2022 ANNUAL FINANCIAL STATEMENTS

RADISSON MINING RESOURCES INC.

Independent Auditor's Report

Raymond Chabot
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To the Shareholders of
Radisson Mining Resources Inc.

Opinion

We have audited the financial statements of Radisson Mining Resources Inc. (hereafter "the Corporation"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income (loss), the statements of changes in equity and the statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor’s responsibilities for the audit of the financial statements" section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have determined that the matter described below is the key audit matter to be communicated in our auditor's report.

Assessment for impairment of prospecting and evaluation assets

As described in Note 3 (b) to the financial statements, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment. We have identified the assessment for impairment of prospecting and evaluation assets as a key audit matter.

Why the matter was determined to be a key audit matter

The assessment for impairment of prospecting and evaluation assets is significant to our audit, because the balance of $44,276,801 as at December 31, 2022 is material for the financial statements. In addition, management's assessment process is subjective and requires the use of judgments and assumptions, in particular, but not limited to:

- Whether an economically viable extraction operation can be established;
- No further prospecting or evaluation expenditures in the area are planned or budgeted;
- The probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves;
- The Corporation’s capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits.

How the matter was addressed in the audit

Our audit procedures relating to the assessment of the recoverable value of prospecting and evaluation assets consisted, among other things, of the following:

- We assessed management's appreciation of the facts and circumstances to determine whether an indication of impairment was present by inspecting the Corporation's communications, including minutes and press releases and making requests for information from management;
- We reviewed budgets to assess management's intention to pursue exploration and evaluation work;
- We inspected government records to determine if the mining rights on his properties were valid.

Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in annual management discussion and analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained annual management discussion and analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Carole Lepage.

Raymond Chabot Grant Thornton LLP [1]

Rouyn-Noranda
April 26, 2023

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[1] CPA auditor, public accountancy permit no. A119351

RADISSON MINING RESOURCES INC.

Statements of Financial Position
As at December 31, 2022 and 2021
(in Canadian dollars)

	December 31, 2022	December 31, 2021
	$	$
Assets		
Current:		
Cash and cash equivalents (Note 4)	**3,083,512**	10,947,924
Government taxes and mining taxes receivable	**953,885**	1,038,500
Other accounts receivable	**1,190**	1,190
Deposit on prospecting and evaluation expenditures	**-**	400,000
Prepaid expenses	**126,666**	118,891
	4,165,253	12,506,505
Non-current:		
Investments (Note 4)	**720,000**	1,920,000
Property and equipment	**371,499**	450,070
Prospecting and evaluation assets (Note 5)	**44,276,801**	37,674,224
	49,533,553	52,550,799
Liabilities		
Current:		
Accounts payable and accrued liabilities	**169,491**	2,010,504
Non-current:		
Deferred income tax (Note 6)	**5,063,083**	4,374,546
Other liability related to flow-through shares (Note 7)	**498,703**	2,030,850
	5,731,277	8,415,900
Equity		
Share Capital (Note 8)	**69,335,871**	67,979,278
Reserves – Settlement under Equity	**7,052,296**	5,669,918
Warrants (Note 8)	**27,013**	1,114,462
Deficit	**(32,612,904)**	(30,628,759)
	43,802,276	44,134,899
	49,533,553	52,550,799

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

The financial statements have been approved and authorized for publication by the Board of Directors on April 26, 2023.

(s) Denis Lachance
Denis Lachance
Interim President & CEO

(s) Hubert Parent-Bouchard
Hubert Parent-Bouchard
Chief Financial Officer

RADISSON MINING RESOURCES INC.

Statements of Comprehensive Income (Loss)
For the years ended December 31, 2022 and 2021
(in Canadian dollars)

	2022	2021
	$	$
Administration costs:		
Salaries and employee benefits	**591,255**	513,894
Employee severance (Note 12)	**598,000**	-
Experts and subcontractors	**102,844**	323,185
Share-based compensation and payments	**388,944**	785,640
Professional fees	**56,417**	77,672
Investor relations and shareholder communication	**193,700**	156,816
Listings and registration fees	**92,875**	109,148
Office supplies	**77,421**	101,526
Insurance, taxes and licences	**45,778**	35,101
Interest and bank charges	**2,020**	1,859
Telecommunications	**4,072**	3,669
Depreciation of property and equipment	**166,259**	67,885
Maintenance of a mining site	**4,894**	18,650
Gain on disposal of property and equipment	**(12,089)**	(28,423)
	2,312,390	2,166,622
Other expenses (revenues):		
Change in fair value of investments (Note 4)	**1,200,000**	(600,000)
Interest income	**(63,505)**	(131,056)
Reversal of accounts payable and accrued liabilities	**-**	(46,620)
	1,136,495	(834,522)
Loss before income taxes	**(3,448,885)**	(1,388,946)
Deferred income taxes (Note 6)	**1,464,740**	3,401,179
Comprehensive income (loss) for the year	**(1,984,145)**	2,012,233
Basic and diluted net income (loss) per share (Note 9)	**(0.007)**	0.008

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

RADISSON MINING RESOURCES INC.

Statements of Changes in Equity
As at December 31, 2022 and 2021
(in Canadian dollars)

	Share capital	Reserves – Settlement under Equity	Warrants	Deficit	**Total Equity**
	$	$	$	$	**$**
Balance as at December 31, 2021	67,979,278	5,669,918	1,114,462	(30,628,759)	**44,134,899**
Flow-through shares issuance	1,078,870	-	-	-	**1,078,870**
Share issuance costs	(28,692)	-	-	-	**(28,692)**
Share-based compensation and payments	-	388,944	-	-	**388,944**
Expired warrants	-	1,087,449	(1,087,449)	-	**-**
Exercised options	306,415	(94,015)	-	-	**212,400**
	69,335,871	7,052,296	27,013	(30,628,759)	**45,786,421**
Comprehensive loss for the year	-	-	-	(1,984,145)	**(1,984,145)**
Balance as at December 31, 2022	69,335,871	7,052,296	27,013	(32,612,904)	**43,802,276**

RADISSON MINING RESOURCES INC.

