



CASSIAR GOLD CORP.

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

AS AT AND FOR THE
THREE AND SIX-MONTHS PERIODS ENDED MARCH 31, 2022 AND 2021

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

Under National Instrument 51-102, Part 4, subsection 4.3(3)9(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Cassiar Gold Corp. as of March 31, 2022, have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

CASSIAR GOLD CORP.
Interim Condensed Statements of Financial Position
Unaudited

As at	March 31, 2022	September 30, 2021
	\$	\$
ASSETS		
CURRENT		
Cash	3,880,887	3,473,561
GST receivable	91,812	145,078
Prepays	347,660	74,230
TOTAL CURRENT ASSETS	4,320,359	3,692,869
NON-CURRENT		
PROPERTY AND EQUIPMENT (Note 4)	420,963	446,911
EXPLORATION AND EVALUATION ASSETS (Note 5)	19,868,591	17,543,515
DEPOSITS	418,944	418,944
TOTAL NON-CURRENT ASSETS	20,708,498	18,409,370
TOTAL ASSETS	25,028,857	22,102,239
LIABILITIES		
CURRENT		
Trade and other payables	291,364	637,074
Flow-through share premium liability (Note 7)	21,023	117,965
Deferred share capital issuance (Note 7)	23,700	-
TOTAL CURRENT LIABILITIES	336,087	755,039
ASSET RETIREMENT OBLIGATION (Note 6)	2,481,914	2,481,232
TOTAL LIABILITIES	2,818,001	3,236,271
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	36,892,309	32,921,848
CONTRIBUTED SURPLUS	11,732,233	11,347,662
DEFICIT	(26,413,686)	(25,403,542)
TOTAL SHAREHOLDERS' EQUITY	22,210,856	18,865,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	25,028,857	22,102,239

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 10)

Approved by the Board of Directors:

“Marco Roque

Marco Roque, Director

“Stephen Letwin”

Stephen Letwin, Director

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

CASSIAR GOLD CORP.**Interim Condensed Statements of Net Loss and Comprehensive Loss****Unaudited**

	Three months ended		Six months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Expenses				
Operating	-	-	-	20,210
General and administrative (Note 8)	521,191	389,236	792,295	1,147,458
Share-based payments (Note 7)	144,099	171,463	288,198	253,970
Depreciation (Note 4)	12,974	24,833	25,948	30,631
Total expenses	678,264	585,532	1,106,441	1,452,269
Other income	(17)	-	(37)	304
Flow through share premium (Note 7)	(27,730)	(52,866)	(96,942)	(261,071)
Accretion (Note 6)	341	112,008	682	112,008
Net loss and comprehensive loss	650,858	644,674	1,010,144	1,303,510
Weighted average number of shares	64,288,860	54,346,435	62,700,504	52,748,834
Basic and diluted loss per common share	(0.01)	(0.01)	(0.02)	(0.02)

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

CASSIAR GOLD CORP.**Interim Condensed Statements Changes in Shareholders' Equity****Unaudited**

		Share Capital	Contributed Surplus	Deficit	Total
	Note	\$	\$	\$	\$
Balance as at, September 30, 2021		32,921,848	11,347,662	(25,403,542)	18,865,968
Net loss and comprehensive loss		-	-	(1,010,144)	(1,010,144)
Warrants expired	7	(116,052)	116,052	-	-
Warrants exercised	7	3,912,313	-	-	3,912,313
Share-based payments	7	-	289,649	-	289,649
Capitalized share-based payments	7	-	20,821	-	20,821
Options exercised	7	90,500	(40,500)	-	50,000
Stock options forfeited		-	(1,451)	-	(1,451)
Property option payments	7	83,700	-	-	83,700
Balance as at, March 31, 2022		36,892,309	11,732,233	(26,413,686)	22,210,856
Balance as at, September 30, 2020		22,341,107	9,698,737	(23,800,588)	8,239,256
Net loss and comprehensive loss		-	-	(1,303,510)	(1,303,510)
Common shares issued, net costs		2,995,684	-	-	2,995,684
Warrants issued		2,132,260	-	-	2,132,260
Warrants expired		(184,807)	184,807	-	-
Stock options forfeited		-	(10,429)	-	(10,429)
Property option payments		3,259,200	-	-	3,259,200
Share-based payments		-	264,399	-	264,399
Capitalized share-based payments		-	29,457	-	29,457
Balance as at, March 31, 2021		30,543,444	10,166,971	(25,104,098)	15,606,317

