BIG RIDGE GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended
December 31, 2021 and 2020

Notice to Reader

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

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

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited interim financial statements by an entity's auditor.

RESPONSIBILITY FOR CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Big Ridge Gold Corp. are the responsibility of the Board of Directors and Management. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and, where appropriate, include management's best estimates and judgments.

Management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that financial information is timely and reliable. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board of Directors carries out this responsibility principally through its Audit Committee. The Board of Directors appoints the Audit Committee, the majority of whose members are independent directors. The Audit Committee meets periodically with Management to review the financial reporting process and financial statements, together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders. The Board of Directors approves the financial statements on recommendation from the Audit Committee.

Michael Bandrowski	Jim Kirke
President and Chief Executive Officer	Chief Financial Officer

Table of Contents

BIG RIDGE GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Unaudited - Expressed in Canadian dollars

	Note	December 31 2021 $	June 30 2021 $
ASSETS			
Current assets			
Cash and cash equivalents		7,041,101	8,295,125
Amounts receivable		481,283	49,379
Marketable securities	5	166,761	530,613
Prepaids and deposits		234,441	7,844
Total Current Assets		**7,923,586**	**8,882,961**
Property, plant and equipment		427,913	-
Exploration and evaluation assets	6	4,071,192	4,071,192
Total Assets		**12,422,691**	**12,954,153**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		239,244	183,121
		239,244	**183,121**
Deferred Share Unit liability	9	320,525	2,181
Total Liabilities		**559,769**	**185,302**
SHAREHOLDERS' EQUITY			
Share capital	7	36,345,510	32,759,316
Contributed surplus - warrants	8	1,303,426	1,303,426
Contributed surplus - options	9	1,923,562	1,832,879
Deficit		(27,709,576)	(23,126,770)
Total Shareholders' Equity		**11,862,922**	**12,768,851**
Total Liabilities and Shareholders' Equity		**12,422,691**	**12,954,153**

Nature of operations (Note 1)
Subsequent events (Note 15)

Approved and authorized by the Board of Directors on February 22, 2022.

"Nick Tintor", Director   "Michael Bandrowski", Director

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

BIG RIDGE GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the three and six months ended December 31, 2021 and 2020
Expressed in Canadian dollars

	Note	Three months ended December 31 2021	2020	Six months ended December 31 2021	2020
		$	$	$	$
EXPENSES					
Exploration expense	6	2,641,504	5,236	3,294,526	11,936
General and administrative expense	10	499,416	179,797	934,890	504,940
Finance expense, net	12	42,073	10,400	353,390	13,971
Loss and Comprehensive Loss		**3,182,993**	**195,433**	**4,582,806**	**530,847**
Loss and comprehensive loss per share		**$**	**$**	**$**	**$**
Basic and diluted		**$ 0.03**	**$ -**	**$ 0.04**	**$ 0.01**
Weighted average number of common shares outstanding in the period					
Basic and diluted		**107,178,633**	**46,438,868**	**105,476,040**	**45,168,160**

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

BIG RIDGE GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended December 31
Unaudited - Expressed in Canadian dollars

	2021	2020
	$	$
Operating activities:		
Loss for the period	(4,582,806)	(530,847)
Items not affecting cash:		
Amortization (note 10)	15,622	730
Share-based compensation (note 9)	409,027	165,481
Loss on revaluation of marketable securities	363,852	19,554
	(3,794,305)	**(345,082)**
Changes in non-cash working capital items (note 13)	(514,918)	(181,111)
Cash used in operating activities	**(4,309,223)**	**(526,193)**
Investing activities:		
Purchase of capital assets	(443,535)	(1,458)
Cash used in investing activities	**(443,535)**	**(1,458)**
Financing activities:		
Funds released from escrow in respect of subscription receipts financing completed in 2020	-	2,232,500
Cash acquired upon completion of acquisition of Empress Resources	-	1,060,676
Common shares issued for cash	3,586,694	-
Share issuance costs paid in cash	(87,960)	(202,533)
Withholding taxes on dividend	-	(319)
Cash provided by (used in) financing activities	**3,498,734**	**3,090,324**
Net increase (decrease) in cash	(1,254,024)	2,562,673
Cash - Beginning of period	8,295,125	140,025
Cash - End of period	**7,041,101**	**2,702,698**
Supplementary Disclosure		
Interest paid in cash	-	-
Income taxes paid in cash	-	-

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

BIG RIDGE GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY
Unaudited - Expressed in Canadian dollars