Statements of Changes in Equity
As at December 31, 2022 and 2021
(in Canadian dollars)

	Share capital	Reserves – Settlement under Equity	Warrants	Deficit	**Total Equity**
	$	$	$	$	**$**
Balance as at December 31, 2020	61,800,999	4,985,407	1,501,857	(32,640,992)	**35,647,271**
Flow-through shares issuance	3,817,209	-	-	-	**3,817,209**
Share issuance costs	(456,300)	-	27,014	-	**(429,286)**
Share-based compensation and payments	-	785,640	-	-	**785,640**
Exercised warrants	2,394,470	-	(374,762)	-	**2,019,708**
Expired warrants		39,647	(39,647)	-	**-**
Exercised options	422,900	(140,776)	-	-	**282,124**
	67,979,278	5,669,918	1,114,462	(32,640,992)	**42,122,666**
Comprehensive income for the year	-	-	-	2,012,233	**2,012,233**
Balance as at December 31, 2021	67,979,278	5,669,918	1,114,462	(30,628,759)	**44,134,899**

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

RADISSON MINING RESOURCES INC.

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(in Canadian dollars)

	2022	2021
	$	$
Operating activities:		
Net income (loss) for the year	**(1,984,145)**	2,012,233
Items not affecting cash:		
Depreciation of property and equipment	**166,259**	67,885
Gain on disposal of property and equipment	**(12,089)**	(28,423)
Reversal of accounts payable and accrued liabilities	**-**	(46,620)
Share-based compensation and payments	**388,944**	785,640
Deferred income taxes	**(1,464,740)**	(3,401,179)
Change in fair value of investments	**1,200,000**	(600,000)
Net change in working capital items (Note 14)	**389,106**	22,510
Cash flow used in operating activities	**(1,316,665)**	(1,187,954)
Investing activities:		
Increase in deposit on prospecting and evaluation expenditures	**-**	(400,000)
Acquisition of property and equipment	**(87,688)**	(329,414)
Proceed from disposal of property and equipment	**12,089**	28,423
Increase in prospecting and evaluation assets	**(8,355,856)**	(10,734,354)
Cash flow used in investing activities	**(8,431,455)**	(11,435,345)
Financing activities:		
Issuance of share capital and warrants and options exercised	**1,912,400**	9,074,928
Share issuance costs	**(28,692)**	(429,286)
Cash flow from financing activities	**1,883,708**	8,645,642
Increase (decrease) in cash and cash equivalents	**(7,864,412)**	(3,977,657)
Cash and cash equivalents, beginning of year	**10,947,924**	14,925,581
Cash and cash equivalents, end of year	**3,083,512**	10,947,924

Additional information related to cash flows is presented at Note 14.
The accompanying notes are an integral part of the financial statements.

1 - Description of the business and liquidity risk

Radisson Mining Resources Inc. (the "Corporation"), incorporated under the *Canada Business Corporations Act*, is in the process of exploring mining properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Corporation's head office is in Rouyn-Noranda, Province of Quebec, Canada. Its common shares are listed on TSX Venture Exchange under the symbol RDS.

As at December 31, 2022, the Corporation had a working capital of $3,995,762 (2021, $10,496,000), which included funds reserved for prospecting and evaluation for $1,477,890 (2021, $4,754,561). Management of the Corporation believes that it has sufficient funds to maintain the status of its current obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations, and existing commitments beyond the ensuing 12 months as they fall due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future. To continue the Corporation's future operations and fund its development expenditures, the Corporation will periodically need to raise additional funds, which may be completed in several ways, including, but not limited to, the issuance of new equity, debt financing or securing capital from potential partners. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation.

2 - Basis of presentation and IFRS

These financial statements have been prepared by the Corporation's management in accordance with *International Financial Reporting Standards* ("IFRS"). The accounting policies described in Note 3 were consistently applied to all the periods presented unless otherwise noted.

3 - Significant accounting policies

(a) New and revised International Financial Reporting Standards, but not yet effective

At the date of authorization of these financial statements, certain new standards, interpretations, amendments, and improvements to the existing standards are not yet effective and have not been applied in these financial statements. The corporation does not expect they will have any significant changes on its financial statements.

(b) Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Currency conversion

The financial statements of the Corporation are presented in Canadian dollars, which is the functional currency. Transactions in foreign currencies are translated at the exchange rates prevailing at the time they are made. At each closing date, assets and liabilities denominated in foreign currencies are converted at closing exchange rate. Exchange differences resulting from transactions are recorded in the statement of comprehensive income (loss). Non-monetary items are not reconverted at year-end and are measured at historical cost (translated at the exchange rate at the date of the transaction) except for non-monetary items remeasured at fair value, which are converted at the foreign exchange rate in effect on the date the fair value was determined.

3 - Significant accounting policies (continued)

(b) Accounting policies (continued)

Share-based compensation and payments

The Corporation has a stock option plan under which options to acquire common shares of the Corporation may be granted to its directors, officers, employees and consultants. The plan does not feature any options for a cash settlement. Where employees are rewarded using share-based payments, the fair values of the equity instruments granted is evaluated using the Black & Scholes pricing model at the date of grant. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised, if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense in prior periods if stock options ultimately exercised are different from the number initially estimated. Upon exercise of stock options, the amounts received, and the amounts previously accounted to Reserves – Settlement under equity are recognized in share capital. When stock options are forfeited or expired, the relating amounts are kept to Reserves – Settlement under equity.

