SABRE GOLD MINES CORP. (FORMERLY "ARIZONA GOLD CORP.")

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.") (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Sabre Gold Mines Corp. (formerly " Arizona Gold Corp.")

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars) – Unaudited

	As at September 30, 2021	As at June 30, 2021
ASSETS		
Current assets		
Cash	**$ 4,807,069**	$ 6,796,147
Accounts receivable (note 5)	**437,830**	18,504
Prepaid expenses and other assets	**324,885**	273,493
Marketable securities (note 6)	**8,986,690**	-
Total current assets	**14,556,474**	7,088,144
Non-current assets		
Restricted investments (note 4)	**1,108,830**	1,043,125
Investments	**144,093**	-
Property, plant and equipment (note 8)	**8,681,321**	7,978,754
Right-of-use assets (note 7)	**34,662**	42,146
Mineral properties (note 9)	**36,805,066**	15,477,021
Total assets	**$ 61,330,446**	$ 31,629,190
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 5,353,191**	$ 596,380
Other loans payable (note 12)	**199,014**	193,594
Lease liability (note 10)	**20,959**	28,258
Total current liabilities	**5,573,164**	818,232
Non-current liabilities		
Deferred revenue (note 11)	**16,443,780**	15,606,056
Promissory notes payable (note 13)	**5,088,233**	4,962,107
Convertible promissory notes payable (note 14)	**8,047,663**	7,667,288
Derivative financial liabilities (note 15)	**107,831**	104,651
Deferred tax liabilities	**37,615**	37,615
Decommissioning liabilities (note 16)	**2,237,644**	2,190,294
Total liabilities	**37,535,929**	31,386,243
Equity		
Share capital (note 17)	**175,299,754**	149,125,159
Contributed surplus	**14,835,649**	14,835,649
Share-based payments reserve (note 18)	**2,589,676**	2,529,610
Warrant reserve (note 19)	**2,420,414**	2,225,361
Equity portion of convertible debt	**129,507**	129,507
Accumulated other comprehensive income	**(763,143)**	671,474
Deficit	**(170,717,341)**	(169,273,813)
Total equity	**23,794,517**	242,947
Total liabilities and equity	**$ 61,330,446**	$ 31,629,190

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

Nature of operations and going concern (note 1)
Commitments and contingencies (note 22)
Subsequent events (note 24)

Approved on behalf of the Board:

(Signed) "William Sheriff" Director

(Signed) "Claudio Ciavarella " Director

Sabre Gold Mines Corp. (formerly " Arizona Gold Corp.")

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars) - Unaudited

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020
Operating expenses		
Exploration and evaluation expenditures	**$ 416,408**	$ 996,032
General and administrative	**60,858**	8,163
Depreciation (notes 7 and 9)	**15,067**	83,750
Consulting fees and salaries (note 21)	**62,500**	98,145
Professional fees (note 21)	**4,837**	52,452
Business development	**88,586**	170,997
	(648,256)	(1,409,539)
Finance charges	**(331,659)**	(309,926)
Accretion expense	**(28,761)**	-
Fair value adjustment of derivative financial liabilities	**6,693**	(110,530)
Gain (loss) on foreign exchange	**(441,545)**	(325,740)
Net loss for the period	**$ (1,443,528)**	$ (2,155,735)
Other comprehensive income (loss)		
Gain (loss) on marketable securities	**(1,458,690)**	-
Foreign exchange difference	**24,073**	273,989
Total comprehensive loss for the period	**$ (2,878,145)**	$ (1,881,746)
Basic and diluted net loss per share (note 20)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding	**433,010,061**	330,143,857

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

Sabre Gold Mines Corp. (formerly " Arizona Gold Corp.")

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars) - Unaudited

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020
Operating activities		
Net loss for the period	**$ (1,443,528)**	$ (2,155,735)
Adjustments for:		
Depreciation	**15,067**	83,750
Accretion expense	**28,761**	68,860
Accrued interest	**331,659**	306,768
Interest on lease liability	**-**	1,027
Unrealised foreign exchange loss	**441,545**	-
Fair value adjustment on derivative liability	**(6,693)**	39,259
Accretion expense in decommissioning liability	**-**	(1,391)
Change in decommissioning liability	**-**	1,809
Changes in non-cash working capital items:		
Receivables	**(64,154)**	(20,643)
Prepaid expenses and other assets	**84,257**	62,081
Accounts payable and accrued liabilities	**(308,591)**	(566,241)
Net cash used in operating activities	**(921,677)**	(2,180,456)
Investing activities		
Addition of mineral properties	**(1,231,477)**	-
Net cash provided by investing activities	**$ (1,231,477)**	-
Financing activities		
Issuance of common shares and warrants, net	**-**	4,480,193
Cash acquired due to Golden Predator acquisition	**29,202**	-
Payment of surety bond	**(25,000)**	-
Right of use lease payments	**(6,996)**	-
Share-based payments	**-**	(7,939)
Net cash provided by financing activities	**$ (2,794)**	$ 4,472,254
Net change in cash	**(1,989,078)**	2,291,798
Effect of exchange rate changes on cash	**166,870**	265,127
Cash, beginning of period	**6,796,147**	378,331
Cash, end of period	**$ 4,807,069**	$ 2,935,256

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

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.")

