MURCHISON MINERALS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor.

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)
As at

	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash	$ 7,469,947	$ 1,792,033
Amounts receivable and prepaid expenses (Note 6)	173,407	319,396
Total current assets	7,643,354	2,111,429
Investment (Note 7)	-	2,584
Property and equipment (Note 8)	98,627	110,864
Total assets	**$ 7,741,981**	**$ 2,224,877**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 514,446	$ 211,305
Loan payable (Note 15)	10,578	10,578
Flow-through share premium liability	1,094,328	191,896
Total current liabilities	1,619,352	413,779
Loan payable (Note 15)	25,607	29,385
Total liabilities	1,644,959	443,164
EQUITY		
Share capital (Note 10)	41,638,236	35,881,469
Reserves (Notes 11 and 12)	2,232,712	1,876,352
Deficit	(37,773,926)	(35,976,108)
Total equity	6,097,022	1,781,713
Total equity and liabilities	**$ 7,741,981**	**$ 2,224,877**

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Note 14)
Subsequent events (Note 16)

Approved on Behalf of the Board:

"signed"	*"signed"*
Jean-Charles Potvin	Denis Arsenault
Director	Director

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

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months			Six Months		
Three and Six Months Ended June 30,	**2022**	**2021**		**2022**		**2021**
EXPENSES						
Exploration expenses (Note 9)	1,174,366	422,150	$	1,409,044	$	1,576,058
Professional fees	7,913	13,053		21,699		21,272
Management fees and salaries (Note 13)	94,943	56,919		209,440		147,700
Office and general	40,748	10,566		62,462		24,796
Regulatory and transfer agent	480	702		85,425		13,428
Investor relations	145,919	40,325		274,728		74,704
Share-based payments (Notes 12 and 13)	19,738	37,897		40,228		42,243
Loss before the under noted	**1,484,107**	**581,612**		**2,103,026**		**1,900,201**
Interest income	(7,010)	(1,226)		(8,976)		(2,862)
Other income	(9,000)	-		(33,000)		-
Flow-through shares premium	(191,269)	(70,173)		(226,707)		(119,611)
Loss on marketable securities (Note 7)	669	(862)		841		(517)
Loss for the period	**1,277,497**	**509,351**	**$**	**1,835,184**	**$**	**1,777,211**
Loss per share - basic and diluted	**0.01**	**0.00**	**$**	**0.01**	**$**	**0.02**
Weighted average number of common shares outstanding - basic and diluted	171,116,022	101,936,177		160,264,256		105,400,265

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

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital	Reserves: Equity settled share-based payments reserve	Reserves: Warrants reserve	Deficit	Total
Balance, December 31, 2020	**$ 32,305,495**	**$ 833,830**	**$ 185,875**	**$ (31,327,782)**	**$ 1,997,418**
Net loss for the period	-	-	-	(1,777,211)	(1,777,211)
Issuance of common shares (net of issue costs)	643,788	-	-	-	643,788
Issuance of stock options / share-based compensation	-	42,243	-	-	42,243
Issuance of warrants	-	-	114,357	-	114,357
Balance, June 30, 2021	**$ 32,949,283**	**$ 876,073**	**$ 300,232**	**$ (33,104,993)**	**$ 1,020,595**
Balance, December 31, 2021	**$ 35,881,469**	**$ 1,162,025**	**$ 714,327**	**$ (35,976,108)**	**$ 1,781,713**
Net loss for the period	-	-	-	(1,835,184)	(1,835,184)
Issuance of common shares (net of issue costs)	5,426,385	-	-	-	5,426,385
Issuance of stock options / share-based compensation	-	40,228	-	-	40,228
Issuance of warrants	-	-	683,880	-	683,880
Exercise of warrants	330,382	-	(330,382)	-	-
Expiry of warrants	-	-	(37,366)	37,366	-
Balance, June 30, 2022	**$ 41,638,236**	**$ 1,202,253**	**$ 1,030,459**	**$ (37,773,926)**	**$ 6,097,022**