Prospecting and evaluation expenditures, and prospecting and evaluation assets

Prospecting and evaluation expenditures are costs incurred in the course of the initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake prospecting and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake prospecting and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the prospecting and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as prospecting and evaluation assets. Expenses related to prospecting and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the prospecting and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts (see Note 5); the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, prospecting and evaluation assets related to the mining property are transferred to property and equipment under the category Mining assets under construction. Before the reclassification, prospecting and evaluation assets are tested for impairment (see Note 5) and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Although the Corporation has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of prospecting and development of such properties, these procedures do not guarantee the validity of the Corporation's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreements

On the disposal of interest in connection with option agreements, the Corporation does not recognize expenses related to the prospecting and evaluation performed on the property by the purchaser. In addition, the cash or the shares consideration received directly from the purchaser is credited against the carrying amount of costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of prospecting and evaluation assets in profit or loss.

3 - Significant accounting policies (continued)

(b) Accounting policies (continued)

Impairment of mining properties and deferred prospecting and evaluation expenditures and property and equipment

For the purposes of assessing impairment, assets are combined at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for prospecting and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the area has expired or will expire in the near future with no expectation of renewal;
- no further prospecting or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the prospecting and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Income taxes

The Corporation uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the enactment date. The Corporation does not record all or any deferred income tax assets if, based on available information, it is more likely than not that some or all of the deferred tax assets will not be realized.

Basic and diluted net income (loss) per share

Basic net income (loss) per share is calculated by dividing the net income attributable to holders of common shares by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is calculated by adjusting net income attributable to holders of common shares and the weighted average number of common shares outstanding, for the effects of all potential common shares. The calculation considers that potential common shares are deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares. For the purpose of calculating its diluted net income (loss) per share, an entity assumes the exercise of dilutive options and warrants. The assumed proceeds from these instruments must be regarded as having been received from the issue of common shares at the average market price of common shares during the period.

Cash and cash equivalents and funds reserved for prospection and evaluation

Cash and cash equivalents comprise cash and temporary investments with original maturity dates of less than three months from the date of acquisition. Funds reserved for prospection and evaluation are included in cash and cash equivalents.

3 - Significant accounting policies (continued)

(b) Accounting policies (continued)

Mining taxes and refundable tax credits

The Corporation is entitled to a mining tax credit for mining exploration expenses incurred in Quebec. Furthermore, the Corporation is entitled to a refundable tax credit relating to resources on eligible expenses incurred in Quebec. Tax credits are applied against the costs of prospection and evaluation assets in relation with IAS 20, Accounting for government grants and disclosure of government assistance. These tax credits are recorded, provided that the Corporation is reasonably certain that these credits will be received.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization and, where applicable, impairment losses. The cost less residual value is amortized over the estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual period of financial reporting and the impact of any change in estimates is recognized prospectively. Depreciation of equipment, other mining equipment and computer equipment is calculated using the diminishing balance method at a rate of 30%.

Revenue Recognition

Gains or losses resulting from the sale of investments are recognized in the statement of comprehensive income (loss) when the security is sold. Interest income is recognized on the accrual basis. They are recorded based on the number of days the investment was held during the year.

Provisions and contingent liabilities

Provisions are recognized when present obligations resulting from a past event are likely to result in an outflow of economic resources of the Corporation and amounts can be reliably estimated. The timing or amount of the outflow may be uncertain. An actual obligation arises from the presence of a legal or constructive obligation that has resulted from past events, for example, legal disputes, property and equipment retirement obligations and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditures required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties relating to the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation’s operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation’s operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Equity

The share capital represents the amount received on share issuances, less share issuance costs and deduction of any tax benefit. If the shares are issued as a result of the exercise of stock options or warrants, this item also includes the compensation expense previously recognized in Reserves - Settlement under Equity or Warrants. Reserves include charges related to share-based compensation of options not exercised and those of expired warrants. Deficit includes all current and prior years’ losses. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the quoted price on the day of the conclusion of the agreement. The Warrants item includes the value of unexercised warrants. The value of the expired warrants is transferred to Reserves - Settlement under Equity.

3 - Significant accounting policies (continued)

(b) Accounting policies (continued)

Units issuance

The proceeds of unit issuances are allocated to the shares and warrants in proportion of their fair value using the Black & Scholes valuation model to calculate the fair value of warrants.

Flow-through placements

Issuance of flow-through shares or units represents in substance an issue of common shares, warrants and the sale of the right to tax deductions to the investors. When the flow-through shares or units are issued, the sale of the right to tax deductions is deferred and presented as other liability in the statement of financial position. The proceeds received from flow-through shares or units are allocated between share capital, warrants issued, if applicable and other liability using the residual method. Proceeds are first allocated to shares according to the quoted price of shares at the time of issuance and then to warrants, if applicable, according to the fair value of the warrants at the time of issuance and the residual proceeds are allocated to other liability. The fair value of the warrants is estimated using the Black & Scholes valuation model. The liability component recorded initially on the issuance of shares is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense. A deferred tax liability is also recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset and its tax basis.

Financial instruments

Accounting and derecognition

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs, if necessary.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Under IFRS 9, the classification of financial instruments depends on the entity's business model and the cash flow characteristics of the financial asset or liability.

Classification and initial measurement of financial assets

Financial assets are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Corporation does not have any financial assets categorised as FVOCI.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within Interest and bank charges or Interest income.

