



Condensed Interim Financial Statements

For the three-month periods ended
March 31, 2022 and 2021

NIOCAN INC.

MANAGEMENT'S REPORT

Management's comments on unaudited Condensed Interim Financial Statements for the three-month periods ended March 31, 2022 and 2021

Notice of no auditor review of interim financial statements

The accompanying unaudited Condensed Interim Financial Statements of the Company have been prepared by and are the responsibility of the Company's Management.

The Company's independent auditor, Guimond, Lavallée, Inc., 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 interim financial statements by an entity's auditor.

Dated this 26th day of May 2022

(signed) *Hubert Marleau*
Hubert Marleau, President and CEO

(signed) *Bruno Dumais*
Bruno Dumais, CPA, CA, Chief Financial Officer

NIOCAN INC.

Condensed Interim Statements of Financial Position
(in Canadian dollars)

	<i>Note</i>	Unaudited As at March 31 2022	Audited As at December 31, 2021
Assets			
Current assets			
Cash		\$ 1,792,762	\$ 1,943,289
Receivables	4	112,889	114,223
Prepaid	5	189,547	201,071
Total current assets		2,095,198	2,258,583
Non-current assets			
Prepaid	5	14,105	60,980
Land		506,887	506,887
Total non-current assets		520,992	567,867
Total assets		\$ 2,616,190	\$ 2,826,450
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 183,909	\$ 1,441,956
Debenture	7	–	2,345,000
Total current liabilities		183,909	3,786,956
Non-current liabilities			
Long-term debts	8	540,000	540,000
Total non-current liabilities		540,000	540,000
Total liabilities		723,909	4,326,956
Equity (Deficiency)			
Share capital	9	20,296,684	16,989,649
Warrants	10	650,037	650,037
Contributed surplus		1,638,760	1,612,972
Equity (Deficit)		(20,693,200)	(20,753,164)
Total equity (deficiency)		1,892,281	(1,500,506)
Total liabilities and equity (deficiency)		\$ 2,616,190	\$ 2,826,450

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

On behalf of the Board:

(signed) Hubert Marleau, Director

(signed) Guy Charette, Director

NIOCAN INC.

Condensed Interim Statements of Income and Comprehensive Income
For the 3-month period ended March 31, 2022 and 2021

Unaudited

(in Canadian dollars, unless otherwise stated)

	Note	2022	2021
Revenues		\$ 750	\$ 1,050
Operating expenses			
Professional fees		48,662	19,075
Office and administration		13,417	17,527
Directors' fees		5,389	5,378
Mining rights		46,875	20,407
Stock exchange, authorities, and shareholders relations		25,691	9,274
Rent		2,125	2,115
Taxes and permits		–	6,077
Insurance		4,523	4,074
Telecommunication and website		303	119
Share-based compensation	12	25,788	–
Bank charges		118	94
Total operating expenses		(172,891)	(84,140)
Finance costs	14	(34,381)	(59,748)
Gain on debt settlement	7	266,486	–
Net income (loss) and comprehensive income (loss)		\$ 59,964	\$ (142,838)
Income (loss) per outstanding common share			
Basic		\$ 0.00	\$ (0.01)
Diluted		\$ 0.00	\$ (0.01)
Basic weighted average number of shares		59,836,025	25,979,868
Diluted weighted average number of shares		87,427,800	25,979,868

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

NIOCAN INC.

Statements of Changes in Shareholders' Equity (Deficiency)

For the three-year periods ended March 31, 2022 and 2021

Unaudited

(in Canadian dollars, unless otherwise stated)

	Share capital		Contributed surplus	Warrants	Deficit	Total
	Number	Amount				
Balance as at January 1, 2022	51,894,868	\$16,989,649	\$ 1,612,972	\$ 650,037	\$(20,753,164)	\$ (1,500,506)
Net income and comprehensive income	–	–	–	–	59,964	59,964
Share-based compensation	–	–	25,788	–	–	25,788
Issuance of shares under a debt conversion agreement (Note 9)	23,823,470	3,307,035	–	–	–	3,307,035
Balance as at March 31, 2022	75,718,338	\$20,296,684	\$ 1,638,760	\$ 650,037	\$(20,693,200)	\$ 1,892,281

	Share capital		Contributed surplus	Warrants	Deficit	Total
	Number	Amount				
Balance as at January 1, 2021	25,979,868	\$15,352,101	\$ 1,478,400	\$ –	\$(19,762,144)	\$ (2,931,643)
Net loss and comprehensive loss	–	–	–	–	(142,838)	(142,838)
Balance as at March 31, 2021	25,979,868	\$15,352,101	\$ 1,478,400	\$ –	\$(19,904,982)	\$ (3,074,481)

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

NIOCAN INC.