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

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2022	**2021**	**2022**	**2021**
CASH (USED IN) PROVIDED BY:				
OPERATING ACTIVITIES				
Loss for the period	$ (1,277,497)	$ (509,351)	$ (1,835,184)	$ (1,777,211)
Share-based payments	19,738	37,897	40,228	42,243
Flow-through shares premium	(191,269)	(70,173)	(226,707)	(119,611)
Loss (gain) on marketable securities	668	(862)	841	(517)
Amortization	9,078	5,269	18,839	9,382
	(1,439,282)	(537,220)	(2,001,983)	(1,845,714)
Net change in non-cash working capital items:				
Amounts receivable and prepaid expenses	303,402	224,898	145,989	(88,082)
Accounts payable and accrued liabilities	476,903	138,062	303,141	215,284
Net cash flows used by operating activities	(658,977)	(174,260)	(1,552,853)	(1,718,512)
INVESTING ACTIVITIES				
Acquisition of property and equipment	-	(41,627)	(6,602)	(41,627)
Proceeds from sale of marketable securities	1,743	-	1,743	-
Net cash flows used by investing activities	1,743	(41,627)	(4,859)	(41,627)
FINANCING ACTIVITIES				
Issuance of common shares	5,515,709	-	7,475,495	800,000
Issue costs	(235,147)	-	(236,091)	(41,855)
Loan payable (repayments)	(1,899)	43,586	(3,778)	43,586
Net cash flows provided by financing activities	5,278,663	43,586	7,235,626	801,731
NET CHANGE IN CASH	**4,621,429**	**(172,301)**	**5,677,914**	**(958,408)**
CASH, BEGINNING OF THE PERIOD	**2,848,518**	**1,276,304**	**1,792,033**	**2,062,411**
CASH, END OF THE PERIOD	**$ 7,469,947**	**1,104,003**	**$ 7,469,947**	**$ 1,104,003**
SUPPLEMENTAL CASH FLOW INFORMATION				
Incentive warrants issued	$ 10,808	-	$ 85,260	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Murchison Minerals Ltd. (the "Company" or “Murchison”) was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The condensed interim consolidated financial statements were approved by the Board of Directors on August 29, 2022.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at June 30, 2022, the Company has a cumulative deficit of $37,773,926 (December 31, 2021 - $35,976,108), continuing losses and is not yet generating positive cash flows from operations. However, management believes that its current working capital position is sufficient to support planned operations for the next twelve months.

These condensed interim consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These condensed interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation properties

The acquisition costs of exploration and evaluation properties are expensed the condensed interim consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

Property and equipment

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line
Computers & Software	3 years	Straight-line
Buildings	20 years	Straight-line

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at June 30, 2022 totalled $6,097,022 (December 31, 2021 - $1,781,713). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended June 30, 2022. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the period ended June 30, 2022.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2022, the Company had a cash balance of $7,469,947 (December 31, 2021 - $1,792,033) to settle accounts payable, accrued liabilities and loan payable of $550,631 (December 31, 2021 - $251,268). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loan payable as disclosed in Note 15.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

(Expressed in Canadian Dollars)

4. FINANCIAL RISK FACTORS (Continued)

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal as cash and cash equivalents investments have maturities of three months or less.

Commodity price risk
Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company’s value. As at June 30, 2022, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience, the Company believes the following movements are “reasonably possible” over a one-year period:

(i) Based on cash balances earning interest at June 30, 2022, a 1% change in interest rates would result in a corresponding interest income change of approximately $74,700 for the one-year period.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

		June 2022		December 2021
Financial assets:				
Amortized cost				
Cash	$	7,469,947	$	1,792,033
Amounts receivable		10,170		-
FVPL				
Investment		-		2,584
Financial liabilities:				
Amortized cost				
Accounts payable and accrued liabilities	$	514,446	$	211,305
Loan payable		36,185		39,963

As of June 30, 2022 and December 31, 2021, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

(Expressed in Canadian Dollars)

6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	June 2022	December 2021
Sales tax receivable	$ 113,646	$ 247,327
Other receivable	10,170	-
Prepaid expenses and advances	49,591	72,069
	$ 173,407	$ 319,396

7. INVESTMENT

The Company's investment is classified as fair value through profit and loss ("FVPL") and is carried at fair value. The balance is comprised of the following:

	Number of shares	June 2022	December 2021
First Mining Gold Corp.	8,612	$ -	$ 2,584

During the quarter ended June 30, 2022, the Company sold the 8,612 (2021 – 8,612) common shares of First Mining Gold Corp. and recognized a loss of $841 on the condensed interim consolidated statement of loss.