3 - Significant accounting policies (continued)

(b) Accounting policies (continued)

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Corporation cash and cash equivalents and the other accounts receivable fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than “hold to collect” or “hold to collect and sell” are categorised at FVTPL. Furthermore, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for a FVTPL.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions.

The investments are part of this financial instruments category.

Impairment of financial assets

IFRS 9’s impairment requirements use forward-looking information to recognize expected credit losses.

Recognition of credit losses is not dependent on the Corporation first identifying a credit loss event. Instead the Corporation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the financial instrument.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial asset.

Classification and measurement of financial liabilities

The Corporation’s financial liabilities include accounts payables and accrued liabilities.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

Interests and changes in fair value of an instrument accounted in profit or loss, if applicable, are reported within Interest and bank charges or Interest income.

Segmental reporting

The Corporation presents and discloses segments information based on information that is regularly reviewed by the chief operating decision-makers, i.e. the president and chief executive officer and the board of directors. The Corporation has determined that there was only one operating segment being the sector of prospecting and evaluation of mineral resources.

3 - Significant accounting policies (continued)

(c) Accounting estimates and critical judgments

The preparation of financial statements requires management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on experience and other factors forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management, and will rarely be identical to the estimated results. The following paragraphs describe the most critical management estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and the most critical management judgments in applying accounting policies.

Share-based compensation and payments and fair value of warrants

The estimation of share-based compensation costs and fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Corporation has made estimates as to the volatility of its own shares, the expected life of options, the exercise period of these options as well as the expected forfeitures. The valuation model used by the Corporation is the Black & Scholes model.

Impairment of prospecting and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases (see Note 3 (b)). When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated. In assessing impairment, the Corporation must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Corporation's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

See Note 5 for the prospecting and evaluation assets impairment analysis.

No loss or reversal of impairment was recorded for the periods considered.

Deferred tax liabilities and assets

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized, or the liability is settled, based on taxation rates (and tax laws) that are enacted or substantively enacted at the end of the period for submission of financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the Corporation expects, at the end of the period for submission of financial information, to recover or settle the carrying amount of its assets and liabilities (see Note 6). This evaluation requires a great deal of judgment.

Going concern

In assessing whether the going concern assumption is appropriate, management takes into consideration all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management evaluates the need of cash for the future considering administrative expenses and obligations related to flow-through financings. The Corporation estimates to the best of its knowledge the future financing opportunities in order to satisfy itself that the going concern basis is appropriate.

(in Canadian dollars)

4 - Cash and cash equivalents and Investments

	December 31, 2022	December 31, 2021
	$	$
High interest banking account (4.59% and 3.45% as at December 31, 2022; 0.70% and 0.75% as at December 31, 2021)	**3,083,512**	10,947,924
Cash and cash equivalents [(1)]	**3,083,512**	10,947,924

(1) Cash and cash equivalents include $1,477,890 ($4,754,561 in 2021) of funds reserved for prospecting and evaluation (Note 10). Funds reserved for prospecting and evaluation represents unspent financing proceeds related to flow-through shares. According to the instructions imposed under this flow-through financing, the Corporation must dedicate these funds to the exploration of mining properties.

	December 31, 2022	December 31, 2021
	$	$
Investments		
24,000,000 shares of Renforth Resources Ltd, a public company	**720,000**	1,920,000
	720,000	1,920,000

5 - Prospecting and evaluation assets

	Balance December 31, 2021	Increase	Tax credits and mining taxes refundable	Balance December 31, 2022
QUEBEC	$	$	$	$
Mining properties :				
O'Brien	4,460,521	-	-	**4,460,521**
	4,460,521	-	-	**4,460,521**
Deferred prospecting and evaluation expenditures:				
O'Brien	33,050,063	7,343,610	(750,368)	**39,643,305**
Douay	163,640	16,565	(7,230)	**172,975**
	33,213,703	7,360,175	(757,598)	**39,816,280**
	37,674,224	7,360,175	(757,598)	**44,276,801**

(in Canadian dollars)

5 - Prospecting and evaluation assets (continued)

	Balance December 31, 2020	Increase	Tax credits and mining taxes refundable	Balance December 31, 2021
QUEBEC	$	$	$	$
Mining properties :				
O'Brien	4,460,521	-	-	4,460,521
	4,460,521	-	-	4,460,521
Deferred prospecting and evaluation expenditures:				
O'Brien	21,575,129	11,909,883	(434,949)	33,050,063
Douay	163,640	-	-	163,640
	21,738,769	11,909,883	(434,949)	33,213,703
	26,199,290	11,909,883	(434,949)	37,674,224

6 - Income taxes

	December 31, 2022	December 31, 2021
	$	$
Deferred tax expenses recognized in the current year	**(1,464,740)**	(3,401,179)

The effective income tax rate of the Corporation differs from the combined federal and provincial income tax rate in Canada. This difference results from the following items:

	December 31, 2022	December 31, 2021
	$	$
Loss before income taxes	**(3,448,885)**	(1,388,946)
Income taxes at combined provincial and federal rate of 26.5% in 2022 and 2021	**(913,955)**	(368,071)
Variation of unrecorded temporary differences	**(7,603)**	(573,874)
Tax effect of the issuance of flow-through shares	**1,320,767**	2,881,276
Reversal of other liability related to flow-through shares	**(2,153,277)**	(5,449,138)
Share-based compensation and payments	**103,070**	208,195
Variation of non-taxable fair value	**159,000**	(79,500)
Adjustment of previous years	**45,066**	-
Non-deductible items and others	**(17,808)**	(20,067)
	(1,464,740)	(3,401,179)

(in Canadian dollars)

6 - Income taxes (continued)