Condensed Interim Statements of Cash Flows

For the three-month periods ended March 31, 2022 and 2021

Unaudited

(in Canadian dollars, unless otherwise stated)

	Note	2022	2021
Cash flows related to operating activities			
Net income (loss)		\$ 59,964	\$ (142,838)
Adjustments for:			
Share-based compensation	12	25,788	–
Gain on debt conversion	7	(266,486)	–
Net changes in non-cash operating items		30,207	(308,485)
Net cash related to operating activities		(150,527)	(451,323)
Cash flows related to financing activities			
Issuance of long-term debt	8	–	500,000
Net cash related to financing activities		–	500,000
Net change in cash		(150,527)	(48,677)
Cash - Beginning of the year		1,943,289	11,240
Cash - End of the year		\$ 1,792,762	\$ 59,917

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

NIOCAN INC.

Notes to the Condensed Interim Financial Statements
For the three-month periods ended March 31, 2022 and 2021
Unaudited

(in Canadian dollars, unless otherwise stated)

1. Reporting entity and going concern

Niocan Inc. (the "Company") is domiciled in Canada. The address of the Company's registered office is 1, Place Ville-Marie, Suite 1670, Montreal, Quebec. The Company, incorporated under the Quebec *Companies Act* on August 29, 1995, holds a niobium property in Oka, Quebec and exploration properties in the province of Quebec. The Company is a publicly traded company listed on the TSX Venture Exchange (the "TSX-V") under the symbol "NIO".

On May 6, 2022, the Company approved its name change for Nio Strategic Metals. The change will have no impact on the trading symbol and confirms the Company's intention to expend its activities to source strategic metals and minerals essential to advancing modern life and national security in beneficially environmental, social and ethical manner. The name change will be effective as soon as the Company receives confirmation from the regulator and the transfer agent of its execution.

The Company is in a development stage and has mineral exploration and development properties in the province of Quebec. The Company does not capitalize the exploration and evaluation expenses. The Oka mining property consists of mining rights comprised of 102 claims covering 6,025 acres and the Great Whale property consists of surface and mining rights comprised of 140 claims covering 17,098 acres on the Hudson Bay territory. Substantially, all the Company's efforts are currently devoted to financing, developing and obtaining permits for its niobium property in Oka.

Financial statements have been prepared on a going concern basis which supposed that the Company will pursue its activities in a foreseeable future and will be able to realize its assets or discharge its obligations in the ordinary course of operations. The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The Company does not have any revenues coming from its operations that would enable the Company to discharge its obligations in the ordinary course of its operations. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in the ordinary course of operations.

With respect to the niobium property in Oka, the Company has determined in 1999 that the property contains ore resources which provide a conceptual indication of the potential of the property. The Company's application is under study with the Quebec Ministry of Sustainable Development, Environment and Parks ("MDDEP") and the community of Oka to obtain all permits, certificates and other authorizations to allow the Company to operate the niobium property. Management is currently working to obtain all the required permits and authorization to develop the Oka property.

The \$ 2.345 million debenture matured on December 30, 2021 and is secured by all the property and assets of the Company. Management negotiated with the debenture holders to convert the debenture at the best interest of the Company. In March 2022, \$ 3,578,018 in principal and accrued interest owing under the terms of a secured debenture initially issued by the Company to Nio-Metals on February 19, 2013 has been converted into an aggregate of 23,823,470 common shares of the Company (the "Repayment Shares") at an issue price of \$ 0.15 per share in full repayment thereof.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

NIOCAN INC.

Notes to the Condensed Interim Financial Statements
For the three-month periods ended March 31, 2022 and 2021
Unaudited

(in Canadian dollars, unless otherwise stated)

2. Basis of preparation

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") under international accounting standard IAS 34, Interim Financial Reporting, using the same basis of presentation, accounting policies and methods of computation that were applied for the annual financial statements for the year ended December 31, 2021.

The financial statements were authorized for issue by the Board of Directors on May 26, 2022.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in Canadian dollars, unless otherwise stated, which the Company's functional currency is.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include, but are not limited to:

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually assessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Black & Scholes valuation

The calculation of the fair value of units, stock options and warrants granted require management to make estimates and assumptions about the fair value of the underlying common shares of the Company, expected volatility, expected life and expected forfeiture rates, which could affect the Company's results if the current estimates change. Expected volatility was based on the Company's historical volatility.