8. PROPERTY AND EQUIPMENT

	Computers & software	Buildings	Exploration equipment	Total
Period ended June 30, 2021				
Opening net book amount	-	**$ 46,715**	**$ 24,865**	**$ 71,580**
Additions	-	-	41,627	**41,627**
Amortization for the period		(1,220)	(8,162)	**(9,382)**
Closing net book amount	**-**	**$ 45,495**	**$ 58,330**	**$ 103,825**
At June 30, 2021				
Cost	-	$ 48,866	$ 83,664	**$ 132,530**
Accumulated amortization	-	(3,371)	(25,334)	**(28,705)**
Net book amount	**-**	**$ 45,495**	**$ 58,330**	**$ 103,825**

(Expressed in Canadian Dollars)

8. PROPERTY AND EQUIPMENT (Continued)

	Computers & software		Buildings		Exploration equipment		Total
Period ended June 30, 2022							
Opening net book amount	-	**$**	**44,275**	**$**	**66,589**	**$**	**110,864**
Additions	6,602		-		-		**6,602**
Amortization for the period	(550)		(1,220)		(17,069)		**(18,839)**
Closing net book amount	**6,052**	**$**	**43,055**	**$**	**49,520**	**$**	**98,627**
At June 30, 2022							
Cost	6,602	$	48,866	$	107,173	**$**	**162,641**
Accumulated amortization	(550)		(5,811)		(57,653)		**(64,014)**
Net book amount	**6,052**	**$**	**43,055**	**$**	**49,520**	**$**	**98,627**

9. EXPLORATION AND EVALUATION PROPERTIES

Brabant Lake Property – Saskatchewan
As at June 30, 2022, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

HPM Property - Quebec
As at June 30, 2022, the Company holds a 100% interest in certain claims forming the HPM property in Quebec.

Barraute-Landrienne Property - Quebec
On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. ("GAL") granting Murchison an option to earn 100% in 75 mineral claims, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. The first payment of $20,000 due on April 28, 2022 was paid. GAL will retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR can be acquired anytime by the Company for $1.0 million.

The following table details the payments and exploration commitments on an annual basis.

	Timeline	Cash Payments or Number of Consideration Shares	Expenditures
1.	on or before April 28, 2022	$20,000 cash (Paid)	$140,000
2.	on or before April 28, 2023	$20,000 cash	$200,000 ($400,000 cumulative)
3.	on or before April 28, 2024	$30,000 cash	$200,000 ($600,000 cumulative)
4.	on or before April 28, 2025	$30,000 cash	$200,000 ($800,000 cumulative)
5.	on or before April 28, 2026	$200,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both, at the option of Murchison	$200,000 ($1,000,000 cumulative)
6.	on or before April 28, 2027	$200,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both at the option of Murchison	Nil
TOTAL		$100,000 cash and $400,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both at the option of Murchison	$1,000,000

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The following table sets out the exploration expenses for the three months ended June 30, 2022 and 2021.

	June 30, 2022	June 30, 2021
Brabant Lake		
Amortization	$ 14,371	$ 9,382
Drilling	-	1,085,527
General Administrative	1,000	2,084
Geology	74,396	58,957
Geophysics	62,920	36,787
Metallurgy	-	26,132
Government Assistance – Drilling Incentive	(50,000)	-
Mineral Property and Staking	5,350	300
Total Brabant Lake	**$ 108,037**	**$ 1,219,169**
HPM		
Amortization	3,918	-
Geology	618,060	138,358
Geophysics	489,075	183,982
Drilling	147,871	-
General Administrative	5,609	-
Exploration Tax Credits	(7,631)	-
Mineral Property and Staking	15,932	10,117
Total HPM	**$ 1,272,834**	**$ 332,457**
Barraute-Landrienne		
Geology	3,947	18,782
Geophysics	3,567	3,150
Option Payment	20,000	-
Mineral Property and Staking	659	2,500
Total Barraute-Landrienne	**$ 28,173**	**$ 24,432**
Total exploration expenses	**$ 1,409,044**	**$ 1,576,058**