Detail of the deferred income taxes in the statement of earnings

	December 31, 2022	December 31, 2021
	$	$
Inception and reversal of temporary differences	**(783,627)**	(179,943)
Tax effect of the issuance of flow-through shares	**1,320,767**	2,881,276
Reversal of other liability related to flow-through shares	**(2,153,277)**	(5,449,138)
Variation of non-taxable fair value	**159,000**	(79,500)
Variation of unrecorded temporary differences	**(7,603)**	(573,874)
	(1,464,740)	(3,401,179)

Changes in deferred taxes in 2022

	Balance December 31, 2021	Recognized in comprehensive income (loss)	Share Capital	**Balance December 31, 2022**
	$	$	$	**$**
Property and equipment	111,512	44,059	-	**155,571**
Prospecting and evaluation assets	(7,900,579)	(1,294,212)	-	**(9,194,791)**
Exploration tax credits receivable	(45,876)	(41,815)	-	**(87,691)**
Investments	(15,900)	159,000	-	**143,100**
Share issuance costs	320,333	(106,298)	-	**214,035**
Capital losses	33,395	-	-	**33,395**
Non-capital losses	3,122,569	550,729	-	**3,673,298**
	(4,374,546)	(688,537)	-	**(5,063,083)**
Reversal of other liability related to flow-through shares		2,153,277		
Variation of future income taxes in the statement of earnings		1,464,740		

The Corporation has investment tax credit carryovers of $1,040 ($1,040 in 2021), that are not recognized. These credits are available to reduce federal income tax in future years and expire in 2033.

(in Canadian dollars)

6 - Income taxes (continued)

Changes in deferred taxes in 2021

	Balance December 31, 2020	Recognized in comprehensive income (loss)	Share Capital	**Balance December 31, 2021**
	$	$	$	**$**
Property and equipment	-	111,512	-	**111,512**
Prospecting and evaluation assets	(5,061,842)	(2,838,737)	-	**(7,900,579)**
Exploration tax credits receivable	-	(45,876)	-	**(45,876)**
Investments	63,600	(79,500)	-	**(15,900)**
Share issuance costs	-	320,333	-	**320,333**
Capital losses	-	33,395	-	**33,395**
Non-capital losses	2,671,655	450,914	-	**3,122,569**
	(2,326,587)	(2,047,959)	-	**(4,374,546)**
Reversal of other liability related to flow-through shares		5,449,138		
Variation of future income taxes in the statement of earnings		3,401,179		

As at December 31, 2022 and December 31,2021, the Corporation has no temporary differences for which no deferred tax asset has not been recognized.

7 - Other liability related to flow-through shares

	December 31, 2022	December 31, 2021
	$	$
Balance, beginning of the year	**2,030,850**	4,524,101
Increase of the year	**621,130**	2,955,887
Decrease related to eligible exploration expenses incurred (1)	**(2,153,277)**	(5,449,138)
Balance, end of the year	**498,703**	2,030,850

(1) The flow-through common share premium included in other liability that is derecognized through deferred income taxes as the eligible expenditures are incurred is included in Comprehensive Income (loss).

(in Canadian dollars)

8 - Share capital

Authorized:

Unlimited number of class A shares, voting and participating, no par value;

Unlimited number of class B shares which may be issued in series, cumulative or non-cumulative dividend at the prime rate of the Bank of Canada at the beginning of the year plus a percentage between 1% and 5%, non-participating, non-voting, redeemable at the option of the Corporation for an amount equal to the price paid plus any dividend declared and unpaid, no par value.

Movements in class A shares (common shares) of the Corporation are as follows:

	December 31, 2022		December 31, 2021	
	Class A shares	**Amount**	Class A shares	Amount
		$		$
Issued and paid				
Balance, beginning of year	**274,291,266**	**67,979,278**	244,430,890	61,800,999
Flow-through shares (1) (3)	**8,990,592**	**1,078,870**	18,177,254	3,817,209
Share issuance costs	**-**	**(28,692)**	-	(456,300)
Options exercised (2) (4)	**1,665,000**	**306,415**	2,075,000	422,900
Warrants exercised (5)	**-**	**-**	9,608,122	2,394,470
Balance, end of year	**284,946,858**	**69,335,871**	274,291,266	67,979,278

For the year ended December 31, 2022:

(1) Flow-through shares

- In December 2022, the Corporation issued 3,120,000 Charity Quebec flow-through shares at $0.225 per share for total amount of $702,000 (fair value of $374,400). An amount of $327,600 is accounted as "Other liability related to flow-through shares" (refer to Note 7).
- In December 2022, the Corporation issued 5,870,592 Quebec flow-through shares at $0.17 per share for total amount of $998,000 (fair value of $704,470). An amount of $293,530 is accounted as "Other liability related to flow-through shares" (refer to Note 7).

(2) Options

- During the fiscal year ended December 31, 2022, 1,665,000 options were exercised for total amount of $212,400. An amount of $94,015 was recorded as an increase in the Share capital from Reserves-Settlement under Equity.

8 - Share capital (continued)

For the year ended December 31, 2021:

(3) Flow-through shares

- In December 2021, the Corporation issued 10,819,629 Quebec flow-through shares at $0.35 per share for total amount of $3,786,870 (fair value of $2,272,108). An amount of $1,514,748 is accounted as "Other liability related to flow-through shares" (refer to Note 7).
- In December 2021, the Corporation issued 4,860,000 Charity flow-through shares at $0.45 per share for total amount of $2,187,000 (fair value of $1,020,600). An amount of $1,166,400 is accounted as "Other liability related to flow-through shares" (refer to Note 7).
- In December 2021, the Corporation issued 2,497,625 Federal flow-through shares at $0.32 per share for total amount of $799,240 (fair value of $524,501). An amount of $274,739 is accounted as "Other liability related to flow-through shares" (refer to Note 7).