Balance - July 1, 2020	**11,274,657**	**21,853,469**	**1,542,434**	**1,057,065**	**2,232,500**	**25,000**	**(21,982,570)**	**4,727,898**
Loss for the period	-	-	-	-	-	-	(530,847)	(530,847)
Stock option expense	-	-	165,481	-	-	-	-	165,481
Issuance of common share units pursuant to private placement	22,325,000	2,232,500	-	-	(2,232,500)	-	-	-
Issuance of common shares pursuant to the acquisition of Empress Resources Ltd.	12,214,211	820,365	-	-	-	-	-	820,365
Issuance of common shares pursuant to a debt settlement with a former officer	250,000	25,000	-	-	-	(25,000)	-	-
Issuance of common shares pursuant to a finder's fee agreement	375,000	37,500	-	-	-	-	-	37,500
Share issuance costs	-	(257,726)	-	92,693	-	-	-	(165,033)
Dividend paid pursuant to the terms of the Transaction	-	-	-	-	-	-	(230,716)	(230,716)
Balance - December 31, 2020	**46,438,868**	**24,711,108**	**1,707,915**	**1,149,758**	**-**	**-**	**(22,744,133)**	**4,824,648**
Balance - July 1, 2021	90,051,118	32,759,316	1,832,879	1,303,426	-	-	(23,126,770)	12,768,851
Loss for the period	-	-	-	-	-	-	(4,582,806)	(4,582,806)
Stock option expense	-	-	90,683	-	-	-	-	90,683
Issuance of common shares pursuant to the exercise of warrants	18,139,967	3,586,694	-	-	-	-	-	3,586,694
Share issuance coss	-	(500)	-	-	-	-	-	(500)
Balance - December 31, 2021	**108,191,085**	**36,345,510**	**1,923,562**	**1,303,426**	**-**	**-**	**(27,709,576)**	**11,862,922**

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

1. NATURE OF OPERATIONS

Big Ridge Gold Corp. ("the Company") is engaged in the acquisition, exploration and evaluation of Canadian gold projects. The Company's head office is located at Suite 1400, 18 King Street East, Toronto, Ontario, M5C 1C4, and the Company's registered and records office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The Company presently has no proven or probable reserves and has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date, less amounts written down or written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon raising financing, the sale or joint venturing of the exploration and evaluation assets, and/or the attainment of profitable operations.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Management continues to seek necessary financing for the exploration and development of its mineral exploration and evaluation assets through a combination of issuance of new equity instruments, entering into joint venture arrangements, divestitures of non-core assets, and debt financing; however, there is no assurance that the Company will be successful in these efforts.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. BASIS OF PREPARATION

Basis of presentation
These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Empress Resources Corp., from the date of acquisition onwards. The financial statements of Empress are prepared for the same period as those of the Company using consistent accounting policies for all periods presented. All intercompany balances and transactions have been eliminated.

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on February 22, 2022.

Statement of Compliance
These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard ("IAS") 34 – *Interim Financial Reporting, and* should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2021, which have been prepared in accordance with IFRS. The accounting policies and methods of application adopted are consistent with those disclosed in Note 3 of the Company's financial statements for the year ended June 30, 2021.

Basis of presentation
These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Empress Resources Ltd. The financial statements of Empress are prepared for the same period as those of the Company using consistent accounting policies for all periods presented. All intercompany balances and transactions have been eliminated.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of all liabilities in the normal course of business.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value through profit or loss, as disclosed in Note 3 of the Company's annual financial statements for the year ended June 30, 2021.

Critical Accounting Estimates and Judgments
The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The characterization of the Company's acquisition on July 7, 2020 of the outstanding securities of Empress Resources Corp. as an acquisition of assets as opposed to a business combination.
b) The carrying value and the recoverability of exploration and evaluation assets, which are included in the consolidated statements of financial position based on the planned exploration budgets and drill results of exploration programs.
c) The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes option pricing model.
d) The valuations of shares issued in non-cash transactions using the quoted share price as the fair value based measurement on the date the shares are issued for the transaction.
e) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

3. SUMMARY OF ACCOUNTING POLICIES

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those disclosed in Note 3 of the Company's annual financial statements for the year ended June 30, 2021.

New Accounting Standards

There were no new accounting standards effective July 1, 2021 that were applicable to the Company.

New interpretations or amendments to existing standards not yet effective

The following standards and interpretations have been issued but are not mandatory for annual reporting periods ending on June 30, 2022:

- Classification of Liabilities as Current or Non-current Amendments to IAS 1 - *Effective period beginning on or after January 1, 2023;*

Expressed in Canadian dollars

- Property, Plant and Equipment: Proceeds before intended use Amendments to IAS 16 - *Effective period beginning on or after January 1, 2022;* and
- Annual Improvements to IFRS Standards 2018 2020 - *Effective period beginning on or after January 1, 2022).*

The above-noted amendments to the standards and interpretations are not expected to have a material impact on the consolidated financial statements of the Company.

4. PLAN OF ARRANGEMENT (THE "TRANSACTION")

On July 7, 2020, the Company completed a Plan of Arrangement agreement with Empress Resources Corp. ("Empress") and Empress Royalty Corp. ("Royalty") pursuant to which the Company issued 12,214,211 common shares to Empress shareholders in exchange for all the issued and outstanding common shares of Empress. In addition, the Company issued a total of 9,557,800 warrants to holders of Empress unit warrants and 242,544 warrants to holders of Empress broker compensation warrants, as the Empress warrants were cancelled upon closing of the Transaction. The details of these warrants are set out in Note 8 to these condensed interim consolidated financial statements.