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

CASSIAR GOLD CORP.
Interim Condensed Statements of Cash Flows
Unaudited

	Three Months		Six Months	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	(650,858)	(644,674)	(1,010,144)	(1,303,510)
Items not affecting cash:				
Share-based payments	144,098	171,463	288,198	253,970
Depreciation and depletion (Note 4)	12,974	24,833	25,948	30,631
Flow-through share premium	(27,730)	(52,865)	(96,942)	(261,071)
Accretion (Note 5)	341	112,008	682	112,008
Change in non-cash working capital				
GST receivables	(33,622)	61,678	53,266	85,617
Prepays	(235,678)	76,091	(273,403)	18,990
Trade and other payables	158,581	(70,144)	(345,710)	(430,311)
Net cash used in operating Activities	(631,894)	(321,610)	(1,358,132)	(1,493,676)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share and warrant issuance, net of costs	-	-	-	6,057,349
Proceeds from warrant exercises (Note 7)	2,097,847	-	3,912,313	-
Proceeds from option exercises (Note 7)	50,000	-	50,000	-
Shares to be issued (Note 7)	23,700	-	23,700	-
Net cash generated from financing activities	2,171,547	-	3,986,013	6,057,349
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation	(826,082)	(270,803)	(2,120,555)	(1,243,093)
Cash option payments	(100,000)	(136,000)	(100,000)	(136,000)
Net cash used in investing activities	(926,082)	(406,803)	(2,220,555)	(1,379,093)
INCREASE (DECREASE) IN CASH FOR THE PERIOD	613,571	(728,413)	407,326	3,184,580
CASH – BEGINNING OF PERIOD	3,267,316	5,875,331	3,473,561	1,962,338
CASH – END OF PERIOD	3,880,887	5,146,918	3,880,887	5,146,918

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

1. CORPORATE INFORMATION

Margaux Resources Ltd. was incorporated under the Alberta Business Corporations Act on August 5, 2009 and changed its name to Cassiar Gold Corp. (the “Corporation” or “Cassiar”) on September 23, 2020. The Corporation currently trades on the TSX-V and the OTCQB Venture Market under the trading symbols “GLDC” and “CGLCF” respectively. The registered address of the Corporation is 15th Floor, Bankers Court, 850 – 2nd St. SW, Calgary, Alberta, T2P 0R8.

The Corporation is a mineral acquisition and exploration company focused on gold exploration within British Columbia.

On September 23, 2020, the Corporation’s common shares were consolidated on a basis of one post-consolidated common share for every 5 pre-consolidated common share. The number of shares, options and warrants presented have been adjusted to reflect the impact of this share consolidation.

2. GOING CONCERN

These interim condensed consolidated financial statements (“Financial Statements”) have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Corporation incurred a net loss of \$650,858 and \$1,010,144 (2021 - \$644,674 and \$1,303,510) and had negative cash flows relating to operating activities of \$631,894 and \$1,358,132 (2021 - \$321,610 and \$1,493,676) for the three and six-months periods ended March 31, 2022 and 2021. These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation’s ability to continue as a going concern. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or issuing debt.

The application of the going concern concept is dependent upon the Corporation’s ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Corporation has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

3. BASIS OF PREPARATION

These Financial Statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These Financial Statements are presented in Canadian dollars which is the Company’s functional currency. In preparing these Financial Statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company’s accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended September 30, 2021.

3. BASIS OF PREPARATION (continued)

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2021 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2021. These Financial Statements were authorized for issue by the board of directors on May 30, 2022.

4. PROPERTY AND EQUIPMENT

	Land \$	Buildings \$	Computers, Equipment & Vehicles \$	Total \$
Balance as at September 30, 2021 and March 31, 2022	28,993	380,706	260,286	669,985
Accumulated Depreciation				
Balance as at September 30, 2021	-	38,071	185,003	223,074
Charge for the period	-	17,132	8,816	25,948
Balance as at March 31, 2022	-	55,203	193,819	249,022
Net book value				
September 30, 2021	28,993	342,635	75,283	446,911
March 31, 2022	28,993	325,503	66,467	420,963

5. EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Balance at September 30, 2021	\$15,565,169	\$1,978,346	\$17,543,515
Exploration costs	2,116,154	25,222	2,141,376
Cash option payments	-	100,000	100,000
Share option payments	-	83,700	83,700
Balance at March 31, 2022	\$17,681,323	\$1,978,346	\$19,868,591

Exploration and Evaluation (“E&E”) assets consist of costs expended on the Corporation’s projects which are pending determination of technical feasibility and commercial viability.

