips to enable definition of underground mineral resources in that sector. GR-11-393 had intersected the 3 veins: Vein 1, Vein 3 & Vein 2 (foot wall) with high-grade individual assays of 12.14 g/t Au over 0.5m at 277.5 metres, 9.76g/t Au over 1.0m at 318.0 metres, and 12.73 g/t Au over 1.3m at 425.5m. As noted, assay results from GR-20-15 and GR-20-17 have not yet been received but will be disclosed once validated and interpreted. A total of 5,841.77 metres were drilled. The information contained in the September 30, 2020 press release covers both completed and partial results for 3,664 metres of drilling.

Subsequent drilling in 2020 targeted near-surface mineralization of vein 1 in our 100-series holes. Press releases on October 21st and December 18th identified significant high-grade mineralization in several holes. The highlights are as follows:

- 3.66 g/t gold over 26.5m in hole GR-20-110 from 35.2 to 61.7m
- 5.25 g/t gold over 3.0m in hole GR-20-109 from 60.0 to 63.0m
- 2.62 g/t gold over 6.42m in hole GR-20-101 from 34.5 to 40.5m
- 2.39 g/t gold over 29m in hole GR-20-111 from 0.0 to 29.0m
- 7.72 g/t gold over 4.5m in hole GR-20-112 from 31.0 to 35.5m
- 7.29 g/t gold over 5.02m in hole GR-20-117 from 49.21 to 54.23m

In July 2020, the Company sold a 50% interest in certain mineral leases to Canada Silver Cobalt Works Inc. ("CCW"), a related party with which there are four common directors and three common officers, in exchange for 2,941,000 units of CCW to the Company. Each unit is comprised of one common share of CCW and one share price warrant to acquire one common share of CCW at a price of \$0.55 until July 2, 2025.

Throughout 2021, the Company continued drilling the 100-series and 200-series holes with the aim of being able to convert the existing low-grade open pit resource at 1 gram per tonne to a smaller, higher grade open pit with the majority of the future potential ounces in a resource underground. The holes are a series of short holes drilled down-dip to maximize the intersection of native gold in the mineralized veins, to test continuity within the mineralized veins, and to provide extension to current mineralization with the 200-series holes targeting deeper mineralization. The 100-series holes were drilled to intersect the vein uncovered by stripping and to follow the high-grade corridor.

Typical true thickness of the number 1 vein is 1.5 to 6.0 metres. The halo effect around vein 1 has been measured up to 20 metres true thickness with numerous mineralized veinlets hosting native gold. It has been estimated, based on metallurgical testing, that close to 50 percent of the gold is in native form and can be recovered from these veinlets (company press release, January 27, 2021).

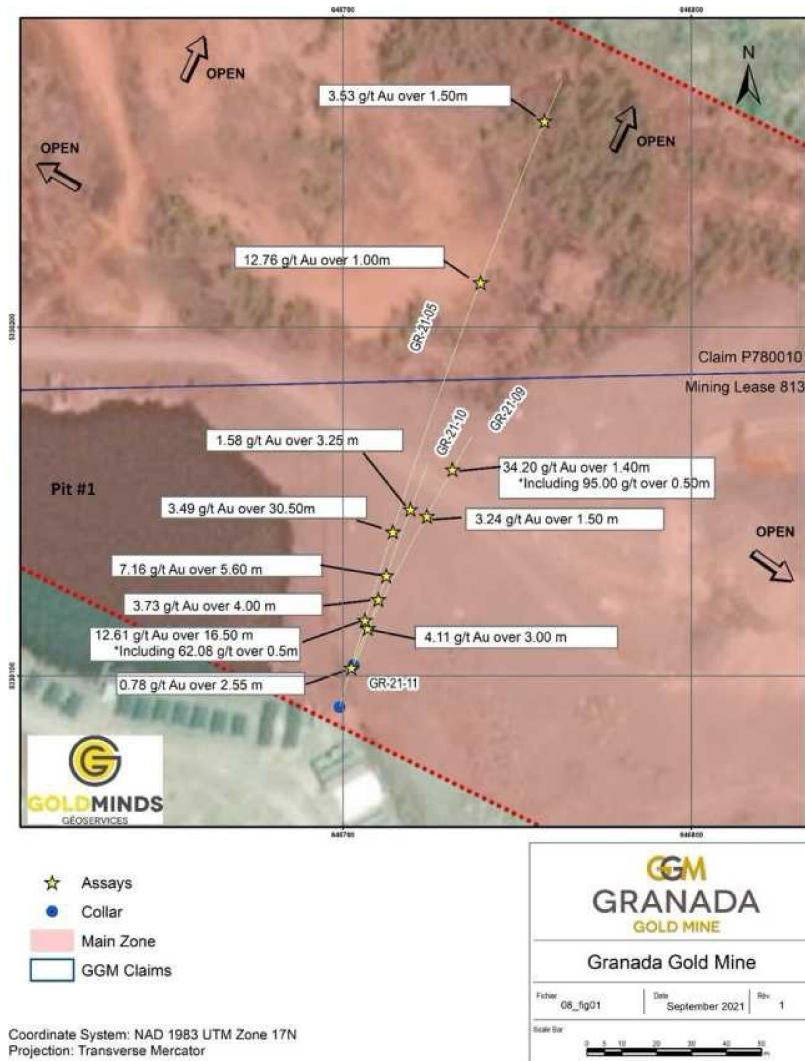
Other drilling in 2021 was aimed at identifying additional mineralized zones and extending known mineralization below the existing pit-constrained mineral resources. The company added wedges to new and older holes to increase the quantity and quality of the mineral resources. This drilling is focused on filling the gaps to allow building of additional mineral resources.