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars) – Unaudited

	Share Capital	Reserves: Contributed surplus	Reserves: Shared based payments reserve	Reserves: Warrant reserves	Equity portion of Convertible debt	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, June 30, 2020	**$ 145,408,462**	**$ 13,457,711**	**$ 2,900,587**	**$ 1,787,237**	**$ -**	**$ 163,870**	**$ (164,394,808)**	**$ (676,941)**
Fair value of units issued in placement	4,284,182	-	-	716,618	-	-	-	5,000,800
Share issue costs	(660,155)	-	-	107,548	-	-	-	(520,607)
Net loss and comprehensive loss for the year	-	-	-	-	-	273,989	(2,155,735)	(1,881,746)
Balance, September 30, 2020	**$ 149,064,489**	**$ 13,457,711**	**$ 2,900,587**	**$ 2,611,403**	**$ -**	**$ 437,859**	**$ (166,550,543)**	**$ (1,921,506)**
Balance, June 30, 2021	149,125,159	14,835,649	2,529,610	2,225,361	129,507	671,474	(169,273,813)	242,947
Purchase of Golden Predator Mining Corp	25,932,606	-	60,066	195,053	-	-	-	26,187,725
Transaction costs	241,989	-	-	-	-	-	-	241,989
Net loss and comprehensive loss for the year	-	-	-	-	-	(1,434,617)	(1,443,528)	(2,878,145)
Balance, September 30, 2021	**$ 175,299,754**	**$ 14,835,649**	**$ 2,589,676**	**$ 2,420,414**	**$ 129,507**	**$ (763,143)**	**$ (170,717,341)**	**$ 23,794,516**

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

1. Nature of operations and going concern

Sabre Gold Mines Corp. (formerly "Arizona Gold Corp."), ("Sabre Gold" or the "Company") is incorporated under the laws of Canada. The principal business activities are directed towards exploring and developing the Copperstone gold property ("Copperstone") in La Paz County, Arizona, United States and the Brewery Creek project in the Yukon, Canada. To date, the Company has not earned significant revenue as all properties are pre-production. On December 23, 2020, the Company changed its name from Kerr Mines Inc. to Arizona Gold Corp. On September 8, 2021, the Company changed its name and trading symbol to Sabre Gold Mines Corp and SGLD respectively. The Company is listed on the Toronto Stock Exchange, trading under the symbol SGLD. The Company's corporate office and principal place of business is located at 200 Burrard Street, Suite 250, Vancouver, British Columbia, V6C 3L6, Canada.

As at September 30, 2021, the Company had working capital of $9,182,324 (June 30, 2021 – working capital $6,269,912). The Company has incurred losses in previous periods and has not yet achieved profitable operations, with a current loss of $1,443,528 for the period ended September 30, 2021 (September 30, 2020 - loss of $1,155,735) and has an accumulated deficit of $170,717,341 as at September 30, 2021, (June 30, 2021 - $169,273,813) and expects to incur future losses in the development of its business and requires additional financing to continue to be able to operate, retain rights to its properties and carry out exploration and development of its properties, all of which casts significant doubt about the Company's ability to continue as a going concern.

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

These condensed interim consolidated financial statements have been prepared on a going-concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. While the Company expects to be able to obtain sufficient financing to continue as a going concern, it is not possible to predict whether financing efforts will be successful.

As at September 30, 2021, the Company is an emerging American gold producer advancing the restart of production at its 100-per-cent owned, fully permitted past-producing Copperstone mine project, located in mining-friendly Arizona and the 100-per-cent owned, fully permitted, past-producing Brewery Creek mine project in the Yukon, Canada. The company's current focus is on maximizing the Copperstone Mine's ("Copperstone") potential by defining and expanding current resources and further optimizing the mine's economics for the purpose of the restart of production in 2022.

The consolidated financial statements were approved for issue by the Board of Directors on November 9, 2021.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS's issued and outstanding as of November 9, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended June 30, 2021, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending June 30, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

Acquisition accounting

The company accounted for the acquisition of Golden Predator Mining Corp. ("Golden Predator") as an asset acquisition. Significant judgement and estimates were required to determine that the application of this accounting treatment was appropriate for the transaction. These included, amongst others, the determination that Golden Predator was not considered a business under IFRS 3 – *Business Combinations* as Golden Predator did not have significant inputs, processes and output, that together constitute a business.

New standards adopted

IFRS 3, Business Combinations ("IFRS 3")
Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements.

IAS 1, Presentation of Financial Statements ("IAS 1")
Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")
Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries and have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). All significant intercompany transactions and balances have been eliminated on consolidation. The consolidated financial statements have been presented in Canadian dollars ("CAD"), except where otherwise indicated.

(Expressed in Canadian Dollars) - Unaudited

3. Acquisition of Golden Predator Mining Corp.

On September 2, 2021 (the "Closing"), the Company entered into pursuant to which the Company acquired all of the issued and outstanding common shares of Golden Predator in exchange for consideration of:

1. 1.65 of a common share of the Company for each common share of Golden Predator, issued 284,515,638 common shares with a fair value of $25,932,606.
2. 1.65 of an option of the Company for each option of Golden Predator, issued 6,657,750 options at a weighted average exercise price of $0.20, as adjusted in accordance with the exchange ratio.
3. 1.65 of an option of the Company for each warrant of Golden Predator, 9,982,500 warrants at a weighted average exercise price of $0.21, as adjusted in accordance with the exchange ratio.

The acquisition was accounted for as an asset acquisition and the consideration as a share-based payment transaction accounted for in accordance with IFRS 2 – *share based payments*. The total consideration was allocated to the assets and liabilities acquired based on their fair values:

Total Consideration	**$**	**27,589,395**
Allocation of net assets:		
Cash and cash equivalents		29,204
Restricted cash		11,500
Trade and other receivables		355,172
Prepaid and deposits		135,649
Marketable securities		10,445,380
Plant and equipment		565,690
Mineral properties		19,823,723
Investments		144,093
Trade and other payables		(3,911,142)
Derivative liabilities		(9,874)
Total assets and liabilities acquired	**$**	**27,589,395**

Total consideration in the acquisition was as follows:

Common shares		26,174,595
Warrants		195,054
Share options		60,066
Transaction costs		1,159,680
Total consideration	**$**	**27,589,395**

4. Restricted investments

Pursuant to the term of the surety bond disclosed in (note 22) the Company provided cash collateral of $1,072,330 or US$841,637 (June 30, 2020 - $1,043,125 or US$841,637) which is held with the Bank of New York in the name of the Company to cover a portion of the decommission liabilities related to the Copperstone property (note 14). Additionally, a further $25,000 is held as a surety bond to cover a portion of the decommission liabilities related to the Brewery Creek property.