Cassiar Gold Project

During the year ended September 30, 2021, the Corporation acquired 100% interest in the Cassiar Gold Project. Proceeds for the asset acquisition were \$3,259,200 settled in shares of the Corporation. Liabilities assumed by the Corporation were \$2,666,584 and related to asset retirement obligation (Note 6).

Sheep Creek Gold District Project

The Sheep Creek Project consists of the Bayonne and Sheep Creek Properties (collectively the “Sheep Creek Project”).

On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. for the acquisition of 100% of the Bayonne and Sheep Creek properties, located in Salmo, British Columbia (the “Bayonne and Sheep Creek Option Agreement”).

5. EXPLORATION AND EVALUATION ASSETS (continued)

Under the terms of the Bayonne and Sheep Creek Option Agreement, the Corporation has the exclusive option to acquire:

- the Bayonne Property, by making payments to Yellowstone Resources Ltd. of an aggregate \$194,000 cash and aggregate issuance of 110,000 shares, paid in several installments over three years.
- the Sheep Creek property by making payments to Yellowstone Resources Ltd. of an aggregate \$500,000 cash and aggregate issuance of 210,000 shares, paid in several installments over five years.

During the period ended March 31, 2022, the Corporation made the final option payment of \$100,000 and issued 90,000 shares to acquire 100% interest in the Sheep Creek Gold District Project.

6. ASSET RETIREMENT OBLIGATION (“ARO”)

Cassiar (2020) has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

Balance at September 30, 2021	\$ 2,481,232
Accretion expense	23,820
Change in estimate	(23,138)
Balance at March 31, 2022	\$ 2,481,914

The total undiscounted cash flow estimated to settle the obligations as at March 31, 2022 was \$2,451,948 (2021 – \$ nil) which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 1.07%. significant reclamation costs are expected to be incurred in 2029.

As at March 31, 2022, the Corporation had \$418,944 (September 30, 2021 - \$45,000) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. \$354,944 of reclamation bonds were acquired pursuant to the acquisition of Cassiar (2020).

7. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS

Authorized

Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

Common Shares		
	Number of Common Shares	Share capital
Balance at September 30, 2021	60,179,767	\$24,899,843
Warrants exercised	5,910,527	6,017,191
Options exercised	100,000	90,500
Share option payments	90,000	83,700
Balance at March 31, 2022	66,280,294	\$31,091,234

7. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

Warrants		
	Number of warrants	Share capital
Balance at September 30, 2021	24,802,821	\$8,022,005
Warrants expired	(560,000)	(116,052)
Warrant exercise	(5,885,581)	(2,104,878)
Balance at March 31, 2022	18,357,240	\$5,801,075
Total share capital at September 30, 2021		\$32,921,848
Total share capital at March 31, 2022		\$36,892,309

On November 22, 2021, 36,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$21,600 and issued 36,000 common shares.

On November 29, 2021, 260,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$156,000 and issued 260,000 common shares.

On December 9, 2021, 400,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$240,000 and issued 400,000 common shares.

On December 17, 2021, 106,500 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$63,900 and issued 106,500 common shares.

On December 20, 2021, 111,111 common share purchase warrants were exercised at a price of \$0.75 and 522,000 common share purchase warrants were exercised at a price of \$0.85. The Corporation received aggregate proceeds of \$527,033 and issued 633,111 common shares.

On December 29, 2021, 756,857 common share purchase warrants were exercised at a price of \$0.60 and 83,333 common share purchase warrants were exercised at a price of \$0.675. The Corporation received aggregate proceeds of \$510,364 and issued 840,190 common shares.

On January 6, 2022, 100,000 stock options that were issued on June 24, 2019 were exercised at a price of \$0.50 which. The Corporation received proceeds of \$50,000 and issued 100,000 common shares.

On January 10, 2022, 388,283 common share purchase warrants were exercised at a price of \$0.60 and 150,000 common share purchase warrants were exercised at a price of \$0.70. The Corporation received aggregate proceeds of \$337,970 and issued 538,283 common shares.