The acquisition of Empress was accounted for as an asset acquisition, with the Company identified as the acquirer. Upon closing, the net assets of Empress were as follows:

	$
Cash	1,060,676
Amounts receivable	15,884
Prepaid expenses and deposits	981
	1,077,541
Less: Trade accounts payable	(182,176)
Net assets acquired	**895,365**

The consideration paid by the Company was comprised as follows:

	# of instruments	**$**
Fair value of shares	12,214,211	820,365
Replacement warrants	9,800,344	-
Finder's fee	-	75,000
		895,365

Pursuant to the Transaction, the Company granted Royalty net smelter returns royalties on claims associated with all of its mineral properties, at rates which ranged from 0.5% to 1.0%, and transferred a retained royalty on the Empress project, which was acquired by Sanatana Resources in the year ended June 30, 2020. No value was attributed to these royalties. The Company also transferred its portfolio of marketable securities to Royalty in exchange for 4,615,384 Royalty common shares, of which 4,607,950 shares were distributed to the Company's shareholders as a dividend. The remaining 7,434 Royalty shares were retained by the Company in consideration of non-resident withholding taxes required to be paid on certain dividend payments.

Expressed in Canadian dollars

5. MARKETABLE SECURITIES

On July 7, 2020, the Company transferred its portfolio of marketable securities to Royalty pursuant to the terms of the Transaction (note 4). The tables below set out the cost and fair value of the Company's marketable securities at December 31, 2021 and June 30, 2021.

December 31, 2021:

Company	Note	Shares #	Cost $	Fair Value $
Empress Royalty Corp. (EMPR: TSX-V)	4	7,434	371	2,267
Clarity Gold Corp. (CLAR: CSE)	6	685,391	1,000,000	164,494
			1,000,371	**166,761**

June 30, 2021:

Company	Note	Shares #	Cost $	Fair Value $
Empress Royalty Corp. (EMPR: TSX-V)	4	7,434	371	2,862
Clarity Gold Corp. (CLAR: CSE)	6	685,391	1,000,000	527,751
			1,000,371	**530,613**

[The remainder of this page deliberately left blank]

Expressed in Canadian dollars

6. EXPLORATION AND EVALUATION ASSETS

The movement in capitaized acquisition costs with respect to the Company's mineral exploration and evaluation assets is set out below.

	$
Newfoundland:	
Hope Brook:	
Balance - July 1, 2020	-
Acquisition costs	2,724,131
Balance - June 30 and December 31, 2021	**2,724,131**
Quebec:	
Destiny	
Balance - July 1, 2020	809,100
Proceeds received pursuant to option agreement with Clarity Gold Corp.	(1,500,000)
Recovery of exploration and evaluation assts	690,900
Balance - June 30 and December 31, 2021	**-**
Ontario:	
Greenoaks	
Balance - June 30 and December 31, 2021	**450,000**
Miner Lake	
Balance - June 30 and December 31, 2021	**9,568**
Mud Lake	
Balance - June 30 and December 31, 2021	**40,163**
Brookbank East	
Balance - June 30 and December 31, 2021	**3,810**
Manitoba:	
Oxford	
Balance - June 30 and December 31, 2021	**843,520**
Total - December 31, 2021	**4,071,192**

Expressed in Canadian dollars

The table below shows the breakdown of exploration expenses with respect to the Company's exploration and evaluation assets.

	Newfound-land	Quebec	Ontario					Manitoba	
	Hope Brook $	Destiny $	Green-oaks $	Miner Lake $	Mud Lake $	Brook-bank East $	Golden Heart $	Oxford $	Total $
Six months ended December 31, 2021:									
Project management	155,919	-	-	-	-	-	-	-	**155,919**
Camp labour	276,386	-	-	-	-	-	-	-	**276,386**
Camp costs	224,047	-	-	-	-	-	-	-	**224,047**
Geophysics	366,067	-	-	-	-	-	-	-	**366,067**
Assaying	8,245	-	-	-	-	-	-	-	**8,245**
Core Handling	87,977	-	-	-	-	-	-	-	**87,977**
Drilling	1,715,144	-	-	-	-	-	-	-	**1,715,144**
Vehicles - Fuel and repairs	29,895	-	-	-	-	-	-	-	**29,895**
Software	9,635	-	-	-	-	-	-	-	**9,635**
Geochemistry	13,698	-	-	-	-	-	-	-	**13,698**
Mapping, GIS and related activities	121,077	-	-	-	-	-	-	-	**121,077**
Metallurgy	19,770	-	-	-	-	-	-	-	**19,770**
Prospecting	22,055	-	-	-	-	-	-	-	**22,055**
Resource modelling	3,328	-	-	-	-	-	-	-	**3,328**
Shipping and site travel	239,620	-	-	-	-	-	-	-	**239,620**
Project-specific general and administrative expenses	1,663	-	-	-	-	-	-	-	**1,663**
Exploration expense for the period	**3,294,526**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,294,526**
Six months ended December 31, 2020:									
Assays	-	5,400	-	-	-	-	-	-	**5,400**
Licences, permits and claims	-	-	1,316	-	-	-	-	-	**1,316**
Legal costs with respect to First Nations engagement	-	-	-	-	-	-	-	3,920	**3,920**
Computer/digitization	-	-	-	-	-	-	-	1,300	**1,300**
Exploration expense for the period	**-**	**5,400**	**1,316**	**-**	**-**	**-**	**-**	**5,220**	**11,936**

The mining claims which underly each of these projects are subject to net smelter returns royalties at rates which range from 1.0% to 3.75%. A portion of the claims associated with the Oxford project are also subject to an overlapping 7.5% net profits interest.