(Expressed in Canadian Dollars) - Unaudited

5. Accounts receivable

	As at September 30, 2021	As at June 30, 2021
Accounts receivable	**$ 272,753**	$ 2,519
HST receivable	**165,077**	15,985
Total	**$ 437,830**	$ 18,504

6. Marketable securities and derivative instruments

Marketable securities consist of common shares of publicly traded companies.

Balance, June 30, 2021	**$ -**
Marketable securities acquired from Golden Predator	10,445,380
Change in fair value of marketable securities	(1,458,690)
Balance, September 30, 2021	**$ 8,986,690**

During the three months ended September 30, 2021, the Company had a realized gain on sale of marketable securities of $nil (September 30, 2020 - $nil).

7. Right-of-use assets

Balance, June 30, 2020	**$ 83,410**
Depreciation for the period	(33,711)
Foreign exchange movements	(7,553)
Balance, June 30, 2021	**42,146**
Depreciation for the period	(8,664)
Foreign exchange movements	1,180
Balance, September 30, 2021	**$ 34,662**

(Expressed in Canadian Dollars) - Unaudited

8. Property, plant and equipment

Cost	Buildings	Mine and mill equipment	Surface vehicles	Computer equipment	Mill	Total
Balance, June 30, 2020	**$ 2,741,488**	**$ 485,342**	**$ 1,042,960**	**$ 63,644**	**$ 5,728,292**	**$ 10,061,726**
Additions	-	-	58,872	-	-	58,872
Disposals	-	-	(58,872)	-	-	(58,872)
Foreign exchange differences	(248,239)	(43,947)	(94,439)	(5,764)	(518,690)	(911,079)
Balance, June 30, 2021	**2,493,249**	**441,395**	**948,521**	**57,880**	**5,209,602**	**9,150,647**
Additions	412,623	-	-	-	153,067	565,690
Disposals	-	-	-	-	-	-
Foreign exchange differences	69,804	12,357	26,556	1,621	145,855	256,194
Balance, September 30, 2021	**$ 2,975,676**	**$ 453,752**	**$ 975,077**	**$ 59,501**	**$ 5,508,524**	**$ 9,972,532**

Accumulated depreciation	Buildings	Mine and mill equipment	Surface vehicles	Computer equipment	Mill	Total
Balance, June 30, 2020	**$ -**	**$ 338,119**	**$ 581,155**	**$ 63,644**	**$ -**	**$ 982,918**
Depreciation for the year	-	88,275	197,879	-	-	286,154
Disposals	-	-	(8,177)	-	-	(8,177)
Foreign exchange differences	-	(30,616)	(52,622)	(5,764)	-	(89,002)
Balance, June 30, 2021	**-**	**395,778**	**718,235**	**57,880**	**-**	**1,171,893**
Depreciation for the period	15,067	22,687	48,753	-	-	86,507
Disposals	-	-	-	-	-	-
Foreign exchange differences	-	11,080	20,109	1,621	-	32,810
Balance, September 30, 2021	**$ 15,067**	**$ 429,545**	**$ 787,097**	**$ 59,501**	**$ -**	**$ 1,291,210**

Carrying value	Buildings	Mine and mill equipment	Surface vehicles	Computer equipment	Mill	Total
Balance, June 30, 2020	$ 2,741,488	$ 147,223	$ 461,805	$ -	$ 5,728,892	$ 9,078,808
Balance, June 30, 2021	$ 2,493,249	$ 45,617	$ 230,286	$ -	$ 5,209,602	$ 7,978,754
Balance, September 30, 2021	**$ 2,960,610**	**$ 24,207**	**$ 187,980**	**$ -**	**$ 5,508,524**	**$ 8,681,322**

9. Mineral properties

	As at September 30, 2021	As at June 30, 2021
Opening balance	**$ 15,477,021**	$ 7,270,466
Mineral Properties acquired from Golden Predator	**19,823,723**	-
Capitalization of expenditure for the period	**1,504,322**	8,206,555
Total	**$ 36,805,066**	$ 15,477,021

The Company is engaged in exploring and developing the Copperstone gold property in La Paz County, Arizona, United States and the Brewery Creek gold property in the Yukon, Canada.

(Expressed in Canadian Dollars) - Unaudited

On November 12, 2020, the Company entered into a US$18 million precious metals delivery and purchase agreement (the “Purchase Agreement”) with Star Royalties to finance the restart of underground operations and gold production at the Copperstone Gold Mine (“Copperstone”) in Arizona. As at September 30, 2021, the Company had received the first two tranches amounting to $15,289,200 (US$12 million). The remaining tranche of US$6 million will be advanced subject to certain closing conditions inclusive of the acquiring the 3% gross production royalty (notes 9 and 24) from Trans Oceanic Mineral Company Ltd. (“TOMCL”) and ensuring sufficient capital to complete the restart of production in accordance with the updated development and mine plan

As of December 1, 2020 the Company has commenced capitalizing the related expenditures. Amounts capitalized in the period includes drilling services expenses, direct labour costs incurred and other expenses deemed to be recovered in future.