3. Significant accounting policies

The Company's significant accounting policies and estimates under IFRS are disclosed in the audited annual financial statements for the year ended December 31, 2021 and were applied consistently to all years.

Adoption of new accounting standards:

The Company has adopted the following new standard and amendment to standards and interpretations, with a date of initial application of January 1, 2022 and have been applied in preparing these financial statements:

NIOCAN INC.

Notes to the Condensed Interim Financial Statements For the three-month periods ended March 31, 2022 and 2021 Unaudited

(in Canadian dollars, unless otherwise stated)

Annual Improvements to IFRS Standards 2018-2020

The Annual Improvements include amendments to the following Standard.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted. The adoption of these amendments did not have a significant impact on the financial statements

Future accounting standards:

Several new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2022 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. The Company is assessing the impact of these amendments on its financial statements.

4. Receivables

	March 31, 2022	December 31, 2021
Subscription receivable	\$ 35,000	\$ 40,000
Sales tax receivable	76,107	68,407
Advance to a Director	–	4,034
Other receivables	1,782	1,782
	\$ 112,889	\$ 114,223

5. Prepaid

Prepaid expenses consist mostly of payment of rights on mining properties.

Oka property:

The Oka mining property consists of surface and mining rights comprised of one mining lease and 102 claims (102 in 2021) covering 6,025 acres (6,025 in 2021).

NIOCAN INC.

Notes to the Condensed Interim Financial Statements
For the three-month periods ended March 31, 2022 and 2021
Unaudited

(in Canadian dollars, unless otherwise stated)

Great Whale property:

The Company owns surface and mining rights for the iron property of Great Whale comprising 140 claims (173 in 2021) covering 17,098 acres (24,944 in 2021) on the Hudson Bay territory.

6. Accounts payable and accrued liabilities

	March 31, 2022	December 31, 2021
Accounts payable and accrued liabilities	\$ 176,732	\$ 190,632
Accrued interest	–	1,225,290
Payroll benefits payable	7,177	26,034
	\$ 183,909	\$ 1,441,956

7. Debenture

On February 19, 2013, the Company completed a private placement with Nio-Metals Holdings LLC (“Nio-Metals”) pursuant to which Nio-Metals subscribed for a unit comprising of \$1,200,000 aggregate principal amount of secured a subordinated debenture of the Company (the “Debenture”) and 1,000,000 warrants to purchase common shares, representing aggregate gross proceeds of \$1,200,000. The Debenture bear interest at an annual rate of 10%, payable quarterly as originally set to mature August 19, 2015 and got extended until December 30, 2021, subject to the ability of the Company to repay them at any time without penalty. The warrants expired on February 19, 2015. The Debenture is secured by all property and assets of the Company.

In March 2020, the Company amended the debenture to consider \$75,000 cash injection to support the working capital.

In March 2022, the Company converted the debenture and the accrued interest into 23,823,470 common shares of the Company. Under IFRIC 19, a gain on debt settlement of \$242,732 was recorded by the Company during the period.

8. Long-term debts

	December 31, 2021	December 31, 2021
Loan, 6%, unsecured, interest payable quarterly starting In September 2021, maturing in March 2023 ^(a)	\$ 500,000	\$ 500,000
Loan, without interest, secured by the Federal government, maturing in December 2022 ^(b)	40,000	40,000
	\$ 540,000	\$ 540,000
Current portion	–	–
	\$ 540,000	\$ 540,000

^(a)During the period, the Company entered into an agreement with Nio-Metals for an unsecured bridge loan facility of \$500,000 (the “Bridge Loan”). The Bridge Loan has a 24-month term to maturity, bears interest of 6% per annum payable quarterly, starting in September 2021, and is not convertible. The Bridge Loan may be repaid at any time prior to maturity without penalty. In March 2022, the Company and the lender agreed to extend the maturity date from March 2023 to March 2024.

^(b)The loan secured by the Federal government considers a subvention of \$10,000 if the loan is reimbursed before December 31, 2022. If the loan is not repaid in full by December 31, 2022, the entire

NIOCAN INC.