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number		Amount
Balance - December 31, 2020	**98,936,177**	**$**	**32,305,495**
Issuance of common shares (i)	10,000,000		800,000
Issue costs	-		(41,855)
Warrants	-		(114,357)
Balance – June 30, 2021	**108,936,177**	**$**	**32,949,283**
Balance - December 31, 2021	**153,609,785**		**35,881,469**
Exercise of warrants-net of issue costs (ii)	17,682,550		2,349,941
Private placement (iii)	46,919,622		5,353,589
Issue costs	-		(219,004)
Flow-Through Premium (iii)	-		(1,129,139)
Warrants	-		(598,620)
Balance – June 30, 2022	**218,211,957**	**$**	**41,638,236**

(i) On March 5, 2021, Murchison completed a non-brokered private placement and issued 10,000,000 common share units at a price of $0.08 per unit for gross proceeds of $800,000. Each unit consisted of one common share of the Company and one-half common share purchase warrant. Each full warrant entitles the holder to acquire one additional common share until September 5, 2022 at an exercise price of $0.12 per common share.

The fair value of the warrants was estimated at $120,670 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 109%, risk-free interest rate of 0.29%, expected life of 1.5 year and share price of $0.07. Issue costs of $6,313 were allocated to the warrants.

Finder's fees totaling $18,000 were paid under the private placement. Insiders of the Company acquired an aggregate of 4,150,000 units in the private placement for a total of $332,000.

(ii) Between January 10 and February 10, 2022, 7,025,000 warrants exercisable at $0.12 and expiring on January 23 and February 13, 2022 were exercised for gross proceeds of $843,000.

Between March 23 and April 15, 2022, following the implementation of a warrant exercise incentive program, 10,657,550 warrants at a price of $0.12 were exercised for gross proceeds of $1,278,906. As part of the incentive program, the Company issued 5,328,775 incentive warrants exercisable at $0.18 until April 15, 2023.

The fair value of the incentive warrants was estimated at $85,260 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 82%, risk-free interest rate of 2.27%, expected life of 1 year and share price of $0.10.

On June 30, 2022, the Company completed a non-brokered private placement and issued 10,166,666 units at a price of $0.09 per unit, 20,195,002 Quebec flow-through units at a price of $0.105 and 16,557,954 Charity flow-through units at a price of $0.14 for aggregate gross proceeds of CAD $5,353,589.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

Each unit, Quebec flow-through unit and Charity flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.18 for a period of 18 months expiring December 30, 2023. In the event that, the 20-day volume weighted average price of the common shares on the TSX Venture Exchange is greater than $0.225 ($0.24 for the unit), the Company may give notice to the holders of the warrants that the expiry time of the warrants has been accelerated and the warrants will expire on the 30th business day following the date of such notice to subscribe for and purchase the number common shares of the Company set forth above on the basis of one common share at a price of $0.18 for each warrant exercised. All securities issued under the Private Placement were subject to a four-month hold period until October 31, 2022, in accordance with applicable securities laws.

The fair value of the warrants was estimated at $593,270 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 115%, risk-free interest rate of 3.10%, expected life of 1.5 year and share price of $0.08. Issue costs of $25,770 were allocated to the warrants.

Finder's fees totaling $149,150 were paid under the private placement and 1,230,471 finders' warrants valued at $31,120 with the same terms as described above. Insiders of the Company acquired a 7,944,444 units and 142,857 FT units for aggregate gross proceeds of $730,000.