The results this year have proved the continuity along the main structure and confirmed the extent to depth of high-grade gold mineralization thus supporting the view that the gold grades and occurrences are continuous and have substantial thickness to the zone. The mineralized zone beneath the eastern extension of Pit #1 contains a collection of multiple veins with sulfide mineralized halos. The zone contains 3 distinct sub-parallel mineralized veins which connect with the former Pit #1 to the west. The true thickness of these mineralized structures varies between 2m and 11m. The main zone of these 3 structures is what was tested with the 200-Series drill holes (primarily holes GR-21-05, GR-21-09, GR- 21-10, and GR-21-11).

The 200-Series holes were designed with an azimuth of 10-30 degrees to the north attempting to drill down the vein structures as opposed to obliquely. Normally, the drill holes are aimed southward which are designed to intersect the structures at a high angle, with an azimuth in the general range of 170-190 degrees. Previous intercepts into this structure have returned 6.95 g/t gold over 3.50 metres (true thickness) in hole GR-11-380 (Press release September 18, 2012), and 11.45 g/t gold over 33.00 metres in hole GR-19-A (Press Release January 9, 2020). The grades we see in the 200-Series drill holes validate the grades encountered previously in other drill programs and confirm the continuity of the gold mineralization. They also demonstrate that the system is a multi-vein system, as opposed to a

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single discrete vein. This is why the true thickness of the gold mineralization at Granada varies significantly from small high-grade intervals, such as 95.00 g/t over 0.50m, to even 0.31 g/t over 301m (Press Release September 18, 2012) depending on the location within the property and cut-off grade used for the calculation.



Plan Map Showing Drill Hole and Assay Locations just East of Pit #1

The mineralized zone at the western extension of Pit #2 contains a collection of multiple veins with sulfide mineralized halos. The zone contains 2 distinct sub-parallel mineralized veins which connect with the former Pit #2 to the east. The true thickness of these mineralized structures varies between 2m and 11m. 200-series holes in this zone are GR-21-26 and GR-21-28.

Drill holes GR-21-15, GR-21-16, GR-21-17 & GR-21-18 were designed to verify if gold mineralization was present beneath the Orphan Tailings Pond. These new assays confirm that the gold mineralization is both present and continuous at depth.

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Drill interval results from 2021 press releases

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)	Objective/Location
GR-16 14W1	667.55	668.05	0.50	2.76	Extends under Pit-Constrained Resource
AND	852.65	853.65	1.00	2.82	Extends under Pit-Constrained Resource
GR-16-14W2	665.30	666.42	1.12	0.42	Extends under Pit-Constrained Resource
AND	690.00	694.00	4.00	1.38	Extends under Pit-Constrained Resource
AND	808.50	811.20	2.70	1.25	Extends under Pit-Constrained Resource
AND	864.00	865.00	1.00	3.85	Extends under Pit-Constrained Resource
AND	907.85	908.85	1.00	4.26	Extends under Pit-Constrained Resource
GR-16-14W3	712.60	714.00	1.40	7.84	Extends under Pit-Constrained Resource
AND	826.50	827.50	1.00	1.14	Extends under Pit-Constrained Resource
AND	849.00	850.45	1.45	1.22	Extends under Pit-Constrained Resource
AND	886.00	891.00	5.00	7.63	Extends under Pit-Constrained Resource
Including	888.00	888.65	0.65	53.50	Extends under Pit-Constrained Resource
GR-20-15	331.15	336.15	5.00	1.43	Extends under Pit-Constrained Resource
AND	346.65	349.65	3.00	2.85	Extends under Pit-Constrained Resource
AND	399.00	402.45	3.45	3.64	Extends under Pit-Constrained Resource
Including	400.50	402.45	1.95	6.41	Extends under Pit-Constrained Resource
GR-20-17	294.00	303.00	9.00	1.40	Extends under Pit-Constrained Resource
Including	301.50	303.00	1.50	5.25	Extends under Pit-Constrained Resource
AND	318.00	321.00	3.00	2.05	Extends under Pit-Constrained Resource
AND	364.00	367.75	3.75	1.83	Extends under Pit-Constrained Resource
Including	367.00	367.75	0.75	5.75	Extends under Pit-Constrained Resource
GR-20-18	510.50	513.50	3.00	2.47	Extends under Pit-Constrained Resource
AND	526.40	529.40	3.00	1.66	Extends under Pit-Constrained Resource
AND	564.50	567.00	2.50	2.17	Extends under Pit-Constrained Resource
AND	596.70	600.00	3.30	2.64	Extends under Pit-Constrained Resource
GR-20-19	498.50	504.50	6.00	1.90	Extends under Pit-Constrained Resource
Including	503.00	504.50	1.50	6.20	Extends under Pit-Constrained Resource
AND	577.50	584.12	6.62	2.35	Extends under Pit-Constrained Resource
Including	583.12	584.12	1.00	13.20	Extends under Pit-Constrained Resource
GR-20-21	560.40	563.40	3.00	3.93	Extends under Pit-Constrained Resource
Including	560.40	561.90	1.50	7.80	Extends under Pit-Constrained Resource
AND	617.40	621.40	4.00	107.80	Extends under Pit-Constrained Resource
AND	759.60	760.10	0.50	3.35	Extends under Pit-Constrained Resource
GR-20-21W4	572.20	573.45	1.25	5.09	Extends under Pit-Constrained Resource
Including	572.20	572.70	0.50	12.48	Extends under Pit-Constrained Resource
AND	592.25	597.00	4.75	3.03	Extends under Pit-Constrained Resource
Including	593.25	594.25	1.00	11.60	Extends under Pit-Constrained Resource
GR-20-21W5	530.75	533.75	3.00	2.31	Extends under Pit-Constrained Resource
Including	532.25	533.75	1.50	4.07	Extends under Pit-Constrained Resource
AND	552.00	554.00	2.00	3.02	Extends under Pit-Constrained Resource
Including	552.00	553.00	1.00	5.53	Extends under Pit-Constrained Resource
AND	628.60	630.60	2.00	3.45	Extends under Pit-Constrained Resource
Including	629.60	630.60	1.00	6.86	Extends under Pit-Constrained Resource
GR-20-121	0.00	9.00	9.00	0.45	follow-up on stripped vein extension -vertical
and	15.00	18.00	3.00	7.90	follow-up on stripped vein extension - vertical
including	15.00	16.50	1.50	15.65	follow-up on stripped vein extension - vertical
GR-20-122	0.00	10.50	10.50	3.25	follow-up on stripped vein extension - vertical
including	0.00	4.50	4.50	6.45	follow-up on stripped vein extension - vertical
and	67.50	78.00	7.00	0.66	follow-up on stripped vein extension - vertical
and	87.35	91.45	4.10	3.06	follow-up on stripped vein extension - vertical
including	88.85	91.45	2.60	4.46	follow-up on stripped vein extension - vertical
GR-21-01	191.25	195.40	4.15	1.62	Infill between GR-11-362 & GR-11-393
Including	193.40	194.40	1.00	3.82	Infill between GR-11-362 & GR-11-393
AND	223.90	227.05	3.15	0.81	Infill between GR-11-362 & GR-11-394