Expressed in Canadian dollars

Hope Brook

On April 6, 2021, the Company entered into an earn-in agreement with First Mining Gold Corp. ("First Mining"), pursuant to which the Company may earn an interest of up to 80% in the Hope Brook Gold Project, located in Newfoundland and Labrador.

The Company incurred the following acquisition costs, at which point it became the operator of the Hope Brook Gold Project:

	$
Cash	500,000
11,500,000 common shares with a fair value of $0.19 per share	2,185,000
Transaction costs	39,131
	2,724,131

The earn-in is comprised of two stages, as described below:

- In order to exercise its first earn-in right to acquire a 51% interest in the Hope Brook Gold Project, the Company must incur and fund expenditures on the Hope Brook Gold Project of no less than $10 million by June 8, 2024. Upon achieving this expenditure threshold and issuing an additional 15 million common shares to First Mining, subject to the approval of the TSX Venture Exchange, the Company will earn a 51% interest and will become party to a joint venture agreement for the Hope Brook Gold Project with First Mining (49% interest), with the Company continuing as the operator. Concurrently with the creation of the joint venture, the joint venture entity will grant to First Mining a 1.5% net smelter returns royalty on the Hope Brook Gold Project, subject to a right of the Company to buy back 0.5% for $2 million.

- To earn an additional 29% interest in the Hope Brook Gold Project, the Company must incur and fund an additional $10 million in expenditures on the project by June 8, 2026. Upon achieving this final expenditure threshold and issuing an additional 10 million common shares ("Stage 2 Shares") to First Mining, subject to the approval of the TSX Venture Exchange, the Company will become the holder of an 80% interest in the Hope Brook Gold Project. The Company will solely fund all expenditures on the project up to and including the date on which the Company announces the results of a feasibility study on the project, at which time First Mining's free carry period will terminate. If the issuance of the Stage 2 Shares would result in First Mining owning more that 19.9% of the total number of the Company's common shares issued and outstanding following such share issuance, the number of Stage 2 Shares shall be reduced such that First Mining will own no more than 19.9% of the total number of the Company's common shares issued and outstanding following the issuance of the Stage 2 Shares.

In addition, upon the commencement of commercial production at the project, the Company will pay $2 million to First Mining.

On closing, the Company granted First Mining a number of rights which will continue so long as it holds at least 10% of the Company's issued and outstanding common shares, including the right to nominate one director to the Company's board, and a right to participate in financings by the Company to maintain its percentage ownership in the Company's shares. The Earn-In Agreement also includes various restrictions on the parties from transferring their respective interests in the Hope Brook Project and on First Mining's ability to resell its Big Ridge shares.

Destiny Gold Project

On November 27, 2020, the Company entered into a option agreement with Clarity Gold Corp. ("Clarity") pursuant to which Clarity had the right to earn up to a 100% interest in the Company's wholly owned Destiny gold project:

Initially, Clarity may earn a 49% interest in the project by making a series of cash payments and share issuances to the Company as described below:

- A deposit of $50,000;
- A cash payment of $450,000 and the equivalent of $1,000,000 in common shares of Clarity on or before January 26, 2021;
- A cash payment of $750,000 and the equivalent of $1,000,000 in common shares of Clarity on or before January 11, 2022; and
- A cash payment of $750,000 and the equivalent of $1,500,000 in common shares of Clarity on or before January 11, 2023.

Clarity may increase its interest in the Destiny project to 100% by making an additional $1,000,000 in cash payments and issuing the equivalent of $2,000,000 in common shares on or before January 11, 2024, In the event that Clarity earns a 100% interest in the project, the Company will retain a 1% net smelter returns royalty which Clarity may buy back for a further payment of $1,000,000.

In the year ended June 30, 2021, the $1,500,000 in cash and securities received from Clarity were applied first to reduce the carrying value of the Destiny project to $Nil, with the remaining $690,900 in proceeds credited to the consolidated statement of operations and comprehensive loss as a recovery of exploration and evaluation assets. No amounts were due to the Company under the terms of the option agreement in the period ended December 31, 2021.

Subsequent to December 31, 2021, Clarity defaulted on its payment obligations due January 11, 2021 and provided the Company with a notice of cancellation, thereby terminating the option agreement.

Oxford Gold Project

The Company owns a 100% interest in the Oxford Lake property, subject to certain underlying royalties on some of the claims.

On October 5, 2020, the Company entered into an Exploration Agreement with the Bunibonibee Cree Nation ("BCN") which authorizes the recommencement of exploration activities at Oxford upon completion of a Heritage Resource Impact Assessment ("HRIA") in a form satisfactory to the Historic Resource Branch of Manitoba Sport, Culture and Heritage. At December 31, 2021 work on the HRIA was suspended as a result of difficulties in accessing the property to complete the HRIA, a direct result of COVID-19.