11. WARRANTS AND FINDERS' WARRANTS

The following summarizes the warrants and finders' warrants activity for the six-month periods ended June 30, 2022 and 2021:

	Number of Warrants		Grant Date Fair Value		Weighted Average Exercise Price
Balance - December 31, 2020	**9,723,833**	**$**	**185,875**	**$**	**0.12**
Issued	5,000,000		114,357		0.12
Balance – June 30, 2021	**14,723,833**	**$**	**300,232**	**$**	**0.12**
Balance - December 31, 2021	**38,307,385**	**$**	**714,327**	**$**	**0.12**
Exercised	(17,682,550)		(330,382)		0.12
Expired	(1,984,600)		(37,366)		0.12
Issued	30,019,055		683,880		0.18
Balance – June 30, 2022	**48,659,290**	**$**	**1,030,459**	**$**	**0.16**

As at June 30, 2022, the Company had warrants and finders' warrants outstanding as follows:

Date of Grant	Exercise Number of Warrants	Grant Date Price ($)	Fair Value ($)	Expiry Date	Remaining Contractual Life (years)
March 5, 2021	2,995,000	0.12	68,500	September 5, 2022	0.19
October 21, 2022	15,645,235	0.12	278,079	October 21, 2022	0.31
April 15, 2022	5,328,775	0.18	85,260	April 15, 2023	0.79
June 30, 2022	24,690,280	0.18	598,620	December 30, 2023	1.50
	48,659,290		**1,030,459**		**0.97**

(Expressed in Canadian Dollars)

12. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the six-month periods ended June 30, 2022 and 2021:

	Number of Stock Options	Weighted Average Exercise Price
Balance - December 31, 2020	**9,255,000**	**$ 0.11**
Granted [(i)] [(ii)]	700,000	0.095
Balance – June 30, 2021	**9,955,000**	**0.11**
Balance - December 31, 2021	**14,280,000**	**$ 0.11**
Granted [(iii)]	200,000	0.135
Balance – June 30, 2022	**14,480,000**	**0.11**

[(i)] On April 14, 2021, the Company granted 200,000 stock options exercisable at $0.095 for 5 years to an officer of the Company. The grant date fair value of these options of $9,800 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.95%, expected volatility – 113%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the $9,800 fair value was recorded as share-based payment on the interim consolidated statement of loss for the period ended June 30, 2021.

[(ii)] On May 25, 2021, the Company granted 500,000 stock options exercisable at $0.095 for 5 years to a director, an officer, a consultant and employees of the Company. The grant date fair value of these options of $26,000 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.86%, expected volatility – 109%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the $26,000 fair value was recorded share-based payment on the interim consolidated statement of loss for the period ended June 30, 2021.

[(iii)] On January 24, 2022, the Company granted 200,000 stock options exercisable at $0.135 for 5 years to a consultant of the Company. The grant date fair value of these options of $19,600 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 1.63%, expected volatility – 96%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vesting provisions were 1/3 immediately, 1/3 in 9 months and 1/3 in 18 months and $11,978 fair value was recorded share-based payment on the interim consolidated statement of loss for the period ended June 30, 2022.

(Expressed in Canadian Dollars)

12. STOCK OPTIONS (Continued)

As at June 30, 2022, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Outstanding[1]	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date	Weighted Average Remaining Contractual Life (years)
January 10, 2018	710,000	0.19	121,410	January 10, 2023	0.53
March 6, 2019	645,000	0.095	59,340	March 6, 2024	1.68
December 23, 2019	3,300,000	0.085	244,200	December 23, 2024	2.48
July 20, 2020	400,000	0.10	23,200	July 20, 2025	3.06
December 31, 2020	3,700,000	0.095	284,900	December 31, 2025	3.51
April 14, 2021	200,000	0.095	9,800	April 14, 2026	3.79
May 25, 2021	500,000	0.095	26,000	May 25, 2026	3.90
July 2, 2021	200,000	0.095	10,800	July 2, 2026	4.01
October 11, 2021	1,000,000	0.08	59,000	October 11, 2026	4.28
December 20, 2021	3,625,000	0.13	351,625	December 20, 2026	4.48
January 24, 2022	200,000	0.135	19,600	January 24, 2027	4.57
	14,480,000	**0.11**	**1,209,875**		**3.37**