(4) Options

- During the fiscal year ended December 31, 2021, 2,075,000 options were exercised for total amount of $282,124. An amount of $140,776 was recorded as an increase in the Share capital from Reserves-Settlement under Equity.

(5) Warrants

- During the fiscal year ended December 31, 2021, 9,608,122 warrants were exercised for total amount of $2,019,708. An amount of $374,762 was recorded as an increase in Share capital resulting from the value of the warrants.
- Following funding of the year, 794,532 brokers warrants were issued and an amount of $27,014 was recorded in share issuance costs.

a) Shareholder protection Rights Plan

The Board of Directors of the Corporation has adopted a shareholder protection rights plan (the "Rights Plan") effective since February 2, 2009.

The Rights Plan was adopted to ensure fair treatment of shareholders of the Corporation in connection with any takeover bid for outstanding class A shares of the Corporation. The Rights Plan will provide the Board of Directors of the Corporation (the Board) and the shareholders with more time to consider any unsolicited take-over bid. The Rights Plan is intended to discourage coercive or unfair takeover bids. It also allows additional time to the Board to pursue opportunities to maximize shareholders' value. The Rights Plan is not designed to prevent unfair takeover bids towards the shareholders of Radisson.

The Rights Plan was not adopted due to, or in anticipation of a specific proposal to take control of the Corporation. The TSX Venture Exchange has approved the scheme of protection contingent upon its ratification and confirmation by the shareholders within six months following the date of entry into force of the Plan. The Corporation has complied to this requirement since the shareholders approved the Rights Plan at the annual general meeting held June 26, 2009. The Rights Plan ended at the third annual meeting of shareholders following the entry into force. The Corporation has extended the Rights Plan at its annual meeting of shareholders in 2019, for an indefinite period.

(in Canadian dollars)

8 - Share capital (continued)

a) Shareholder protection Rights Plan (continued)

Under the terms of the Rights Plan, any proposal that meets certain criteria intended to protect the interests of all shareholders is considered a "Permitted Bid". A "Permitted Bid" must be made from a circular bid prepared by the securities laws in force and, in addition to certain other conditions must be valid for a period of at least 60 days. If at the end of 60 days, at least 50% of the class A shares, other than those held by the offeror and certain related parties have been offered, the offeror may take delivery of the securities offered and pay the price. It must also extend the offer of 10 days to allow other shareholders to submit their shares.

The rights issued under the Rights Plan will become exercisable only when a person, including any party related to it, acquires or announces its intention to acquire 20% or more of the outstanding class A shares of Radisson without complying with the “Permitted Bid” provisions of the Rights Plan or without approval of the Board. To the best of the knowledge of Radisson, no shareholder or related group holds, directly or indirectly, 20% or more of the class A shares of the Corporation. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the Rights Plan will entitle shareholders to purchase additional class A shares of Radisson at a significant discount to the market price at that time.

b) Class A stock options

On June 20, 2022, the Corporation obtained the authorization from the TSX Venture Exchange to modify the stock option plan in favour of the directors, officers, employees, and consultants (the “Plan”). An aggregate number of 25 million class A shares has been reserved for potential issuance under the Plan. The exercise price of each option is the market price of the Corporation’s stock at the date of grant of options and the maximum term of a new option is 5 years. Unless otherwise determined by the Board of Directors, options granted under the Plan vest immediately.

A summary of the situation as at December 31, 2022 and December 31, 2021 is presented below:

Options:

	December 31, 2022		December 31, 2021	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding at beginning	**14,870,926**	**0.220**	10,940,926	0.173
Granted	**6,007,500**	**0.136**	6,230,000	0.275
Expired	**(4,200,926)**	**0.250**	(225,000)	0.255
Exercised	**(1,665,000)**	**0.128**	(2,075,000)	0.136
Outstanding at the end	**15,012,500**	**0.188**	14,870,926	0.220
Options exercisable at the end	**14,012,500**	**0.190**	14,620,926	0.218

The average share price at the date of exercise of the options exercised was $0.190 ($0.271 as at December 31, 2021)

(in Canadian dollars)

8 - Share capital (continued)

b) Class A stock options (continued)

The following table summarizes the information relating to the stock options as at December 31, 2022:

Number of options outstanding	Exercise price	Weighted average remaining life	Number of options exercisable
	$	(years)	
250,000	0.100	0.83	250,000
250,000	0.105	1.19	250,000
100,000	0.110	0.91	100,000
725,000	0.125	0.43	725,000
1,175,000	0.135	1.45	1,175,000
250,000	0.150	0.66	250,000
1,050,000	0.170	4.35	50,000
200,000	0.120	4.94	200,000
1,700,000	0.255	2.45	1,700,000
250,000	0.300	3.13	250,000
500,000	0.310	3.19	500,000
2,380,000	0.280	3.27	2,380,000
1,500,000	0.225	3.73	1,500,000
4,682,500	0.130	4.56	4,682,500
15,012,500		3.30	14,012,500

The following table summarizes the information relating to the stock options as at December 31, 2021:

Number of options outstanding	Exercise price	Weighted average remaining life	Number of options exercisable
	$	(years)	
250,000	0.100	1.82	250,000
250,000	0.105	2.19	250,000
840,000	0.110	0.53	840,000
500,000	0.165	0.42	500,000
900,000	0.125	1.44	900,000
1,600,000	0.135	2.45	1,600,000
75,000	0.140	0.22	75,000
500,000	0.150	1.15	500,000
50,000	0.170	3.32	50,000
700,000	0.200	2.84	700,000
2,450,000	0.255	3.45	2,450,000
525,926	0.270	3.89	525,926
1,850,000	0.300	4.13	1,850,000
500,000	0.310	4.19	250,000
2,380,000	0.280	4.45	2,380,000
1,500,000	0.225	4.73	1,500,000
14,870,926		3.20	14,620,926

During the year ended December 31, 2022, the Corporation granted 4,607,500 (2021, 5,525,000) options to directors and officers, 1,350,000 (2021, 675,000) options to employees and 50,000 (2021, 30,000) options to a consultant. An amount of $388,944 (2021, $785,640) has been charged to the statement of comprehensive income (loss). During the same period, 4,200,926 (2021, 225,000) options expired.