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AND	236.00	240.10	4.10	1.54	Infill between GR-11-362 & GR-11-395
Including	236.00	237.00	1.00	4.69	Infill between GR-11-362 & GR-11-396
AND	252.10	253.10	1.00	2.20	Infill between GR-11-362 & GR-11-397
AND	314.75	318.22	3.47	2.32	Infill between GR-11-362 & GR-11-398
Including	314.75	315.75	1.00	7.55	Infill between GR-11-362 & GR-11-399
AND	341.40	342.50	1.10	4.53	Infill between GR-11-362 & GR-11-400
GR-21-02	361.10	364.85	3.75	2.61	Infill between GR-11-362 & GR-11-401
Including	363.85	364.85	1.00	7.91	Infill between GR-11-362 & GR-11-402
GR-21-12	331.10	334.50	3.40	1.05	East of Orphan Tailings
AND	367.35	369.00	1.65	1.11	East of Orphan Tailings
AND	379.65	382.95	3.30	1.52	East of Orphan Tailings
AND	456.00	459.85	3.85	1.77	East of Orphan Tailings
Including	457.45	458.70	1.25	4.68	East of Orphan Tailings
GR-21-15	229.00	232.05	3.05	1.05	North of Pit #1 & Under Orphan Tailings
GR-21-15	362.55	368.35	5.80	0.89	North of Pit #1 & Under Orphan Tailings
GR-21-15	391.45	393.00	1.55	4.38	North of Pit #1 & Under Orphan Tailings
GR-21-16	235.00	239.90	4.90	3.16	Northeast of Pit #1 Under Orphan Tailings
Including	237.70	238.40	0.70	11.90	Northeast of Pit #1 Under Orphan Tailings
GR-21-16	374.05	378.00	3.95	1.15	Northeast of Pit #1 Under Orphan Tailings
GR-21-17	395.25	397.25	2.00	1.49	Northeast of Pit #1 Under Orphan Tailings
GR-21-17	444.00	452.45	8.45	2.77	Northeast of Pit #1 Under Orphan Tailings
Including	444.00	445.50	1.50	15.15	Northeast of Pit #1 Under Orphan Tailings
GR-21-17	498.00	500.95	2.95	1.37	Northeast of Pit #1 Under Orphan Tailings
GR-21-22	111.70	112.90	1.20	2.37	Northeast of Pit#1
GR-21-22	165.90	173.65	7.75	1.25	Northeast of Pit#1
GR-21-22	190.25	194.00	3.75	1.10	Northeast of Pit#1
GR-21-23	135.50	141.50	6.00	5.54	Northeast of Pit#1
including	135.50	136.50	1.00	31.30	Northeast of Pit#1
GR-21-23	188.00	193.00	5.00	0.86	Northeast of Pit#1
GR-21-23	214.50	221.60	7.10	2.44	Northeast of Pit#1
including	214.50	215.50	1.00	11.70	Northeast of Pit#1
GR-21-24	243.75	255.45	11.70	0.78	Northeast of Pit#1
including	247.70	248.30	0.60	5.40	Northeast of Pit#1
including	254.90	255.45	0.55	4.99	Northeast of Pit#1
GR-21-24	336.30	340.70	4.40	0.57	Northeast of Pit#1
GR-21-24	425.85	426.35	0.50	5.73	Northeast of Pit#1
GR-21-25	169.05	170.20	1.15	2.82	Northeast of Pit#1
GR-21-25	182.45	189.00	6.55	1.01	Northeast of Pit#1
GR-21-25	201.00	206.10	5.10	1.14	Northeast of Pit#1
including	205.60	206.10	0.50	10.05	Northeast of Pit#1
GR-21-25	258.80	261.00	2.20	3.54	Northeast of Pit#1
GR-21-25	273.20	276.70	3.50	2.43	Northeast of Pit#1
GR-21-25	289.00	291.50	2.50	2.43	Northeast of Pit#1
including	290.00	290.55	0.55	10.75	Northeast of Pit#1