[1] *All options are exercisable, except for 133,333*

13. RELATED PARTY TRANSACTIONS

a) Remuneration of directors and officers was as follows:

	Three Months Ended June 30 2022	Three Months Ended June 30 2021	Six Months Ended June 30 2022	Six Months Ended June 30 2021
Salaries and benefits	$ 93,202	$ 55,011	$ 207,458	$ 145,792
Share-based payments	-	25,400	-	25,400
	$ 93,202	**$ 80,411**	**$ 207,458**	**$ 171,192**

For the three-month period ended June 30, 2022, the salaries and benefits amount above includes $34,102 (2021 - $22,094) for fees invoiced by a corporation controlled by the CFO of the Company for his services and $21,600 (2021 - $22,500) for fees invoiced by the Executive Chairman (former CEO until October 11, 2021) as well as $37,500 (2021 - $nil) for fees invoiced by a) corporation controlled by the CEO of the Company for his services as CEO.

For the six-month period ended June 30, 2022, the salaries and benefits amount above includes $89,258 (2021 - $70,375) for fees invoiced by a corporation controlled by the CFO of the Company for his services and $43,200 (2021 - $65,000) for fees invoiced by the Executive Chairman as well as $75,000 (2021 - $nil) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO. Included in accounts payable and accrued liabilities at June 30, 2022 is $34,483 (December 31, 2021 - $nil) owed to the corporation controlled by the CFO and $11,811 (December 31, 2021 - $nil) to the Executive Chairman.

c) Warrant Incentive Program

As part of the warrant exercise incentive program implemented on March 17, 2022, officers and directors of the Company exercised 9,436,550 warrants at a price of $0.12 for gross proceeds of $1,132,386. As part of the incentive program, the Company issued 4,718,275 warrants exercisable at $0.18 until April 15, 2023.

14. COMMITMENTS AND CONTINGENCIES

Management Contracts
The Company entered into consulting agreements for the services of its President and CEO, CFO and Executive Chairman. Under the agreements, additional payments totalling $775,000 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is $295,000, in aggregate. The minimum commitment due within one year under the terms of the agreements is $296,400, in aggregate.

Property Option Agreement
On April 28, 2021, the Company optioned certain claims forming the Barraute-Landrienne property whereby Murchison can earn 100% in 75 mineral claims, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. See Notes 9.

Flow-Through Obligation
As at June 30, 2022, the Company has to incur $4,301,750 in qualifying exploration expenditures by December 31, 2023 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

COVID-19
The Company's operations could be significantly adversely affected by the effects of the global spread of the contagious coronavirus causing the outbreak of COVID-19 respiratory disease, which was declared a pandemic by the World Health Organization in March 2020. The Company has followed the instructions and advice of Federal and Provincial health authorities, as well as industry-wide best practice guidelines, and has limited travel and field activities to help control the spread of COVID-19 and protect local communities. Since March 2020, the impacts the COVID-19 pandemic on its operations were minimal. The Company cannot predict other pandemic uncertainties, including the duration of the pandemic, the ultimate severity of the disease, the duration of travel and quarantine restrictions imposed by governmental authorities, and the impact on schedules and timelines for planned operations or exploration programs. In addition, this widespread health crisis and related business lockdowns have adversely affected the economies and financial markets of many countries at different levels that could eventually affect the Company's operations and ability to finance its planned operations.

Environmental
The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

15. LOAN PAYABLE

In June 2021, the Company financed the purchase of an exploration vehicle in the amount of $43,586. The loan bears an interest rate of 7.89% and is repayable over 60 monthly payments of $881 and is secured by the vehicle. The balance payable at June 30, 2022 was $36,185 of which $10,578 is due within the next 12 months.

Undiscounted payments over successive years are as follows:

2022	$	5,289
2023-2026		37,022
Total contractual cash flows	$	42,311
Less: interest		(6,126)
Obligation at June 30, 2022	**$**	**36,185**

16. SUBSEQUENT EVENT

During July 2022, the Company granted 4,700,000 stock options to directors, officers, employees and consultants of the Company. The stock options are exercisable immediately at a price of $0.09 for 5 years.

End of Notes to Financial Statements