(in Canadian dollars)

8 - Share capital (continued)

b) Class A stock options (continued)

The following table presents the weighted average fair value at grant date and the weighted average assumptions used to determine the share-based compensation and payments expenses using the Black & Scholes option pricing model:

	Year ended December 31, 2022	Year ended December 31, 2021
Share-based compensation and payments	**$388,944**	$785,640
Average exercise price	**$0.136**	$0.275
Average price of the share	**$0.128**	$0.275
Expected volatility [(1)]	**61%**	56%
Risk-free interest rate	**3.22%**	0.77%
Expected dividend rate	**0%**	0%
Estimated duration	**5 years**	5 years
Weighted average fair value at grant date	**$0.07**	$0.13

[(1)] The expected volatility is based on historic volatility of the stock price of the Corporation and the expected average duration of the options.

c) Warrants

	December 31, 2022		December 31, 2021	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding at beginning	**16,402,940**	**0.50**	26,221,295	0.39
Granted	**-**	**-**	794,532	0.35
Exercised	**-**	**-**	(9,608,122)	0.21
Expired	**(15,608,408)**	**0.51**	(1,004,765)	0.25
Outstanding at the end	**794,532**	**0.35**	16,402,940	0.50

As at December 31, 2022, there were 794,532 warrants outstanding, which were as follows:

Outstanding	**Exercise price**	**Expiration date**
	$	
794,532	0.350	June 2023

As at December 31, 2021, there were 16,402,940 warrants outstanding, which were as follows:

Outstanding	**Exercise price**	**Expiration date**
	$	
15,608,408	0.510	May 2022
794,532	0.350	June 2023
16,402,940		

(in Canadian dollars)

8 - Share capital (continued)

c) Warrants (continued)

The following table presents the weighted average assumptions used to determine the fair value of warrants granted using the Black & Scholes model:

	Year ended December 31, 2022	Year ended December 31, 2021
Warrants value	-	$27,013
Average exercise price	-	$0.35
Average share price	-	$0.21
Expected volatility [1]	-	66.1%
Risk-free interest rate	-	0.89%
Expected dividend rate	-	0%
Estimated duration	-	1.5 year
Weighted average fair value at grant date	-	$0.03

[1] The expected volatility is based on historic volatility of the stock price of the Corporation and the expected average life of the warrants.

9 - Basic and diluted net income (loss) per share

The weighted average number of class A shares (common shares) outstanding is as follows:

	December 31, 2022	December 31, 2021
Basic	**276,117,293**	250,728,896
Effect of options	-	4,022,740
Diluted	**276,117,293**	254,751,636

The options and warrants that are anti-dilutive and excluded from the calculation of weighted average diluted class A shares (common shares) are as follows:

	December 31, 2022	December 31, 2021
Anti-dilutive options	**15,012,500**	5,105,926
Anti-dilutive warrants	**794,532**	16,402,940
	15,807,032	21,508,866

	December 31, 2022	December 31, 2021
Net income (loss) of the year	**$(1,984,145)**	$2,012,233
Basic and diluted net income (loss) per share	**$(0.007)**	$0.008

(in Canadian dollars)

10 - Funds reserved for prospecting and evaluation

	December 31, 2022	December 31, 2021
	$	$
Funds reserved for prospecting and evaluation at the beginning of the year	**4,754,561**	9,201,032
Funds obtained from flow-through financings during the year	**1,700,000**	6,773,110
Less: Deferred prospecting and evaluation expenditures related to flow-through shares financings of the year	**(4,976,671)**	(11,219,581)
Required funds reserved for prospecting and evaluation	**1,477,890**	4,754,561

The Corporation issues flow-through shares to fund its prospecting and evaluation expenditures. These shares require the Corporation to spend the obtained funds in eligible exploration expenses.

11 - Employee salaries and benefits charge

The employee salaries benefits charge is analyzed as follows:

	December 31, 2022	December 31, 2021
	$	$
Salaries and benefits	**2,140,266**	1,449,896
Non-recurring employee severance (1)	**598,000**	-
Share-based compensation and payments	**388,944**	785,640
	3,127,210	2,235,336
Less: Capitalized wages for prospecting and evaluation assets	**(1,549,011)**	(936,002)
Employee salaries and benefits charge	**1,578,199**	1,299,534

(1) The non-recurring employee severance of $598,000 follows the termination of an employment contract after a mutual step-down agreement made between the company and an executive during the year ended December 31, 2022.

12 - Information on related parties

Related party transactions

During the year ended on December 31, 2022, the Corporation incurred the following transactions with key management and officers of the Corporation and companies owned by directors.

	December 31, 2022	December 31, 2021
	$	$
Office rental	**-**	16,020
Office expenses	**-**	2,935
Prospecting and evaluation assets	**-**	13,051
	-	32,006

The above transactions occurred within the normal course of business and are measured at the exchange value, which is the amount of consideration established and agreed by the related parties. There was no payable balance in relation with these operations as at December 31, 2022 and December 31, 2021.