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Intervals from 200-series holes

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)	Objective/Location
GR-20-126	0.00	20.50	20.50	3.43	follow-up on stripped vein extension - down dip
including	11.00	13.00	2.00	4.12	follow-up on stripped vein extension - down dip
including	16.00	18.00	2.00	14.90	follow-up on stripped vein extension - down dip
GR-21-05	37.50	54.00	16.50	12.61	200-series Main Zone Pit #1 - drilled down-dip
Including	39.75	40.50	0.75	23.52	200-series Main Zone Pit #1 - drilled down-dip
Including	43.00	43.50	0.50	62.08	200-series Main Zone Pit #1 - drilled down-dip
Including	44.50	45.00	0.50	23.64	200-series Main Zone Pit #1 - drilled down-dip
Including	46.50	47.00	0.50	31.26	200-series Main Zone Pit #1 - drilled down-dip
Including	51.00	51.50	0.50	27.86	200-series Main Zone Pit #1 - drilled down-dip
AND	79.00	109.50	30.50	3.49	200-series Main Zone Pit #1 - drilled down-dip
Including	109.00	109.50	0.50	66.54	200-series Main Zone Pit #1 - drilled down-dip
AND	188.50	189.50	1.00	12.76	200-series Main Zone Pit #1 - drilled down-dip
AND	261.00	262.50	1.50	3.53	200-series Main Zone Pit #1 - drilled down-dip
GR-21-09	21.00	24.00	3.00	4.11	200-series Main Zone Pit #1 - drilled down-dip
AND	87.00	88.50	1.50	3.24	200-series Main Zone Pit #1 - drilled down-dip
AND	115.60	117.00	1.40	34.20	200-series Main Zone Pit #1 - drilled down-dip
Including	116.10	117.00	0.50	95.00	200-series Main Zone Pit #1 - drilled down-dip
GR-21-10	42.50	46.50	4.00	3.73	200-series Main Zone Pit #1 - drilled down-dip
Including	46.00	46.50	0.50	22.80	200-series Main Zone Pit #1 - drilled down-dip
AND	60.00	65.60	5.60	7.16	200-series Main Zone Pit #1 - drilled down-dip
AND	109.00	112.25	3.25	1.58	200-series Main Zone Pit #1 - drilled down-dip
GR-21-11	23.50	26.05	2.55	0.78	200-series Main Zone Pit #1 - drilled down-dip
GR-21-18	364.75	379.55	14.80	0.75	Northeast of Orphan Tailings - drilled down-dip
AND	427.15	429.00	1.85	1.46	Northeast of Orphan Tailings - drilled down-dip
AND	517.55	520.20	2.70	1.91	Northeast of Orphan Tailings - drilled down-dip
AND	578.35	592.15	13.80	1.02	Northeast of Orphan Tailings - drilled down-dip
including	578.35	579.80	1.45	4.69	Northeast of Orphan Tailings - drilled down-dip
AND	879.00	882.25	3.25	4.70	Northeast of Orphan Tailings - drilled down-dip
Including	880.00	880.70	0.70	21.50	Northeast of Orphan Tailings - drilled down-dip
GR-21-26	19.35	129.00	109.65	1.11	200-series Main Zone Pit #2 - drilled down-dip
Including	19.85	21.55	1.70	15.35	200-series Main Zone Pit #2 - drilled down-dip
Including	20.40	20.90	0.50	29.00	200-series Main Zone Pit #2 - drilled down-dip
Including	114.00	121.70	7.70	7.13	200-series Main Zone Pit #2 - drilled down-dip
Including	114.00	115.75	1.75	9.32	200-series Main Zone Pit #2 - drilled down-dip
Including	121.05	121.70	0.65	53.70	200-series Main Zone Pit #2 - drilled down-dip
GR-21-28	4.10	12.95	8.85	7.20	200-series Main Zone Pit #2 - drilled down-dip
Including	6.95	9.25	2.30	13.62	200-series Main Zone Pit #2 - drilled down-dip
Including	11.05	11.85	0.80	28.10	200-series Main Zone Pit #2 - drilled down-dip

In late 2021, the Company began preparations for extracting a bulk sample on the extension of high- grade zone on Mining Lease BM813 in 2022 (Press Release, December 8, 2021). Stripping of overburden has been initiated and block sorting of historical broken mineralized material on BM813 continued as part of its ongoing work to assess the grade on the structure east of former Pit #1. This work will enable extraction and sampling of the mineralized structures which links to the structure on the mining lease BM 852 where a previous bulk sample was taken 250m to the East (see Press Release June 16, 2021).

On March 15, 2021 the Company released an updated NI 43-101 resource estimate for the Granada Gold project (see January 29, 2021 news release) with a combined total of 713,000 gold ounces of measured, indicated, and inferred. This estimate contains 351,000 gold ounces of combined measured, indicated, and inferred for the open pit and 362,000 gold ounces of combined measured, indicated, and inferred for the underground. Please see Table 2 below for full details. Report reference: Granada Gold Project Mineral Resource Estimate Update, Rouyn-Noranda, Quebec, Canada authored by Yann Camus, P.Eng. and Maxime Dupéré, B.Sc, P.Geo., SGS Canada Inc. with an effective date of December 15, 2020 and signature date of March 15, 2021.