Ontario mining properties

On March 11, 2021, Big Ridge entered into a sale agreement with Caprock Mining Corp. (then known as Blingold Corp.) ("Caprock") pursuant to which Big Ridge agreed to sell its interest in its Mud Lake, Golden Heart, Brookbank East, Three Towers, Miner Lake, and Green Oaks properties to Caprock in exchange for the issuance by Caprock of 10,000,000 common shares of Caprock. The closing of this sale agreement is subject to a number of conditions, including the completion by Caprock of an initial financing generating gross proceeds of no less than $1,000,000 and the appointment of a representative of Big Ridge to the board of Caprock. The closing of the sale of these properties is subject to the timing of the listing of Caprock's common shares on the Canadian Stock Exchange, which had not occurred as at December 31, 2021.

Expressed in Canadian dollars

Subsequent to December 31, 2021 Caprock completed the listing of its common shares on the Canadian Stock Exchange. The sale agreement had not closed at the date of approval of these condensed interim consolidated financial statements by the Board of Directors.

7. SHARE CAPITAL

a) ***Authorized**:*

Unlimited Common shares without par value

b) Issued and outstanding:

The following table shows the movement in issued and outstanding share capital.

	Number of shares	$
Balance - July 1, 2020	**11,274,657**	**21,853,469**
Issuance of common shares pursuant to the Transaction (i)	12,214,211	820,365
Shares issued pursuant to a finder's fee agreement (i)	375,000	37,500
Shares issued upon conversion of subscription receipts (ii)	22,325,000	2,232,500
Shares issued pursuant to a debt settlement with a former officer (iii)	250,000	25,000
Issuance of common shares to First Mining pursuant to the option agreement on the Hope Brook Gold Project (iv)	11,500,000	2,185,000
Issuance of common shares pursuant to private placement (v)	24,390,500	5,000,053
Common shares issued pursuant to the exercise of warrants	7,378,750	1,502,411
Common shares issued pursuant to the exercise of stock options	343,000	65,587
Fair value adjustment	-	22,500
Share issue costs	-	(985,069)
Balance - June 30, 2021	**90,051,118**	**32,759,316**
Common shares issued pursuant to the exercise of warrants	18,139,967	3,586,694
Share issue costs	-	(500)
Balance - December 31, 2021	**108,191,085**	**36,345,510**

The valuations attributed to the common shares and warrants issued pursuant to the Transaction and the conversion of the subscription receipts financing, referenced in notes i) and ii) below and in note 8, have been restated to reflect the use of the residual value method in the annual consolidated financial statements to apportion proceeds of each issuance of securities between Common shares and Warrants.

i) On July 7, 2020, the Company issued 12,214,211 common shares to acquire the outstanding common shares of Empress under the terms of the Transaction.

As described in note 4 to these consolidated financial statements, the consideration of this asset acquisition included common shares, warrants and transaction costs in the form of finder's fees. The value attributed to the Company's common shares issued in connection with this acquisition amounted to $820,365.

The Company incurred a finder's fee amounting to $75,000 in connection with the Transaction, of which $37,500 was satisfied by the issuance of 375,000 common shares on July 7, 2020.

ii) On July 8, 2020, following the completion of the Transaction, the proceeds from a private placement of 22,325,000 subscription receipts were released from escrow and the subscription receipts were converted into the following securities:

- 22,325,000 common shares, and
- 22,325,000 share purchase warrants, with each warrant exercisable into one common share at an exercise price of $0.20 per share and expiring on May 29, 2022.

The gross proceeds of this financing, which amounted to $2,232,500, were apportioned between Common shares and Warrants using the residual value method, which resulted in a value of $2,232,500 being attributed to the shares.

iii) In the year ended June 30, 2020, the Company entered into a debt settlement agreement with the former president of the Company, pursuant to which the Company agreed to issue 250,000 common shares in settlement of an indebtedness of $25,000. This obligation was reflected in the consolidated financial statements for the year ended June 30, 2020 as Commitment to issue shares. The Company issued these shares on July 9, 2020.

iv) On June 7, 2021, the Company issued 11,500,000 common shares to First Mining pursuant to the option agreement on the Hope Brook Gold Project. These shares were measured at the closing price on June 7, 2021 and resulted in a fair value of $2,185,000.

v) On June 30, 2021, the Company closed a private placement of 24,390,500 flow-through share units at a price of $0.205 per unit, for aggregate gross proceeds of $5,000,053. The gross proceeds were apportioned between Common shares and Warrants using the residual value method, which resulted in a value of $5,000,053 being attributed to the shares.