(in Canadian dollars)

12 - Information on related parties (continued)

Compensation of key management personnel

The remuneration paid or payable to key management (president & chief executive officer, chief financial officer and directors) is as follows:

	December 31, 2022	December 31, 2021
	$	$
Salaries and employee benefits	**504,622**	469,947
Non-recurring employee severance [1]	**598,000**	-
Experts and subcontractors	**10,000**	219,232
Meeting attendance fee	**-**	91,122
Share-based compensation and payments	**335,744**	668,600
	1,448,366	1,448,901

[1] The non-recurring employee severance of $598,000 follows the termination of an employment contract after a mutual step-down agreement made between the company and an executive during the year ended December 31, 2022.

13 - Commitments

Following are the details of royalties and contractual obligations held by third parties on Corporation's O'Brien, Kewagama and New Alger properties (combined under the name O'Brien):

- O'Brien: 1 million dollars cash payment in the event of commercial production
- Kewagama: 2% net smelter return (NSR) royalty
- New Alger:
  - 2% NSR on the mining claims replacing the old mining concession known as CM240-PTA;
  - 1% NSR on all mining claims consisting of the New Alger property, including the claims replacing the old mining concession known as CM240-PTA;
  - A 1.5-million-dollar cash contingent payment related to the New Alger property shall be payable to Renforth Resources Inc. on the earliest of: (i) a Change of Control of the Corporation, (ii) the declaration by the Corporation of Commercial Production of the Project, and (iii) a sale of the Project for proceeds of more than $40,000,000.

14 - Additional information related to cash flows

	December 31, 2022	December 31, 2021
	$	$
Net change in working capital items:		
Government taxes and mining taxes receivable	**842,213**	(294,357)
Prepaid expenses	**(7,775)**	(41,075)
Accounts payable and accrued liabilities	**(445,332)**	357,942
	389,106	22,510

(in Canadian dollars)

14 - Additional information related to cash flows (continued)

	December 31, 2022	December 31, 2021
	$	$
Non-cash activities:		
Prospecting and evaluation expenditures included in accounts payable and accrued liabilities	**40,235**	1,435,916
Tax credits and duties related to prospecting and evaluation expenditures	**757,598**	434,949
Share issuance costs in brokers warrants	**-**	27,014
Value attributed to the options upon their issuance transferred to the share capital upon the exercise of the options	**94,015**	140,776
Value attributed to the warrants upon their issuance transferred to the share capital upon the exercise of the warrants	**-**	374,762

The amount of interest received related to operating activities is of $63,505 ($131,056 in 2021).

15 - Objectives and policies regarding risk on financial instruments

a) The activities of the Corporation are exposed to different risks relating to financial instruments: credit risk, liquidity risk and the other price risk.

i) Credit risk

The credit risk is the risk that a party of a financial instrument fails to fulfill its obligations and thus leads the other party to incur a financial loss. Cash and cash equivalents including the funds reserved for prospection and evaluation are the main financial instruments of the Corporation which are potentially subject to credit risk. Moreover, the credit risk for cash and cash equivalents including the funds reserved for prospection and evaluation is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

ii) Liquidity risk

The liquidity risk is the risk that an entity will have difficulty to respect obligations associated with financial liabilities. The Corporation manages its cash balance and cash flows to respect its obligations. The issuance of contractual financial liabilities is less than one year. Refer to Note 1 for more details on the liquidity risk.

iii) Other price risk

Other price risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in one company that is subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets. Equity investments are valued at fair value using quoted market price which is currently $720,000 (2021, $1,920,000).

As at December 31, 2022, if the quoted market price of these securities had increased (decreased) by 54% (45% in 2021), comprehensive income (loss) and shareholders' equity for the year would have increased (decreased) by $388,636 (2021, $600,000).

15 - Objectives and policies regarding risk on financial instruments (continued)

b) Fair value

The estimated fair value is established on the statement of financial position date based on relevant market information and other reference on financial instruments.

The fair value of cash and cash equivalents, funds reserved for prospection and evaluation, other accounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term maturity.

c) Fair value hierarchy

Financial instruments recorded at fair value on the statement 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);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The investments are the only financial instruments recorded at fair value in the statement of financial position and they are classified at Level 1.

During the years ended December 31, 2022 and December 31, 2021, there was no transfer of amounts between level 1 and 2.

16 - Capital disclosures

The Corporation's objectives when managing capital are:

- to maintain and safeguard its accumulated capital in order to maintain a sufficient level of funds, to support continued evaluation and maintenance at the Corporation's existing properties, and to acquire, explore, and develop other precious and base metal deposits;
- to invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, in order to minimize the risk of loss of principal;
- to obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

In the management of capital, the Corporation includes shareholders' equity in the definition of capital. The Corporation is not exposed to externally imposed capital requirements. The Corporation manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets, especially with respect to exploration results on properties in which the Corporation has an interest. In order to facilitate the management of capital and development of its mining properties, the Corporation prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Corporation's Board of Directors. In addition, the Corporation may issue new equity, incur additional debt, option its mining properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Corporation's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Corporation does not pay dividends. Notwithstanding the risks described in Note 1, the Corporation expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

17 - Contingencies

Exclusive right of first offer for a gold linked financing to the O'Brien project

In August 2018, next to a subscription of 5,000,000 units, the Corporation granted to a European entity (the "Subscriber") an exclusive right of first refusal over any gold linked financing which could be put in place by the Corporation for underground exploration, bulk sampling or the production start of the O'Brien project which is held by the Corporation for 100%. There is no obligation for the Corporation to finance its project by gold linked financing.

Flow-through

The Corporation is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Corporation is engaged in realizing mining exploration work. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Corporation has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Corporation's exploration expenses will qualify as Canadian exploration expenses, even if the Corporation is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.