On January 19, 2022, 493,158 common share purchase warrants were exercised at a price of \$0.60 and 29,166 common share purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$322,144 and issued 522,324 common shares.

On January 21, 2022, 236,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$141,600 and issued 236,000 common shares.

On February 3, 2022, 150,000 common share purchase warrants were exercised at a price of \$0.60 and 7,142 common share purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$96,428 and issued 157,142 common shares.

On February 4, 2022, the Corporation issued 90,000 common shares valued at a market price of \$0.93 as per the Bayonne and Sheep Creek Property option agreement signed on December 23, 2016 and amended by amending agreements dated February 10, 2020, July 10, 2020 and February 15, 2021 and as per TSX-V approval received on February 6, 2017.

7. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

On February 22, 2022, 320,000 common share purchase warrants were exercised at a price of \$0.60, 400,000 common share purchase warrants were exercised at a price of \$0.675, 243,888 purchase warrants were exercised at a price of \$0.70 and 20,833 purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$381,471 and issued 984,721 common shares.

On March 16, 2022, 24,328 common share purchase warrants were exercised at a price of \$0.60, 1,333 purchase warrants were exercised at a price of \$0.70 and 372,500 purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$350,750 and issued 398,161 common shares.

On March 23, 2022, 70,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$42,000 and issued 70,000 common shares.

On March 29, 2022, 586,429 common share purchase warrants were exercised at a price of \$0.60 and 141,666 purchase warrants were exercised at a price of \$0.70. The Corporation received aggregate proceeds of \$451,024 and issued 728,095 common shares.

As at March 31, 2022, the Corporation received funds of \$23,700 for an option exercise. The shares were issued subsequent to the period ended March 31, 2022 (see subsequent events note).

Flow-through shares

As at March 31, 2022 the Corporation still needed to incur an additional \$513,197 (2021 – \$3,454,486) to meet its flow through share commitment related to the \$8,199,833 raised on a CEE flow-through basis during the year ended September 30, 2021. A flow-through share premium liability of \$21,023 (September 31, 2021 – \$117,965) was recognized as the Corporation has not yet its flow-through share commitment by incurring sufficient qualifying expenditures as at March 31, 2022. The accumulated flow-through share premium of \$27,730 and \$96,942 (2021 - \$52,866 and 261,071) was recognized during the three and six-months periods ended March 31, 2022 and 2021.

Stock option plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise Price
Exercisable as at September 30, 2021	2,496,657	\$0.77
Outstanding at September 30, 2021	4,156,000	\$0.71
Issued	650,000	\$0.79
Expired/Cancelled	(147,000)	\$1.25
Exercised	(100,000)	\$0.50
Exercisable as at March 31, 2022	3,054,323	\$0.75
Outstanding at March 31, 2022	4,559,000	\$0.71

7. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

During the period ended March 31, 2022, 650,000 options were issued to employees, officers, directors and consultants of the corporation (2021 – 1,764,000).

On January 6, 2022 the Corporation received an exercise notice for 100,000 stock options that were issued with on June 24, 2019. The Corporation issued 100,000 common shares and received proceeds of \$50,000.

During the period ended March 31, 2022, 147,000 options expired unexercised.

At March 31, 2022, the weighted-average life of the options outstanding was 3.5 years (2021 – 4.1 years).

The fair value of options is estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

	2021
Risk-free interest rate	1.48%
Expected stock price volatility*	134%
Expected life	5 years
Expected dividend yield	-
Fair value per option granted	\$0.69
Forfeiture rate	12%

Share-based payments expense of \$144,099 and \$288,198 for the three and six-months period ended March 31, 2022 (2021 – \$171,463 and \$253,970) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments and recorded over the vesting period of the options. Share-based payments of \$10,411 and \$20,821 (2021 - \$26,184 and \$29,457) were capitalized to E&E. The Corporation also recognized a recovery of \$726 and \$1,451 (2021 - \$8,716 and \$10,429) in share-based payments expense due to forfeited options during the year.