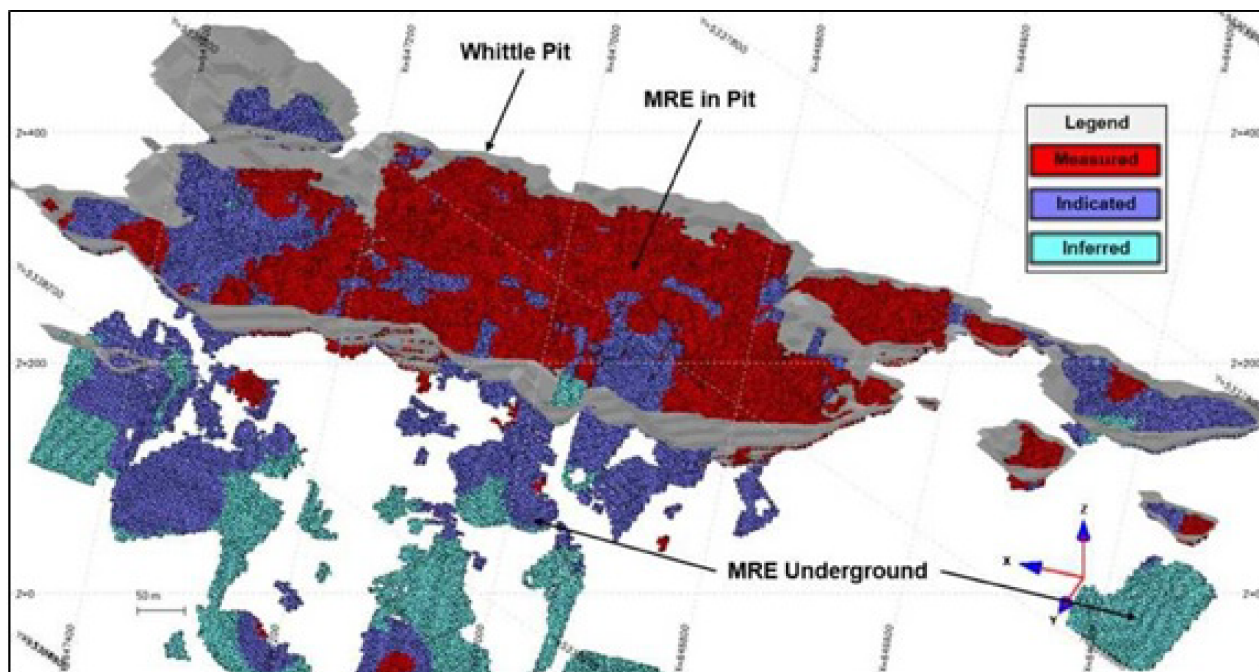


**Updated Mineral Resource Estimate Base Case with Details Between the Open Pit Portion and the Underground Portion**

Type	Category	Tonnes	Avg Grade Au (g/t)	Gold Ounces
Open Pit	Measured	3,756,000	1.89	228,000
	Indicated	1,357,000	2.55	111,000
	<b>Measured + Indicated</b>	<b>5,113,000</b>	<b>2.06</b>	<b>339,000</b>
	Inferred	34,000	11.29	12,000
Underground	Measured	37,000	4.22	5,000
	Indicated	807,000	4.02	104,000
	<b>Measured + Indicated</b>	<b>844,000</b>	<b>4.03</b>	<b>109,000</b>
	Inferred	1,244,000	6.33	253,000

1. Cut-off grades are based on a gold price of US\$1,600 per ounce, a foreign exchange rate of US\$0.76 for CA\$, a gold recovery of 93%
2. Pit constrained mineral resources are reported at a cut-off grade of 0.9 g/t Au within a conceptual pit shell
3. Underground mineral resources are reported at a cut-off grade of 3.0 g/t Au within reasonably mineable volumes

**Isometric View Looking South-southeast Showing the Block Model of the Granada Deposit Updated Mineral Resource by Category, and its Whittle Pit**



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The Company released, on March 23, 2021 and further results on May 12, 2021, some significant levels of Scandium (Sc), Rubidium (Rb), and Cesium (Cs) on the Big Claim of the Granada Gold Mine property, in Quebec, Canada. The company encountered unusual facies of altered rock which have been selectively sampled. Those core samples from holes GR-20-20 and GR-20-22 have been assayed for 56 metals. Hole GR-20-22 intercepted 21 distinct mineralized zones ranging in core length from 2.8 metres up to 177 metres.

Hole	Length metres	From metres	To metres	Cs ppm	Rb ppm	Sc ppm	Zr ppm	Ce ppm	Ga ppm	Hf ppm	Nd ppm	Sr ppm
GR-20-20	12.00	351.00	363.00	13.5	101.8	21.0						
GR-20-20	98.00	451.00	549.00	3.5	69.1	13.8						
GR-20-20	15.00	573.00	588.00	1.1	42.1	12.2						
GR-20-22	53.00 ( I )	1053.00	1106.50	6.6	340.2	1.0	724.3	123.0	32.5	18.3	34.4	150.9
GR-20-22	35.00 ( II )	1291.00	1326.00	6.6	144.7	9.0	301.5	121.4	19.7	7.8	53.6	1285.4
GR-20-22	30.00( III )	1596.00	1626.00	4.8	83.4	14.8	161.7	67.8	20.4	4.4	31.3	489.3

Core lengths represent approximately 40 percent true width.