The Company holds a 100% leasehold interest in the Copperstone Project. The landlord is The Patch Living Trust. The current lease expires June 12, 2026. The lease is renewable for one or more ten-year terms at the Company’s option under the same terms and conditions. The Company is obligated to pay for all permitting and state lease bonding, insurance, taxes, and is also required to pay an annual lease payment of US$40,000 to the Patch Living Trust. In addition, the Company is obligated to pay a quarterly production gross royalty equal to 1.5% of the disposition of Metal Products by the Company. Total annual production gross royalty obligations for the Copperstone Property total 6%. Of the annual gross production royalty, 4.5% is payable to TOMCL, a company controlled by Fahad Al Tamimi, a Director of the Company and 1.5% payable to the Patch Living Trust. During the year ended June 30, 2021, the Company entered into an agreement to acquire a 3% royalty from TOMCL, which will reduce the aggregate Royalty on the Copperstone Gold Mine from 6% to 3%. The purchase agreement entered into between the Company’s subsidiary, Bonanza Explorations Inc. (“Bonanza”), and TOMCL provides for the buyback of a 3% Royalty held by TOMCL for US$2,500,000 (note 24).

All required property payments were made with respect to the Copperstone Project as of September 30, 2021 and all claims are in good standing. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's ability to retain the rights to certain of its properties is dependent upon the Company continuing to make option payments and meet other commitments.

10. Lease liability

On September 1, 2019, the Company entered into a thirty-six month lease agreement for mobile equipment. The total lease payments of $87,036 have been discounted at the implicit interest rate of 7% and resulted in a present value of $78,551. Under the lease agreement, the Company is required to pay a quarterly payment of $7,499 (US$5,951).

		Total
Balance, June 30, 2020	**$**	**60,060**
Interest expense		3,296
Lease payments		(30,959)
Foreign exchange movements		(4,139)
Balance, June 30, 2021		**28,258**
Interest expense		503
Lease payments		(7,499)
Foreign exchange movements		(303)
Balance, September 30, 2021	**$**	**20,959**

Allocated as:		**As at September 30, 2021**		**As at June 30, 2021**
Current	**$**	**20,959**	$	28,258
Long-term		**-**		-
	$	**20,959**	$	28,258

(Expressed in Canadian Dollars) - Unaudited

The following table presents the contractual undiscounted cash flows for lease obligation as at September 30, 2021:

Less than one year	$	**22,748**
One to two years		**-**
Total undiscounted lease obligation	**$**	**22,748**

11. Deferred revenue

On November 12, 2020, the Company entered into a US$18 million precious metals delivery and purchase agreement (the "Purchase Agreement") with Star Royalties to finance the restart of underground operations and gold production at the Copperstone Gold Mine ("Copperstone") in Arizona. As at September 30, 2021, the Company had received the first two tranches amounting to $15,289,200 (US$12 million). The remaining tranche of US$6 million will be advanced subject to certain closing conditions inclusive of the acquiring the 3% gross production royalty (notes 9 and 24) from Trans Oceanic Mineral Company Ltd. and ensuring sufficient capital to complete the restart of production in accordance with the updated development and mine plan.

The Company recorded the advances received on precious metals delivery as deferred revenue and will recognize the amounts in revenue as performance obligations to metals delivery are satisfied over the term of the Purchase Agreement. The advances received on precious metals delivery is expected to reduce to nil through deliveries of the Company's own production to Star Royalties. The Company determined the amortization of deferred revenue on a per unit basis to be equal to the expected total deliveries of gold ounces over the term of the Purchase Agreement.

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up-front consideration received and delivery of the promised goods and recognized the interest expenses at incremental interest rate. An interest expense of $407,605 was recorded during the three months ended September 30, 2021 (September 30, 2020 - $nil).

The following are components of deferred revenue as at September 30, 2021:

Advance received	$ 15,289,200
Accrued interest	1,154,580
Total	**$ 16,444,780**

12. Other loans payable

In May 2020, the Company received a loan under the Paycheque Protection Program of US$156,200 from the U.S. Small Business Administration, an Agency of the United States of America. The loan will mature in 2 years and the applicable interest rate is 1% per year. The Company has applied to have the loan forgiven.

(Expressed in Canadian Dollars) - Unaudited

13. Promissory notes payable

	Promissory note (1)	Promissory convertible note (2)	Total
Balance, June 30, 2020	**$ 4,524,557**	**$ 2,506,845**	**$ 6,491,113**
Accrued interest	437,550	-	437,550
Transferred to convertible promissory notes	-	(2,506,845)	(2,506,845)
Balance, June 30, 2021	**4,962,107**	**-**	**4,962,107**
Accrued interest	126,126	-	126,126
Balance, September 30, 2021	**$ 5,088,233**	**$ -**	**$ 5,088,233**

1) The promissory note with principal of $3,609,763 is payable to Braydon Capital Corporation, a company controlled by Claudio Ciavarella, an Officer, a Director and Shareholder of Arizona Gold. The promissory note bears an interest rate of 8% beginning in September 2017 and has a maturity date of August 22, 2020. In November 2019, the maturity date was extended to January 20, 2021 and then again to August 22, 2021. In November 2020, the maturity date was extended again to December 31, 2023. The rate of interest payable on the principal of the notes has been increased from 8% to 10% as of November 12, 2020, with interest payable quarterly starting upon the commencement of commercial production.

2) Braydon Capital Corporation and Trans Oceanic Minerals Corporation Ltd. each provided promissory notes of $1,000,000 to the Company, bearing interest at 8% beginning in September 2017 and having a maturity date of August 22, 2020. The notes are secured by a general security agreement on the Copperstone Mine. In November, the maturity date was extended to January 20, 2021 and then again to August 22, 2021. In November 2020, the maturity date was extended to December 31, 2023. The rate of interest payable on the principal of the notes has been increased from 8% to 10% as of November 12, 2020, with interest payable quarterly starting upon the commencement of commercial production. The promissory notes were also amended to include a conversion feature providing that the principal amount of the notes can be converted into common shares of Sabre Gold at any time prior to maturity at a price of $0.16 per share, subject to early conversion in the event the volume-weighted average trading price of the common shares exceeds $0.30 for twenty consecutive trading days.