Notes to the Condensed Interim Financial Statements
For the three-month periods ended March 31, 2022 and 2021
Unaudited

(in Canadian dollars, unless otherwise stated)

loan can be converted in a term loan, bearing interest at the rate of 5 %, payable monthly, without payment of capital before maturity, and maturing on December 31, 2025. In January 2022, the Federal government announced an extension of the maturity date until December 2023.

9. Share capital

The number of shares issued and outstanding as at March 31, 2022 was 75,718,338 (December 31, 2021 - 51,894,868). The Company is authorized to issue an unlimited number of common shares, without par value. The outstanding shares were fully paid with the exception of \$35,000 subscriptions receivable (December 31, 2021 - \$40,000) (Note 4).

During the period, pursuant to the terms of an agreement entered into between the Company and Nio-Metals, one of its principal shareholders, \$3,573,521 in principal and accrued interest owing under the terms of a secured debenture initially issued by the Company to Nio-Metals on February 19, 2013 has been converted into an aggregate of 23,823,470 common shares of the Company at an issue price of \$0.15 per share in full repayment thereof. Under IFRIC 19, a gain on debt settlement of \$242,732 was recorded by the Company during the period.

10. Warrants

The number of warrants outstanding as at March 31, 2021 was 13,918,750 (December 31, 2021 - 13,968,750).

The weighted average exercisable price for the warrants outstanding as at March 31, 2022 was \$ 0.12 (December 31, 2021 - \$ 0.12) and the average time until maturity is 1.54 years.

Changes in the warrants were as follows:

	As at March 31, 2022		As at December 31, 2021	
	Number of warrants	Weighted average Exercisable price	Number of warrants	Weighted average Exercisable price
Balance at beginning	19,918,750	\$ 0.12	–	\$ –
Granted	–	–	12,957,500	0.12
Granted	–	–	1,011,250	0.15
Balance at the end	13,918,750	\$ 0.12	13,918,75	\$ 0.12

11. Net income (loss) per share

The calculation of basic net income (loss) per share at March 31, 2022 was based on the income attributable to common shareholders which corresponds to the income for the period of \$59,964 (March 31, 2021 - loss of \$142,838), and a weighted average number of common shares of 59,836,025 (March 31, 2021 - 25,979,868).

The calculation of diluted net income per share at March 31, 2022 considered the impact of exercisable stock options and warrants (March 31, 2021 - the net loss is the same as the basic net loss per share as all options and warrants had an anti-dilutive effect).

12. Share-based payments

Under the stock option plan, the Company may grant options to directors, officers and consultants to purchase common shares provided that the aggregate number of shares subject to such option may not exceed 10% of the issued and outstanding common shares at the time of any option grant on a

NIOCAN INC.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended March 31, 2022 and 2021

Unaudited

(in Canadian dollars, unless otherwise stated)

rolling basis. The exercise price of each option is determined by the Board of Directors and is required not to be lower than the discounted market price based on last closing market price of the common shares before the date of the grant of the option. The options vest immediately upon issuance and their life may not exceed 5 years. All options are recorded at fair value when granted.

The plan must receive shareholder and TSX-V approval annually at the Company's annual general meeting of shareholders. The number of exercisable stock options outstanding fluctuated as follows:

	As at March 31, 2022		As at December 31, 2021	
	Number of stock options	Weighted average Exercisable price	Number of stock options	Weighted average Exercisable price
Balance at beginning	3,550,000	\$ 0.15	–	\$ –
Granted	–	–	3,550,000	0.15
Balance at the end	3,550,000	\$ 0.15	3,550,000	\$ 0.15

The calculation of the diluted earnings for the per share considered 1,776,775 stock options (March 31, 2021- nil).

Share-based compensation expense for the period ended March 31, 2022, totaled \$ 25,788 (March 31, 2020 - \$ nil) and was credited to the contributed surplus.

The following table summarizes certain information on outstanding stock options as at March 31:

Exercise price range	Options outstanding			Options exercisable	
	Number of options	Weighted average remaining contractual life	Weighted average exercise price	Number of options	Weighted average exercise price
\$		(in years)	\$		\$
0.15	3,550,000	4.55	0.15	1,776,775	0.15

NIOCAN INC.