8. GENERAL AND ADMINISTRATIVE

General and administrative details periods ended March 31:

	3 Months		6 Months	
	2022	2021	2022	2021
Management fees	\$ 153,835	\$ 87,000	\$ 278,079	\$ 233,500
Consulting	36,000	84,000	72,000	307,500
Travel & Meals	21,572	-	21,745	7,409
Office & Administrative	22,966	16,205	52,181	30,455
Marketing	101,332	172,689	146,196	494,153
Professional Fees	185,486	29,342	222,094	74,441
Total	\$ 521,191	\$ 389,236	\$ 792,295	\$ 1,147,458

9. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at March 31, 2022, the Corporation had an amount of \$nil (2021 - \$36,000) due to directors and officers included in trade and other payables.

9. RELATED PARTY TRANSACTIONS (continued)

During the three and six-months periods ended March 31, 2022 the Corporation paid \$63,307 and \$132,227 (2021 - \$49,920 and \$99,840) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of \$nil and \$nil (2021 - \$1,359 and \$10,402) was paid to an officer of the Corporation and was capitalized as exploration costs.

An aggregate of \$36,000 and \$69,000 (2021 - \$33,000 and \$55,500) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of \$59,750 and \$113,750 (2021 - \$54,000 and \$108,000) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO and President of the Corporation.

An aggregate of \$50,000 and \$87,244 (2021 - \$nil and \$nil) was paid to a an officer of the Corporation for compensation as VP Investor Relations and Communications.

Costs associated with general and administrative costs of \$7,205 and \$7,650 (2021 - \$nil and \$nil) was reimbursed to officers and directors of the Corporation.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period were as follows:

	3 Months		6 Months	
	2022	2021	2022	2021
Short-term compensation	\$ 246,301	\$ 132,000	\$ 383,221	\$ 298,500
Share-based payments	144,099	171,463	288,198	253,970
Capitalized share-based payments	10,411	26,184	20,821	29,457
Total	\$ 400,810	\$ 329,647	\$ 692,240	\$ 581,927

10. SUBSEQUENT EVENTS

On April 11, 2022, 30,000 stock options that were issued on November 15, 2021 were exercised. The Corporation issued 30,000 common shares and received proceeds of \$23,700. The proceeds were received during the period ended March 31, 2022 and was recorded as deferred share capital issuance.

On April 12, 2022, 399,657 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$239,794 and issued 399,657 common shares.

On April 19, 2022, 454,857 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$272,914 and issued 454,857 common shares.

On April 19, 2022, 53,332 stock options that were issued on March 22, 2021 were exercised. The Corporation issued 53,332 common shares and received proceeds of \$31,999.

On May 5, 2022, 200,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$120,000 and issued 200,000 common shares.

On May 12, 2022, 271,400 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$162,840 and issued 271,400 common shares.

On May 24, 2022, the Corporation entered into an amending agreement to the underwriting agreement dated March 8, 2022 to amend size and pricing of its previously announced bought deal public offering (the "Offering"). Under the amended terms of the underwriting agreement, the Underwriters (as defined below) have agreed to purchase 8,000,000 flow-through units of the Corporation (each, a "FT Unit") to be resold to charitable purchasers at a price of C\$1.00 per FT Unit (the "Offering Price") on a "bought deal" basis by way of a short form prospectus for gross proceeds of C8,000,000. Red Cloud

10. SUBSEQUENT EVENTS (continued)

Securities Inc. and Raymond James Ltd. are acting as co-lead underwriters and joint bookrunners for the Offering on behalf of a syndicate of underwriters (collectively, the "Underwriters").

Each FT Unit will consist of one common share of the Corporation to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant shall entitle the holder to purchase one non-flow-through common share of the Corporation (each, a "Warrant Share") at a price of C\$1.05 at any time on or before that date which is 24 months after the closing date of the Offering.

The Corporation has granted to the Underwriters an option, exercisable for a period of 30 days after and including the closing date of the Offering, to purchase up to an additional 1,200,000 FT Units for resale to charitable purchasers at the Offering Price to raise additional gross proceeds of up to C\$1,200,000 to cover over-allotments, if any, and for market stabilization purposes.

Proceeds from the sale of FT Shares will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act. Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2022, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares. The Corporation intends to use the net proceeds raised from the Offering for the exploration of the Company's Cassiar Gold property in British Columbia, Canada.

The FT Units will be sold by way of a final short form prospectus to be filed in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia, subject to regulatory approval. A preliminary prospectus dated March 8, 2022 was filed in respect of the original Offering and the final prospectus will be updated to reflect the terms of the amended underwriting agreement. The Offering is scheduled to close on or around June 8, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.