   The conversion feature of a convertible financial instrument is presumed to be classified as a derivative financial liability unless it meets all the criteria to be recognized as an equity instrument under IAS 32 - Financial Instruments: Presentation. One of the criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed").

   The conversion feature of the $2,000,000 promissory notes was classified as equity since it met the fixed for fixed criteria. The Company used the residual value method to allocate the principal amount between the liability and equity components. The Company calculated the fair value of the debt component as $1,823,805 using discount rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The remaining value of $176,194, deducted the deferred tax liability of $46,691, was assigned to the equity component.

14. Convertible promissory notes payable

Kerr Debenture I

The Company has a convertible promissory note in the amount of US$2,054,570 ("Kerr Debenture I") payable to Trans Oceanic Minerals Corporation Ltd. The Kerr Debenture I had a maturity date of August 22, 2019 and an annual interest rate of 8% compounded monthly. The holder has the right to convert any part of the amount owing into common shares of the Company at a conversion price of $0.90 per common share.

Kerr Debenture II

The Company has a convertible promissory note in the amount of US$1,000,000 ("Kerr Debenture II") payable to Trans Oceanic Minerals Corporation Ltd. The Kerr Debenture II had a maturity date of August 22, 2019 and an annual interest rate of 8%, compounded monthly. The holder has the right to convert any part of the amount owing into common shares of the Company at a conversion price of $0.065 per common share.

Kerr Debenture I and II

Since the convertible promissory note payables are denominated in US dollars but are convertible into common shares based upon a Canadian dollar conversion rate, therefore the fixed for fixed criteria is not met. As such, the conversion feature was classified as a derivative financial liability instead of an equity instrument. The Company has separated the convertible promissory notes payable into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In November 2018, the Kerr Debenture I and II convertible promissory notes were amended by extending the maturity date from August 22, 2019 to August 22, 2020. As a result, the Company extinguished these two convertible promissory notes when they were amended on November 28, 2018 and treated them as two new convertible promissory notes with a maturity date of August 22, 2020. The Company calculated the fair value of the conversion feature and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In March 2020, the Kerr Debenture I and II convertible promissory notes maturity date were extended to January 20, 2021 and then again to August 22, 2021. As a result, the Company treated them as two new convertible promissory notes with a new maturity date of August 22, 2021. The Company calculated the fair value of the conversion features and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In November 2020, the Kerr Debenture I and II convertible promissory notes maturity date was extended to December 31, 2023. The rate of interest payable upon the principal of the notes has been increased from 8% to 10% as of November 12, 2020 with the interest payable quarterly starting on the commencement of commercial production. The Company calculated the fair value of the conversion features and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

Sprott convertible note

On November 6, 2018, the Company executed a term sheet with Sprott Private Resource Lending (Collector) LP ("Sprott"), setting out the indicative terms upon which Sprott was prepared, subject to meeting prescribed project milestones including satisfactory due diligence, to provide up to US$25 million of senior secured project financing (the "Financing Package") to fund the development and production of gold at the Copperstone Mine.

On November 28, 2018, the Company closed the CDN$2.7 million (US$2 million) Sprott Note financing. The Sprott Note is convertible into Common Shares at any time prior to maturity at a conversion price of CDN$0.16 per share. The Company could redeem the Sprott Note at any time by paying the outstanding principal amount in cash, or with the agreement of the holder, in common shares of the Company, together with interest payable to maturity. In connection with the Sprott Note, the Corporation issued to Sprott one million common share purchase warrants entitling the holder to purchase one common share at a price of CDN$0.15 until November 27, 2021, subject to acceleration.

(Expressed in Canadian Dollars) - Unaudited

On July 2, 2019, the Company issued 724,177 shares to Sprott as the interest payment of $116,815 (note 15). On August 6, 2019, Sprott elected to convert $660,850 (US$500,000) of Sprott Note I into 4,130,313 common shares of the Company (note 15). On March 20, 2020, the maturity date of the Sprott Note I was extended to May 31, 2021 and the expiry date of the Sprott Warrants I was extended to November 28, 2023 (note 17). The original residual amount of $106,678 assigned to the Sprott Warrants I has been moved from warrant reserve to contributed surplus.

The Company treated the modification as an extinguishment of the original financial liabilities and recognition of new financial liabilities. The Company recalculated the fair value of the liability component, Sprott Warrants I, and the derivative liabilities. The fair value of the financial derivative liability (conversion feature) was estimated at $46,206 by using Black-Scholes pricing model with the assumptions; dividend yield 0%; risk free interest 0.61%; volatility 73.28% and an expected life of 14 months.

On March 20, 2020, the Company received an additional $716,600 (US$500,000) convertible note (“Sprott Note II”) from Sprott. The Sprott Note II has a maturity date of May 31, 2021, an interest rate of 9% per annum, compounded and payable semi-annually. The Sprott Note II is convertible into Common Shares at any time prior to maturity at a conversion price of CDN$0.13 per share. The Corporation can redeem the Sprott Note II at any time by paying the outstanding principal amount and accrued interest in cash, or with the agreement of the holder, in common shares of the Corporation. In connection with the Sprott Note II, the Company issued to Sprott an additional 650,000 common share purchase warrants (“Sprott Warrants II”). Each Sprott Warrant II entitles the holder to purchase one Common Share at a price of $0.13 until November 28, 2023.