Notes to the Condensed Interim Financial Statements
For the three-month periods ended March 31, 2022 and 2021
Unaudited

(in Canadian dollars, unless otherwise stated)

13. Financial instruments and financial risk management

a) Financial instruments fair value:

	As at December 31, 2021		As at December 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets (amortized costs)				
Cash	\$ 1,792,762	\$ 1,792,762	\$ 1,943,289	\$ 1,943,289
Receivables, except for sales tax receivable	36,782	36,782	45,816	45,816
	\$ 1,829,544	\$ 1,829,544	\$ 1,989,105	\$ 1,989,105
Financial liabilities (amortized costs)				
Accounts payable and accrued liabilities	183,909	183,909	1,441,956	1,441,956
Debenture	–	–	2,345,000	2,345,000
Long-term debts	540,000	540,000	540,000	540,000
	\$ 723,909	\$ 723,909	\$ 4,326,956	\$ 4,326,956

In determining fair value, the Company uses observable data based on different levels which are defined as follows:

- First level includes quoted prices (unadjusted) in an active market of identical assets or liabilities;
- Second level includes data that are not based on observable inputs other than quoted prices included in the first level; and
- Third level includes data that are not based on observable market data.

The carrying value of cash, receivables (except for sale tax receivable), accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. The carrying value of the long-term debt were accounted at amortized cost, and its fair value approximates its carrying value (Level 3).

The carrying value of debentures is considered to be a reasonable approximation of fair value as they are all past their maturity date. (Level 3).

b) Risks overview:

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

i) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions. The maximum credit risk is equivalent to the book value.

ii) Liquidity risk:

Management serves to maintain a sufficient amount of cash and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company

NIOCAN INC.

Notes to the Condensed Interim Financial Statements For the three-month periods ended March 31, 2022 and 2021 Unaudited

(in Canadian dollars, unless otherwise stated)

establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities and even though the Company was successful in the past, there is no guarantee that it will succeed in the future.

The following are the contractual maturities of the financial liabilities' amounts:

	0 - 12 months	13 - 24 months	More than 24 months
Accounts payable and accrued liabilities	\$ 183,909	\$ –	\$ –
Long-term debts	–	540,000	–
	\$ 189,909	\$ 540,000	\$ –

iii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuates because of variations in market interest rates. The debentures issued by the Company bear fixed-rate interest and expose the Company to the risk of fair value variation resulting from interest rate fluctuations.

A 1% change in the interest rate would have an impact of approximately \$5,000 on the Company's cash flow on an annual basis.

iv) COVID 19:

In March 2020, the World Health Organization declared a global pandemic related to novel coronavirus ("COVID-19") and the public health containment measures in place to limit the spread of COVID-19 have significantly reduced economic activity. The Company has assessed the impacts of the COVID-19 pandemic on its working capital and assessed whether the impact of COVID-19 has led to impairment of assets, including (i) land; and (ii) receivables and sales tax receivable. In making this judgment, management has assessed various criteria including, but not limited to, existing laws, regulations and potential disruptions in commodity prices and capital markets. As at March 31, 2022, management has determined that the value of the Company's assets is not materially impacted.

We have implemented capital preservation strategies to cope with the downturn of the economy, including but not limited to strengthening cost control measures. Meanwhile, the Company is exercising caution in conducting investment activities. Also, we are unable to estimate the potential impact on the ability to obtain further financing and on the Company's operations as at the date of these financial statements.

14. Related party transactions

Key management personnel compensation

Key management personnel correspond to the directors of the Company, including the Chief Executive Officer who is remunerated through a salary agreement.

During the three-month period, the Company incurred the following expenses with key management personnel:

	2022	2021
Management fees included in office and administration	\$ 13,417	\$ 17,527
Directors' fees	5,389	5,378

NIOCAN INC.

Notes to the Condensed Interim Financial Statements
For the three-month periods ended March 31, 2022 and 2021
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The Company has the following amounts owing to related parties:

	March 31, 2021	December 31, 2021
Debentures - Major shareholder	\$ –	\$ 2,345,000
Loan - Major shareholder	500,000	500,000
Accrued interest	–	1,225,290

During the period, interest expenses of \$ 34,381 (March 31, 2021 - \$ 59,740) were incurred on the debentures and the loan, of which \$ 31,151 were paid (March 31, 2021 - \$ nil).

15. Capital disclosures

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

The Company's capital items are the following:

	March 31, 2022	December 31, 2021
Cash	\$ 1,792,762	\$ 1,943,289
Debenture	–	2,345,000
Long-term debts	540,000	540,000
Share capital	20,296,684	16,989,649

The Company manages its capital structure and adjusts it in accordance with the objectives, as well as considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new debentures, shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents. There is no dividend policy. The Company is not subject to externally imposed capital requirements. The Company's management of capital remained unchanged since the last year.