[The remainder of this page deliberately left blank]

Expressed in Canadian dollars

8. WARRANTS

The following table shows the movement in warrants:

	Number of warrants	Number of shares issuable upon exercise of	$
Balance - July 1, 2020	**1,009,321**	**1,009,321**	**1,057,065**
Unit warrants issued upon conversion of subscription receipts [(a)]	22,325,000	22,325,000	-
Broker compensation warrants issued in connection with subscription receipts financing [(a)]	913,500	913,500	92,693
Issuance of replacement unit warrants pursuant to the Transaction [(b)]	9,557,800	9,605,589	-
Issuance of replacement broker compensation warrants pursuant to the Transaction [(b)]	242,544	243,757	-
Issuance of unit warrants pursuant to private placement [(c)]	24,390,500	24,390,500	-
Issuance of broker compensation warrants pursuant to private placement [(c)]	1,463,430	1,463,430	242,455
Exercised	(7,378,750)	(7,378,750)	(88,787)
Expired	(934,755)	(935,652)	-
Balance - June 30, 2021	**51,588,590**	**51,636,695**	**1,303,426**
Exercised [(a)]	(18,139,967)	(18,139,967)	-
Expired	(63,360)	(63,676)	-
Balance - December 31, 2021	**33,385,263**	**33,433,052**	**1,303,426**

a) As described in note 7(b)(ii), the subscription receipts financing completed in May 2020 were converted into 22,325,000 common shares and 22,325,000 share purchase warrants on July 7, 2020 following the completion of the Transaction**.** The warrants are exercisable into common shares at a price of $0.20 per share and expire May 29, 2022. The gross proceeds of this financing were apportioned between Common Shares and Warrants on the basis of residual value, which resulted in no value being attributed to the warrants.

These warrants were issued with a provision entitling the Company to accelerate their expiry in the event that the Company's shares traded for ten consecutive trading days with a closing share price on the TSX Venture Exchange greater than or equal to $0.25. This condition was met on June 21, 2021, and the Company provided notice of the accelerated expiry to its warrant holders on June 22, 2021. In the period from June 22 to June 30, 2021, a total of 6,250,000 warrants were exercised, and in the period ended December 31, 2021 the remaining 16,075,000 warrants were exercised.

Expressed in Canadian dollars

In addition, the Company issued a total of 913,500 broker compensation warrants, each of which is exercisable into one common share at a price of $0.10 per share. The fair value of these warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

Dividend yield	Nil
Expected future volatility	70%
Expected life	2 years
which yielded an estimated fair value of	**$ 0.10150**

b) In accordance with the terms of the Transaction, the Company issued warrants to replace unit and broker compensation warrants issued by Empress and outstanding immediately prior to the close of the Transaction. Each warrant issued in replacement is exercisable into 1.005 shares of the Company.

No value was attributed to these warrants.

c) In connection with the private placement of 24,390,500 flow-through units which closed on June 30, 2021, the Company issued 24,390,500 share purchase warrants exercisable at a price of $0.18 and expiring on June 30, 2023. The gross proceeds of this financing were apportioned between Common Shares and Warrants on the basis of residual value, which resulted in no value being attributed to the warrants. In the period ended December 31, 2021, a total of 2,064,967 warrants were exercised for gross proceeds of $371,694.

In addition, the Company issued a total of 1,463,430 broker compensation warrants, each of which is exercisable into one common share at a price of $0.205 per share and expires on June 30, 2023. The fair value of these warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

Risk free interest rate	0.32%
Dividend yield	Nil
Expected future volatility	80%
Expected life	2 years
which yielded an estimated fair value of	**$ 0.16600**

The details of the warrants outstanding at December 31, 2021 are set out below.

	Issue date	Expiry date	Number of warrants #	Shares issuable upon exercise of warrants #	Exercise price $
Unit warrants:					
	July 7, 2020	May 11, 2022	4,317,400	4,338,987	$ 0.480
	July 7, 2020	June 14, 2022	4,038,400	4,058,592	$ 0.480
	July 7, 2020	August 7, 2022	1,202,000	1,208,010	$ 0.480
	June 30, 2021	June 30, 2023	22,325,533	22,325,533	$ 0.180
Broker compensation warrants:					
	July 8, 2020	July 8, 2022	38,500	38,500	$ 0.100
	June 30, 2021	June 30, 2023	1,463,430	1,463,430	$ 0.205
			33,385,263	**33,433,052**	

Expressed in Canadian dollars

The details of the warrants outstanding at June 30, 2021 are set out below.

	Issue date	Expiry date	Number of warrants	Shares issuable upon exercise of warrants	Exercise price
			#	#	$
Unit warrants:					
	July 7, 2020	May 11, 2022	4,317,400	4,338,987	$ 0.480
	July 7, 2020	June 14, 2022	4,038,400	4,058,592	$ 0.480
	July 7, 2020	August 7, 2022	1,202,000	1,208,010	$ 0.480
	July 8, 2020	July 22, 2021	16,075,000	16,075,000	$ 0.200
	June 30, 2021	June 30, 2023	24,390,500	24,390,500	$ 0.180
Broker compensation warrants:					
	July 7, 2020	August 7, 2021	63,360	63,676	$ 0.730
	July 8, 2020	July 8, 2022	38,500	38,500	$ 0.100
	June 30, 2021	June 30, 2023	1,463,430	1,463,430	$ 0.205
			51,588,590	**51,636,695**	

9. SHARE-BASED COMPENSATION

Share-based compensation expenses recognized in General and administrative expense in the consolidated statements of operations and comprehensive loss for the three- and six-month periods ended December 31, 2021 and 2020 are as follows:

	Three months ended December 31		Six months ended December 31	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Stock options	44,198	6,329	90,683	165,481
Deferred share units	168,944	-	318,344	-
	213,142	**6,329**	**409,027**	**165,481**

Stock Option Plan

The Company's Share Option Plan (the "Plan") was approved by the Company's shareholders most recently at its annual meeting held December 14, 2021. The purpose of the Plan is to attract, retain and motivate directors, officers, employees and external service providers by providing them with the opportunity to acquire a proprietary interest in the Company and to benefit from its growth.