The warrants met the fixed for fixed criteria and was classified as an equity instrument and the residual amount of $13,745 being the fair value of the equity (Sprott Warrants II). The fair value of the financial derivative liability (conversion feature) was estimated at $20,355 by using Black-Scholes pricing model with the assumptions; dividend yield 0%; risk free interest 0.61%; volatility 73.28% and an expected life of 14 months. Transaction costs of $83,660 were allocated to the debt components, equity components and derivative liability components in proportion to the allocation of the proceeds on initial recognition. Transaction costs of $2,595 were allocated to the equity component and was accounted for as a deduction from equity; and $81,065 was allocated to the debt component and was offset against the carrying amount of the debt and included in the determination of the accretion expenses.

As part of the Star Royalties Purchase Agreement, the Company has repaid the outstanding US$2 million convertible promissory note and accrued interest to the maturity date March 31, 2021. As a result of the prepayment of US$2 million convertible promissory note, the derivative liabilities related to the conversion feature were derecognized

The following table summarizes the debt component:

	Kerr debenture 1	Kerr debenture 2	Sprott note 1 & 11	Promissory convertible note	Total
Balance, June 30, 2020	**$ 3,508,375**	**$ 1,644,889**	**$ 2,522,859**	**$ -**	**$ 7,676,123**
Transferred from promissory notes	-	-	-	2,506,845	2,506,845
Less repayment of principal	-	-	(2,00,000)	-	(2,000,000)
Less fair value of convertible feature	-	-	-	(176,194)	(176,194)
Accrued interest	318,318	156,026	167,500	242,386	884,230
Interest paid	-	-	(167,500)	-	(167,500)
Accretion expense	12,048	88,987	202,740	34,252	338,027
Amendment	(54,186)	(127,572)	-	-	(181,758)
Foreign exchange	(327,443)	(159,443)	(725,599)	-	(1,212,485)
Balance, June 30, 2021	**$ 3,457,112**	**$ 1,602,887**	**$ -**	**$ 2,607,289**	**$ 7,667,288**
Accrued interest	90,450	44,051	-	69,879	204,380
Accretion expense	4,354	10,250	-	14,157	28,761
Foreign exchange	99,014	48,221	-	-	147,234
Balance, September 30, 2021	**$ 3,650,930**	**$ 1,705,409**	**$ -**	**$ 2,691,325**	**$ 8,047,663**

(Expressed in Canadian Dollars) - Unaudited

15. Derivative financial liabilities

The following table summarizes the derivative financial liabilities:

	Kerr debenture I	Kerr debenture II	Sprott note I and II	Seabridge	Total
Balance, June 30, 2020	**$ 2,016**	**$ 110,600**	**$ 96,170**	**$ -**	**$ 208,786**
Derecognition of derivative liabilities	(2,016)	(110,600)	(96,170)	-	(208,786)
Derivative liabilities on initial recognition	54,186	127,572	-	-	181,758
Fair value adjustment	(33,982)	(43,125)	-	-	(77,107)
Balance, June 30, 2021	**20,204**	**84,447**	**-**	**-**	**104,651**
Acquired from Golden Predator	-	-	-	9,873	9,873
Fair value adjustment	(7,331)	(16,108)	-	16,746	(6,693)
Balance, September 30, 2021	**$ 12,873**	**$ 68,339**	**$ -**	**$ 26,619**	**$ 107,831**

The Seabridge derivative financial instruments consist of covered call and put option contracts that were issued against shares of Seabridge Gold Inc. These instruments are classified as financial liabilities at fair value through profit or loss ("FVTPL").

16. Decommissioning liabilities

The Company's decommissioning liability relates to the cost of removing and restoration of the Copperstone Mine in La Paz County, Arizona. Significant reclamation and closure activities include land rehabilitation, demolition of buildings and mine facilities, ongoing care and maintenance and other costs. This estimate depends on the development of environmentally acceptable mine closure plans.

A continuity for asset retirement obligations is as follows:

Asset Retirement Obligation	
Balance, June 30, 2020	**$ 2,530,645**
Accretion expense for the year	25,835
Foreign exchange differences	(224,879)
Adjustment	(141,307)
Balance, June 30, 2021	**2,190,294**
Accretion expense for the period	(27,612)
Foreign exchange differences	61,169
Adjustment	13,792
Balance, September 30, 2021	**$ 2,237,643**

Copperstone:

The mine closure provision liability is based upon numerous estimates and assumptions, as follows:

i) Total undiscounted amount of future retirement costs was estimated to be $2,330,401 (US$1,756,254) to which the Company has provided cash collateral as disclosed in (note 3).
ii) Risk-free rate at 1.24%.
iii) Expected timing of cash outflows required to settle the obligation is for the full amount to be paid in 2027.
iv) Inflation over the period up to 2027 was estimated to be 1.82% per annum.

(Expressed in Canadian Dollars) - Unaudited

17. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, June 30, 2020	**310,342,553**	**$145,408,462**
Common shares issued in placement(i)	35,720,000	5,000,800
Value allocated to warrants(i)	-	(716,618)
Share issue costs	-	(628,155)
Balance, September 30, 2020	**346,062,553**	**$149,064,489**
Balance, June 30, 2021	**346,062,553**	**$149,125,159**
Purchase of Golden Predator Mining Corp	284,515,638	25,932,606
Share issue cost(ii)	2,338,059	241,989
Balance, September 30, 2021	**632,916,250**	**$175,299,754**

(i) On August 10, 2020, the Company closed a bought deal financing for aggregate gross proceeds of $5,000,800 (the "Offering"). Pursuant to the Offering, the Company issued a total of 35,720,000 units of the Company (the "Units") at a price of $0.14 per Unit. Each Unit consists of one common share in the capital of the Company (a "Common Share") and one half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one Common Share at a price of $0.22 for a period of 24 months. The fair value of the 17,860,000 share purchase warrants was estimated at $716,618 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.27%; volatility 82.11% and an expected life of 24 months. The Company incurred legal and other issuance costs of $229,124. The Company also paid cash of $300,048 and issued 2,143,200 broker warrants to the underwriter for the Offering. Each broker warrant entitles the holder thereof to purchase one Common Share at a price of $0.14 for a period of 24 months. The fair value of the 2,143,200 broker warrants was estimated at $147,686 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.27%; volatility 82,11% and an expected life of 24 months.