Equivalent Range Intercepts (I), (II), and (III) (from hole GR-20-22 – see table above) were calculated without Caesium and Rubidium as no active market for the metals could be identified at present. Inclusion into the Equivalent Range Value of intercepts would present values of 404.8 and 5,273.1 US dollars per tonne for Caesium and Rubidium respectively for Intercept (I). For comparison purposes, in gold equivalents 6.83 and 89.0 g/t over 53 metres respectively.

Equivalent Range Value for Intercept (I) is 80.8 to 93.8 US dollars per tonne.

In gold equivalents 1.36 g/t to 1.58 g/t over 53 metres.

Gold 59.24 US dollars per gram (<https://www.jmbullion.com/charts/gold-price/>).

Equivalent Range Value for Intercept (II) is 110.9 to 228.3 US dollars per tonne.

In gold equivalents 1.87 g/t to 3.85 g/t over 35 metres.

Equivalent Range Value for intercept (III) is 133.6 to 326.0 US dollars per tonne.

In gold equivalents 2.25 g/t to 5.50 g/t over 30 metres.

In comparison, gold is currently mined from underground at values down to 2 g/t gold in Ontario, Canada (<https://miningdataonline.com/property/1484/Young-Davidson-Mine.aspx#Geology>).

Whereas Granada Gold Mine's target underground gold grade is 4 g/t over a mining width of 1.5 to 2 metres.

Details of the uses and market price ranges, as well as links to additional information of rare earth and alkali metals, can be found in the Company's press releases of March 23, 2021 and May 12, 2021.

Granada's rare earth and alkali metal discovery was encountered during the Company's deep drilling program for gold on the defined gold zone that is dipping at 50 degrees to the north towards the renowned Cadillac Break. The target depth for the gold mineralization extension in the northern portion of the Big Claim is about 2,500 metres. The 1.6 kilometre step out between these two holes and along the Cadillac Break could potentially be a massive rare earth and alkali metals mineralized discovery zone which would greatly impact the value of the property. The company has 5.5 kilometres of east- west strike length to further explore along the Cadillac Break. Drill results to date are exceptionally encouraging.

The company is taking action on characterizing the minerals of these elements. It has sent samples to SGS Minerals in Ontario for advanced mineral analysis under the direction of Tassos Grammatikopoulos, Mineralogist at SGS Lakefield Research.

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In January 2022, the Company released results of SGS Bench-scale test work where leach extraction of 99% rubidium was achieved using its Re-2Ox process thereby demonstrating its flexibility in treating other feeds using the same chemicals and process equipment there were used to produce base metal EV salts. Drill core from the EV battery metals discovery zone, from the northern part of the Big Claim at Granada Gold Mine, was used for the test work at SGS Canada. The core was crushed and ground to 80 percent passing 200 mesh, followed by a conventional flotation process to remove pyrite. Pyrite removal minimizes chemical consumption during the Re-2Ox leaching process. Multiple bench-scale tests were undertaken to optimize leach extraction, achieving 99 percent of contained rubidium metal, by varying leach time, chemical concentrations, and temperatures. Project economics are thus enhanced by having gold bullion as the primary metal recovery, and rubidium carbonate as a secondary by-product metal recovery (Press release, January 11, 2022).

Additionally, SGS Canada has been retained to conduct metallurgical and environmental studies for the planned application to modify the Company's existing Quebec Certificate of Authorization, which currently allows for the open-pit mining of 8,000 tonnes per day at the property and the custom milling of 550 tonnes per day (200,000 tonnes per year) at a local mill. SGS Canada will be testing ore processing with the addition of calcite with gravity and cyanidation of gravity tails, as well as processing the ore by gravity and flotation for production of gold sulfides concentrates. (Press release November 15, 2021).

## **RISK FACTORS**

### **Overview**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk, including commodity price risk;
- foreign currency exchange risk;
- interest rate risk; and
- operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the notes to the three months ended September 30, 2022, and the year ended June 30, 2022 financial statements.

### **Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfills its responsibility through the Audit Committee, which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined.

The Company's risk and control framework is facilitated by the small-sized and hands-on executive team. There have been no changes in the risks, objectives, policies and procedures during the periods ended September 30, 2022 and 2021.

Credit risk is the risk of an unexpected financial loss to the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and receivables.

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**a) Cash and cash equivalents**

The Company's cash is held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board. The Company does not own asset-backed commercial paper. Management believes the risk of loss to be minimal.

**b) Receivables**

When necessary, the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. Further, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations. Management believes that the credit risk with respect to financial instruments included in receivables is minimal.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation. The Company generates cash flow primarily from its financing activities.

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. Spending plans are adjusted accordingly when possible to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

The Company has no significant long-term liabilities. All other contractually obligated cash flows are payable within the next fiscal year.

**Classification of Financial Instruments**

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, trade, marketable securities, other payables and provisions, and secured loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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As at September 30, 2022 and June 30, 2022, the Company did not have any assets measured at fair value and that require classification within the fair value hierarchy, except for its marketable securities:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
September 30, 2022 - marketable securities	242,913	43,384	-	286,297
June 30, 2022 - marketable securities	285,780	57,051	-	342,831
<b>Total</b>	<b>528,693</b>	<b>100,435</b>	<b>-</b>	<b>629,128</b>

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate risk, and commodity prices will affect the Company's income, the value of its evaluation and exploration properties or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**a) Commodity price risk**

The Company is exposed to price risk with respect to fluctuation in gold and silver prices which impacts the future economic feasibility of its mining interests. Gold and silver prices are affected by numerous factors such as the sale or purchase of gold and silver by various institutions, interest rates, exchange rates, inflations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold and silver producing countries throughout the world. As the Company is still in the exploration and evaluation stage, the fluctuation of gold and silver prices does not have a significant impact on the Company.