Under the Plan the Board of Directors may grant options to directors, officers, employees or consultants, with the number of common shares reserved for issuance capped at 12,570,111 shares. Options carry a term of no more than five years, and the exercise price of any option is no less than the closing price on the TSX Venture Exchange on the last trading day preceding the grant date. The vesting periods for individual awards of options are determined at the discretion of the Corporate Governance, Compensation and Nominating Committee.

Share-based compensation is recognized and charged to operations based upon the relative fair values and vesting conditions of the options granted.

Expressed in Canadian dollars

The fair value of option grants is estimated at the date of grant using the Black-Scholes option-pricing model. The fair values of options granted during the three and six months ended December 31, 2021 and 2020, were based on the weighted average assumptions set out in the following table:

	Three months ended December 31		Six months ended December 31	
	2021	**2020**	**2021**	**2020**
Expected volatility	100%	80%	100%	71%
Risk-free interest rate	0.89%	0.21%	0.89%	0.25%
Expected dividend yield	Nil	Nil	Nil	Nil
Expected life	3 years	3 years	3 years	3 years
Expected forfeiture rate	Nil	Nil	Nil	Nil
Estimated fair value per option	$ 0.18	$ 0.03	$ 0.18	$ 0.06

During the period ended December 31, 2021, the Company recognized stock option expense amounting to $90,683 (2020 - $165,481). As at December 31, 2021, there was $201,606 of share-based compensation expense (June 30, 2021 – $248,091) relating to the Company's unvested stock options to be recognized in future periods.

A summary of option activity under the Plan during the six months ended December 31, 2021 and 2020 is as follows:

	2021		**2020**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
	#	**$**	**#**	**$**
Balance - beginning of period	4,447,500	$ 0.26	550,000	$ 0.31
Issued	187,500	$ 0.29	2,620,500	$ 0.19
Expired	(250,000)	$ 0.31	(355,000)	
Balance - end of period	**4,385,000**	**$ 0.26**	**2,815,500**	**$ 0.20**

Expressed in Canadian dollars

The number of options outstanding at December 31, 2021 by issue date is shown in the following table.

	Options Outstanding				Options Exercisable
Date of Grant	**Expiry Date**	**Number outstanding #**	**Exercise Price $**	**Remaining life (Years)**	**Number outstanding #**
March 27, 2017	March 27, 2022	65,000	0.50	0.24	65,000
September 19, 2018	September 19, 2023	130,000	0.25	1.72	130,000
July 1, 2020	July 1, 2025	52,500	0.11	3.50	52,500
August 31, 2020	August 31, 2023	1,425,000	0.20	1.67	1,425,000
October 28, 2020	October 28, 2023	200,000	0.20	1.82	200,000
January 21, 2021	January 21, 2024	200,000	0.20	2.06	200,000
June 30, 2021	June 30, 2026	2,125,000	0.305	4.50	791,668
December 14, 2021	December 14, 2026	187,500	0.290	4.96	62,500
		4,385,000	**0.25**	**3.21**	**2,864,168**

The number of options outstanding at June 30, 2021, by issue date is shown in the following table.

	Options Outstanding				Options Exercisable
Date of Grant	**Expiry Date**	**Number outstanding #**	**Exercise Price $**	**Remaining life (Years)**	**Number outstanding #**
March 27, 2017	March 27, 2022	65,000	0.50	0.74	65,000
September 19, 2018	September 19, 2023	130,000	0.25	2.22	130,000
July 1, 2020	July 1, 2025	52,500	0.11	4.01	52,500
August 31, 2020	August 31, 2023	1,425,000	0.20	2.17	1,425,000
October 28, 2020	October 28, 2023	200,000	0.20	2.33	200,000
January 21, 2021	January 21, 2024	200,000	0.20	2.56	200,000
June 30, 2021	June 30, 2026	2,375,000	0.305	5.00	791,668
		4,447,500	**0.26**	**3.71**	**2,864,168**

Deferred Share Unit Plan

The Company's Deferred Share Unit ("DSU") Plan was adopted on June 7, 2021. Pursuant to the DSU Plan, the Company may, from time to time, grant DSUs to officers and directors of the Company. The DSUs issued under the DSU Plan to date vested on December 31, 2021. The DSU's are settled in cash upon the officer or director's termination of service. The price per share which will prevail upon any settlement of DSU's is defined as the five-day volume weighted average trading price of the Company's common shares prior to the date of redemption.