(ii) In conjunction with the acquisition of Golden Predator a success fee was paid to Sabre Gold's financial advisors who elected to take a portion of the fee in shares of the Company.

(Expressed in Canadian Dollars) - Unaudited

18. Share-based payments reserve

The purpose of the Company's stock option plan is to provide incentives to Directors, Officers, employees and consultants of the Company. The maximum number of common shares reserved for issuance upon exercise of the options is 10% of issued and outstanding shares. The Board of Directors may designate the recipients of options and determine the number of common shares covered by each option, its exercise price (which may not be less than closing market price of the common shares on the trading day prior to the grant) and its expiry date. The term of the options shall not exceed five years from the date of grant.

Option pricing models require the input of highly subjective assumptions as noted above. Changes in the subjective input assumptions can materially affect the fair value estimate.

The following table reflects the continuity of stock options for the three months ended September 30, 2021 and September 30, 2020:

	Number of Stock options	Weighted Average Exercise price	
Balance, June 30, 2020	**21,700,000**	**$**	**0.170**
Balance, September 30, 2020	**21,700,000**	**$**	**0.170**
Balance, June 30, 2021	**19,500,000**	**$**	**0.167**
Issued[(i)]	6,657,750		0.202
Cancelled	(1,501,500)		0.255
Balance, September 30, 2021	**24,656,250**	**$**	**0.171**

[(i)] Options were issued to former stock option holders of Golden Predator on the basis of 1.65 Sabre Gold stock options for every one stock option of Golden Predator.

(Expressed in Canadian Dollars) - Unaudited

The following table reflects the actual stock options issued and outstanding as of September 30, 2021:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
February 20, 2022	0.16	0.39	165,000	165,000
May 2, 2022	0.19	0.59	2,000,000	2,000,000
June 1, 2022	0.12	0.67	99,000	99,000
July 11, 2022	0.22	0.78	115,500	115,500
August 15, 2022	0.22	0.87	1,608,750	1,608,750
August 23, 2022	0.22	0.90	2,500,000	2,500,000
September 12, 2022	0.22	0.95	412,500	412,500
December 19, 2022	0.16	1.22	247,500	247,500
January 8, 2022	0.22	1.27	41,250	41,250
January 12, 2023	0.30	1.28	2,000,000	2,000,000
April 1, 2023	0.15	1.50	825,000	825,000
May 28, 2023	0.18	1.66	503,250	503,250
October 5, 2023	0.16	2.01	123,750	123,750
November 28, 2023	0.14	2.16	500,000	500,000
December 31, 2023	0.15	2.25	189,750	189,750
January 29, 2024	0.14	2.33	500,000	500,000
February 20, 2024	0.16	2.39	800,000	800,000
April 15, 2024	0.13	2.54	825,000	825,000
November 5, 2024	0.14	3.10	2,200,000	2,200,000
April 18, 2025	0.13	3.55	7,500,000	7,500,000
January 3, 2026	0.14	4.26	500,000	500,000
March 29, 2026	0.14	4.50	1,000,000	1,000,000
	0.17	**2.33**	**24,656,250**	**24,656,250**

19. Warrants reserve

The following table reflects the continuity of warrants for the three months ended September 30, 2021 and 2020:

	Number of warrants	Amount
Balance, June 30, 2020	**49,152,895**	**$ 0.21**
Issued	20,003,200	0.22
Balance, September 30, 2020	**69,156,095**	**$ 0.21**
Balance, June 30, 2021	**69,156,095**	**$ 0.21**
Issued	9,982,500	0.21
Balance, September 30, 2021	**79,138,595**	**$ 0.21**

(Expressed in Canadian Dollars) - Unaudited

The following table reflects the actual warrants issued as of September 30, 2021:

Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
21,239,409	370,039	0.21	November 27, 2021 (i)
3,350,000	213,289	0.21	April 15, 2022 (ii)
22,913,486	714,964	0.21	February 28, 2022
17,860,000	716,618	0.22	August 10, 2022
2,143,200	147,686	0.14	August 10, 2022
1,000,000	49,020	0.15	November 28, 2023
650,000	13,745	0.13	November 28, 2023
742,500	11,849	0.24	April 1, 2023
9,240,000	183,204	0.21	May 20, 2023
79,138,595	**2,225,361**	**0.21**	

(1) 21,239,409 share purchase warrants were issued on November 27, 2018 with an expiry date of November 27, 2020. On December 22, 2020, the expiry date was extended to November 27, 2021. The Company treated the extension as an extinguishment of the original warrants and recognition of new warrants. The grant date fair value of $869,826 was transferred from warrant reserve to contributed surplus. The fair value for the extension of the 21,239,409 share purchase warrants was estimated at $370,039 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.16%; volatility 83% and an expected life of 11 months. Each Warrant entitles the holder to purchase one Common Share at a price of CDN$0.21 per Common Share for a period of 12 months from the date of extension provided that if, at any time the Common Shares trade on a stock exchange at a volume weighted average trading price of $0.30, or greater, per Common Share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

(2) 3,350,000 share purchase warrants were issued on April 15, 2019 with an expiry date of April 15, 2021. On December 22, 2020, the expiry date was extended to April 15, 2022. The Company recorded the incremental difference of $73,606 in warrants reserve for the warrants extension. These warrants were valued on the extension date using the following Black-Scholes option pricing model parameters; a risk-free interest rate of between 0.22%, a dividend yield of 0%, a volatility of between 85.13% and an expected life of between 1.31 years.