**b) Foreign currency exchange risk**

The Company is exposed to foreign currency exchange risk with respect to future gold and silver sales, since gold and silver sales are denominated in US dollars and the Company's functional and reporting currency is the Canadian dollar. The movement on US rates related to the Canadian dollar may impact the future economic feasibility of the Company's mining interests. As the Company is still in the exploration and evaluation stage, the fluctuation of the US dollar does not have a significant impact on the Company.

**c) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balance is to invest excess cash in financial instruments guaranteed by and held with a Canadian chartered bank.

**d) Price risk**

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

### **Sensitivity Analysis**

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- i) The Company receives low interest rates on its cash balances and carries debt with fixed interest rates. As such, the Company does not have significant interest rate risk.
- ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign currency risk.
- iii) The Company's receivables are composed primarily of refundable sales taxes owing from the government of Canada. As such, the Company does not have significant credit risk relating to its receivables.
- iv) The Company's marketable securities are comprised of common shares and warrants of CCW. A 10% change in the share price of the Company's marketable securities would result in a corresponding change to net loss in the amount of \$28,630 for the period ended September 30, 2022.

### **Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. The Company has a small but hands-on and experienced executive team which facilitates communication across the Company. This expertise is supplemented, when necessary, by the use of experienced consultants in legal, compliance and industry-related specialties. The Company also has standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Development of contingency plans;
- Ethical and business standards; and
- Risk mitigation, including insurance when this is effective and available.

### **CAPITAL MANAGEMENT DISCLOSURES**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation projects. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise and ability to raise financing of the Company's management to sustain future development of the business.

The Company considers its capital to be shareholders' equity, which is comprised of common shares, reserves and deficit, which as at September 30, 2022 totaled a shareholders' deficiency of \$8,306,777 (June 30, 2022 – \$7,595,462).

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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The Company currently has no significant source of revenues, and therefore is dependent on external financing to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended September 30, 2022 and 2021.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of September 30, 2022, the Company may not be compliant with all of the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

**SELECTED QUARTERLY INFORMATION**

**RESULTS OF OPERATIONS**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates.

The following schedule provides the details of the Company's corporate operating expenditures for the three months ended September 30, 2022 and 2021.

	<b>Three Months September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Corporate</b>		
Accretion	-	-
Administrative and general expenses	<b>9,178</b>	19,024
Financing fees	<b>23,997</b>	35,923
Professional fees	<b>194,302</b>	447,724
Filing costs and shareholders' information	<b>8,455</b>	36,319
Travel	-	(576)
<b>Total corporate</b>	<b>235,932</b>	538,414

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The following schedule provides the details of the Company's expenditures on its exploration and evaluation projects for the three months ended September 30, 2022 and 2021.

	Three Months September 30,	
	2022	2021
	\$	\$
<b>Exploration and evaluation</b>		
Assay and testing	5,426	4,462
Consulting fees	2,000	2,307
Core analysis	28,790	170,677
Depreciation	10,660	12,236
Drilling	124,809	290,287
Equipment	3,143	8,146
Facility expenses	24,975	9,727
Geology, geophysics and surveys	35,111	38,965
Mining tax credits	-	(90,108)
Project management and engineering	124,806	315,374
Reclamation and restoration costs	3,741	1,015
Security	159	-
Taxes, permits and licensing	386	384
<b>Total exploration and evaluation</b>	<b>364,006</b>	<b>763,472</b>

**Three months ended September 30, 2022, compared with three months ended September 30, 2021**

Comprehensive loss for the three months ended September 30, 2022 was \$711,315 as compared to \$2,056,036 for the three months ended September 30, 2021. The decrease in comprehensive loss of \$1,344,721 was mainly attributable to the net effect of:

A decrease of \$399,466 in exploration expenses driven primarily by decreased drilling expenses, project management expenses, and reduction in mining tax credits.

A decrease of \$302,482 in corporate expenses caused primarily by a decrease marketing activities compared to the prior period.

A decrease of \$642,773 in other expenses driven primarily unrealized loss on marketable securities of \$56,534 in the three months ended September 30, 2022 versus an unrealized loss on marketable securities of \$692,432 in the prior year, and offset by a increase in the flow-through indemnification provision of \$86,146.

**Summary of Quarterly Results**

Quarter Ended	Revenues (\$)	Comprehensive Income (Loss) for the period (\$)	Income (Loss) per Share - Basic and Diluted (\$)
September 30, 2022	48,950	(711,315)	(0.005)
June 30, 2022	20,300	(307,549)	(0.002)
March 31, 2022	20,300	(307,549)	(0.002)
December 31, 2021	23,700	(1,197,858)	(0.009)
September 30, 2021	25,100	(2,056,036)	(0.017)
June 30, 2021	37,708	(518,639)	(0.004)
March 31, 2021	24,100	(1,881,930)	(0.017)
December 31, 2020	31,930	(1,313,485)	(0.012)



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**LIQUIDITY**

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of warrants and stock options. The Company will continue to seek capital through various means including the issuance of capital stock.

The Company is in the exploration stage. These financial statements are prepared in accordance with accounting principles to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise the necessary financing to meet its obligations, and to achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

As at September 30, 2022, the Company had not yet achieved profitable operations, has accumulated losses of \$82,888,951 (June 30, 2022 - \$82,177,636) since its inception, has a working capital deficiency of \$8,449,652 (June 30, 2022 - \$7,752,737) and expects to incur further losses in the development of its business.