On June 30, 2021, the Company awarded a total of 1,061,737 DSU's, and the Company awarded an additional 47,348 DSU's in the period ended December 31, 2021. The Company recognized an expense in the period ended December 31, 2021 amounting to $318,344 (2020 - $Nil) in respect of these DSU's.

Expressed in Canadian dollars

10. GENERAL AND ADMINISTRATIVE EXPENSES

		Three months ended December 31		Six months ended December 31	
		2021	2020	2021	2020
	Note	$	$	$	$
Management fees		5,000	88,383	15,000	172,165
Salaries, wages and benefits	11	147,257	-	250,960	-
Share-based compensation	9	213,142	6,329	409,027	165,481
Professional fees		19,349	43,752	48,497	69,830
Investor and shareholder relations		45,760	15,000	86,897	25,475
Office expenses		28,973	20,925	42,505	46,582
Transfer agent and filing fees		22,640	4,010	63,079	23,644
Travel and promotion		3,303	1,033	3,303	1,033
Amortization		13,992	365	15,622	730
		499,416	179,797	934,890	504,940

11. SALARIES, WAGES AND BENEFITS

		Three months ended December 31		Six months ended December 31	
		2021	2020	2021	2020
	Note	$	$	$	$
Salaries and wages		368,934	-	633,720	-
Director fees		20,833	-	40,833	-
Social security benefits		23,188	-	43,927	-
		412,955	-	718,480	-
Charged to general and administrative expense		147,257	-	250,960	-
Charged to exploration expense		186,614	-	357,385	-
Charged to property, plant and equipment		79,084	-	110,135	-
		412,955	-	718,480	-

12. FINANCE EXPENSE, NET

		Three months ended December 31		Six months ended December 31	
		2021	2020	2021	2020
	Note	$	$	$	$
Interest income		(5,756)	(2,833)	(9,510)	(5,583)
Foreign exchange		-	-	(952)	-
Losses on marketable securities		47,829	13,233	363,852	19,554
		42,073	10,400	353,390	13,971

Expressed in Canadian dollars

13. CHANGES IN NON-CASH WORKING CAPITAL

		Six months ended December 31	
		2021	2020
	Note	$	$
(Increase) decrease in amounts receivable		(431,904)	3,522
(Increase) decrease in prepaids and deposits		(226,597)	3,127
Decrease (increase) in amounts due from a related party		-	4,062
Increase (Decrease) in accounts payable and accrued liabilities		143,583	(191,587)
Decrease in amounts due to related parties		-	(235)
		(514,918)	(181,111)

[The remainder of this page deliberately left blank]

Expressed in Canadian dollars

14. RELATED PARTY TRANSACTIONS

During the periods ended December 31, 2021 and 2020, the Company recognized the following costs in respect of services provided by related parties:

	Three months ended December 31		Six months ended December 31	
	2021	2020	2021	2020
	$	$	$	$
Charged to Salaries, Wages and Benefits:				
Salaries paid to key management	80,000	-	160,000	-
Director fees	20,833		40,833	
	100,833	**-**	**200,833**	**-**
Charged to Share-Based Compensation:				
Stock option expense recognized in the period	29,621	6,329	58,980	131,792
DSU expense recognized in the period	168,944	-	318,344	-
	198,565	**6,329**	**377,324**	**131,792**
Charged to Management fees:				
Escarpment Capital Advisors (controlled by Company's President)	-	45,000	-	90,000
Nick Tintor (Chairman)	5,000	-	15,000	-
Mirador Management (controlled by a director and former CEO)	-	10,500	-	21,000
ASI Accounting Services (controlled by Company's CFO from February 11, 2020 to August 31, 2020)	-	10,220	-	25,465
Jim Kirke - CFO from August 31, 2020	-	30,000	-	40,000
	5,000	**95,720**	**15,000**	**176,465**
Charged to Exploration expenses:				
Nick Tintor - Chairman	10,000	-	15,000	-
	10,000	**-**	**15,000**	**-**
Transaction costs with respect to the Transaction:				
Escarpment Capital Advisors	-	-	-	75,000
	-	**-**	**-**	**75,000**

15. SUBSEQUENT EVENTS

Destiny Gold Project

On January 11, 2022, Clarity failed to make the payments of cash and shares required under the option agreement for the Destiny Gold Project (note 6), which constituted a default under the terms of the option agreement. On January 14, 2022, Clarity provided the Company with a notice of cancellation, which terminated the option agreement. The Company’s ownership interest in the Destiny Gold Project was not affected by these actions.

Expressed in Canadian dollars

Options
Subsequent to December 31, 2021, the Company issued a total of 547,000 options, as set out below.

Date	Number of options issued
January 14, 2022	172,000
February 3, 2022	375,000
	547,000

These options were awarded with graduated vesting such that the options vest in equal portions on the date of award and the first and second anniversaries of the award date.

Warrants
Subsequent to December 31, 2021, the Company issued a total of 150,000 common shares pursuant to the exercise of warrants, for aggregate proceeds of $27,000.