(3) Warrants were issued to former warrant holders of Golden Predator on the basis of 1.65 Sabre Gold stock warrants for every one warrant of Golden Predator. These warrants were valued on the acquisition date using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 0.40%, a dividend yield of 0%, a volatility of between 83.56% and 83.98% and an expected life of between 1.58 and 1.71 years.

20. Loss per share

For the three months ended September 30, 2021, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $1,443,528 (September 30, 2020 - $2,155,735) and the weighted average number of common shares outstanding of 433,010,061 (September 30, 2020 - 330,143,857) for basic and diluted loss per share. Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

(Expressed in Canadian Dollars) - Unaudited

21. Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Loans from related parties

The Company has entered into a series of financial transactions with related parties as detailed below.

Loans from related parties		**September 30, 2021**
Promissory note payables (note 11)	$	5,088,233
Convertible promissory note payables (note 12)		8,047,663
Derivative financial liabilities (note 13)		81,212
Total	**$**	**13,217,108**

Loans from related parties		**As at June 30, 2021**
Promissory note payables (note 11)	$	4,962,107
Convertible promissory note payables (note 12)		7,667,288
Derivative financial liabilities (note 13)		104,651
Total	**$**	**12,734,046**

(b) The Company entered into the following transactions with related parties:

		Three Months Ended September 30, 2021		**Three Months Ended September 30, 2020**
Peterson McVicar[(i)]	**$**	**115,072**	$	93,773
Braydon Capital Corporation[(ii)]		**126,126**		142,739
Trans Oceanic Minerals Corporation Ltd[(iii)]		**78,991**		154,481
The Marrelli Group[(iv)]		**-**		22,939
Total	**$**	**195,689**	$	413,932

i) A Director is a partner in a law firm that provided legal services to the Company, the individual concerned ceased to be a Director as of September 2, 2021. The amounts owing to the firm as at September 30, 2021 was $115,072 (June 30, 2021 - $41,264).

ii) During the three months ended September 30, 2021, the Company accrued interest to Braydon Capital Corporation for the promissory notes payables (note 13).

iii) During the three months ended September 30, 2021, the Company accrued interest to Trans Oceanic Minerals Corporation Ltd for the convertible promissory notes payable (note 14).

iv) Carmelo Marrelli, President of the Marrelli Group previously acted as the Chief Financial Officer ("CFO") of the Company, Mr Marrelli resigned from his position as CFO on January 13, 2021 and ceased to be a related party.

The Company paid "The Marrelli Group", which encompasses Marrelli Support Services Inc., DSA Corporate Services Inc., DSA Filling Services Limited and Marrelli Press Release Services Limited as part of related party transactions for the provision of professional fees, Bookkeeping services, Regulatory filing services, Corporate secretarial services and Press release services.

(Expressed in Canadian Dollars) - Unaudited

(b) Remuneration of Directors and key management personnel, other than consulting fees, of the Company was as follows:

	Three Months Ended September 30, 2021	**Three Months Ended September 30, 2020**
Salaries and benefits	**$ 74,025**	$ 75,527
Consulting fee	**125,000**	87,500
Share based payments	**-**	-
	$ 199,025	$ 163,027

The Directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services.

22. Commitments and contingencies

a) The Company has placed a surety bond of an insurance company in connection with the Copperstone Property as required by the US Bureau of Land Management. Cash collateral of $1,072,330 (US$841,637) is held with the Bank of New York in the name of the Company in a short-term cashable account.

b) The Company has placed a surety bond of an insurance company in connection with the Brewery Creek Property as required by the Yukon government. Cash collateral of $25,000 is held with a third party in the name of the Company in a short-term cashable account.

c) The activities of the Company are subject to environmental laws and regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, endangered species and reclamation of lands disturbed by mining operations. The Company believes it complies with all laws and regulations which currently apply to its activities.

d) On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the “MOU”) with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory. Under the MOU, the Company will pay an annual Community Development fee of 2% for “on the ground” exploration expenditures incurred at the 3 Aces project. The total community fee owed to the Kaska Nation of $341,455 from prior years will remain the responsibility of the Company.

e) An Amended and Restated Socio-Economic Accord for the Brewery Creek Project was entered into with the Tr’ondëk Hwëch’in First Nation in September 2012. Key aspects of the Socio-Economic Accord include the Company’s commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to $60,000 per annum while the mine is operating.

(Expressed in Canadian Dollars) - Unaudited

23. Segmented information

As at September 30, 2021, the Company's operations comprise of a mineral exploration and development project in La Paz County, Arizona ("USA") and a mineral exploration and development project in the Yukon, Canada and a head office in Toronto, Canada.

Three Months Ended September 30, 2021	Canada	USA	Total
Revenues	$ -	$ -	$ -
Net loss	$ (1,443,528)	$ -	$ (1,443,528)

Three Months Ended September 30, 2020

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Net loss	$ (1,046,249)	$ (1,109,486)	$ (2,155,735)

As at September 30, 2021	Canada	USA	Total
Total assets	$ 50,820,619	$ 10,509,827	$ 61,330,446
Non-current assets	$ 36,198,413	$ 9,466,729	$ 45,665,142

As at September 30, 2020

	Canada	USA	Total
Total assets	$ 3,012,673	$ 17,908,656	$ 18,277,460
Non-current assets	$ -	$ 17,579,593	$ 17,579,593

24. Subsequent events

1) On October 21, 2021 20,500,000 stock options were granted at an exercise price of $0.10 to Directors and Officers of the Company.

2) On October 26, 2021 the agreement to purchase the 3% production royalty from TOMCL was extended to January 31, 2022.