The Company received \$1,700,000 from flow-through share issuances. The Company believes the full amount will be spent on qualified exploration expenditures. As at September 30, 2022, the Company has \$841,825 remaining to be spent.

**RELATED PARTY TRANSACTIONS**

The Company determined that key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The Board of Directors (executive and non-executive), President and Chief Executive Officer and Chief Financial Officer are key management personnel.

The remuneration to key management personnel during the three months ended September 30, 2022 and 2021 is as follows:

	Three Months September 30,	
	2022	2021
Key management compensation	\$ <b>183,630</b>	\$ 129,999
	<b>183,630</b>	<b>129,999</b>

The Company retains the services of a company owned by an officer and director of the Company to carry out exploration work on its resource properties and for management services. During the three months ended September 30, 2022, the total amount for such services provided was \$110,001 (September 30, 2022 - \$110,001) of which \$110,000 (September 30, 2022 - \$110,000) was recorded in exploration expenses and \$1 (June 30, 2022 - \$1) in professional fees. As at September 30, 2022, the Company has a balance of \$125,140 (June 30, 2022 - \$207,167) outstanding to the company owned by the officer and director. These amounts are unsecured, non-interest bearing and due on demand.

As of September 30, 2022, the Company owed \$2,395,764 (June 30, 2022 - \$2,395,764) to CCW, a related party in which there are four common directors and three common officers. These amounts are unsecured, non-interest bearing and due on demand.

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During the period ended September 30, 2022, the Company recorded \$48,950 in equipment rental revenue (September 30, 2022 - \$25,100) from CCW, \$53,984 (June 30, 2022 - \$62,911) of which was recognized as amounts receivable on September 30, 2022. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

As at September 30, 2022, the Company has loans outstanding with certain shareholders in the amount of \$1,206,325 (June 30, 2022 - \$1,182,329)

Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. ("MRMSC"), a company controlled by Frank Basa and Elaine Basa, to provide project management, engineering and geological services to the Company in consideration of \$25,000 per month for the services of Frank Basa and \$11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving a four months' notice to the other, subject to certain provisions of the agreement.

## **COMMITMENTS AND CONTINGENCIES**

### **Environmental obligations**

The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline. As at September 30, 2022, to the best knowledge of its management, the Company is, in conformity with the laws and regulations.

### **Flow-through obligations**

The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:

- i) Two years following the flow-through investment;
- ii) One year after the Company has renounced the tax deductions relating to the exploration work.

During the three months ended September 30, 2022, the Company received \$1,700,000 from flow-through share issuances. The Company believes the full amount will be spent on qualified exploration expenditures.

The Company has indemnified the subscribers of current and previous flow-through offerings against any tax related amounts that become payable by shareholders in the event the Company does not meet its expenditure commitment.

### **Canada Revenue Agency audit**

The Canada Revenue Agency ("CRA") is auditing certain of the Company's corporate tax returns and flow-through filings from 2012 to 2017 and has assessed that the Company had flow-through shortfalls in certain of those years. Accordingly, the Company has recorded a provision for the estimated cost to indemnify flow-through share subscribers for their possible personal income tax reassessments.

In estimating the liability, the Company has assumed the following:

- The subscribers would be taxable at the highest marginal personal tax rate;
- That all non-corporate subscribers are eligible for the federal 15% investment tax credit; and
- That Quebec subscribers are eligible for the 150% or 120% additional CEE deduction.

The ultimate amount owing and the timing of any payments to investors are highly uncertain as they are dependent on each taxpayer's individual tax situation as well as if, or when, they are reassessed by the CRA.

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The Company has also accrued the estimated Part XII.6 tax and similar Quebec tax on the potential shortfalls.

The CRA has also assessed penalties of approximately \$2,200,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and has filed Notices of Objection to dispute the assessment. The outcome of the Notices of Objection cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

A continuity of the provision for the shareholder indemnity for the period ended September 30, 2022 and year ended June 30, 2022 is as follows:

	September 30, 2022	June 30, 2022
Opening balance	\$ 4,521,831	\$ 4,321,374
Accrual for additional provision and interest	75,704	234,206
Settlement against liability	-	(33,749)
<b>Ending balance</b>	<b>4,597,535</b>	<b>4,521,831</b>

**Service agreements**

The Company has consulting service agreements with related parties (certain officers and directors).

i) Effective January 1, 2007, and amended December 1, 2010, May 16, 2013 and March 1, 2015, the Company entered into a management agreement with Grupo Moje Limited ("Grupo"), a company owned by a director and officer of the Company to provide management services of Frank Basa in consideration for a nominal annual fee of \$1.

This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Grupo equal to 480 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

ii) Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. ("MRMSC"), a company controlled by Frank Basa and Elaine Basa, to provide project management, engineering and geological services to the Company in consideration of \$25,000 per month for the services of Frank Basa and \$11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving a four months' notice to the other, subject to certain provisions of the agreement.

**Claims, lawsuits and other complaints**

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity. The outcome of these litigations cannot be reasonably determined, as a result, no amounts have been accrued as at September 30, 2022.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

**OUTSTANDING SHARE DATA**

The Company's authorized capital is an unlimited number of common shares without par value. As at the date of this report there were 150,542,828 shares issued and outstanding. The Company had 52,993,363 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at a price of \$0.075 to \$0.28 per share until April 1, 2025. Stock options outstanding total 3,725,000, and are exercisable for common shares at \$0.10 to \$0.40 per share until March 11, 2026.