



**MAS GOLD CORP.**

*(an exploration stage enterprise)*

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED MARCH 31, 2022 and 2021**

*(expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW**

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

*"James Engdahl"*

James Engdahl  
CEO

*"Karen Frisky"*

Karen Frisky  
CFO

Saskatoon, Saskatchewan  
May 28, 2022

**MAS GOLD CORP.***(an exploration stage enterprise)*

## STATEMENTS OF FINANCIAL POSITION

(expressed in Canadian Dollars)

	Note	Mar 31 2022	Sep 30 2021
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 95,957	\$ 742,033
Receivables		202,587	146,215
Prepaid expenses and deposits		165,026	364,128
		463,570	1,252,376
<b>Exploration and evaluation interests</b>	5	3,926,797	926,797
		\$ 4,390,367	\$ 2,179,173
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	3,638,833	1,731,304
Flow through tax liability		-	-
Due to related party	7	217,000	50,000
		3,855,833	1,781,304
<b>Shareholders' equity</b>			
Share capital	6	29,141,989	23,576,788
Subscriptions received	6	465,736	2,565,200
Reserve for warrants	6	248,513	248,513
Reserve for options	6	1,620,474	1,286,414
Deficit		(30,942,177)	(27,279,046)
		534,535	397,869
		\$ 4,390,367	\$ 2,179,173

**On behalf of the Board:***"James Engdahl"*

James Engdahl

Director

*"Andrew Davidson"*

Andrew B. Davidson

Director

**MAS GOLD CORP.***(an exploration stage enterprise)*

## STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

SIX MONTHS ENDED MARCH 31

(expressed in Canadian Dollars)

	Note	3 months ended March 31		6 months ended March 31	
		2022	2021	2022	2021
<b>Exploration and evaluation expenses</b>	5	\$ 2,154,104	\$ 2,316,019	\$ 2,817,219	\$ 2,391,327
<b>Operating and administrative expenses</b>					
Consulting fees	7	58,000	40,500	126,100	55,500
Investor relations		76,072	67,171	76,151	210,300
Office, rent and administration	7	20,219	8,215	24,392	17,415
Professional fees		31,819	46,838	131,839	54,687
Share-based compensation		334,060	233,525	334,060	233,525
Transfer agent and listing fees		22,923	19,605	34,055	20,598
Wages		-	23,856	13,770	44,794
		543,092	439,710	761,161	197,109
<b>Other</b>					
Interest expense		71,254		77,044	-
Foreign exchange		12,793		7,707	-
Recovery on flow-through liability				-	-
<b>Net loss and comprehensive loss for the year</b>		\$ (2,781,244)	(2,755,729)	\$ (3,663,131)	\$ (3,028,145)
<b>Basic and diluted loss per share</b>		\$ (0.020)	\$ (0.028)	\$ (0.06)	\$ (0.045)
<b>Weighted average number of common shares outstanding</b>		141,183,987	98,148,073	140,598,298	67,413,189

**MAS GOLD CORP.***(an exploration stage enterprise)***STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(expressed in Canadian Dollars)

	Share Capital		Deficit	Subscriptions Received	Reserve for Warrants	Reserve for Options	Total Shareholders' Equity
	Shares	Amount					
<b>Balance at September 30, 2020</b>	<b>49,838,763</b>	<b>\$ 19,007,558</b>	<b>\$ (20,107,152)</b>	-	<b>\$ 187,559</b>	<b>\$ 932,324</b>	<b>\$ 20,289</b>
				-			
Private placement	48,009,310	3,060,480	-	-	-	-	3,060,480
Option exercise	62,500	4,375	-	-	-	-	4,375
Warrant exercise	1,930,000	135,100	-	-	-	-	135,100
Share issue costs	-	(159,564)	-	-	-	-	(159,564)
Share based compensation	-	-	-	-	-	233,525	233,525
Net loss for the year	-	-	(3,028,145)	-	-	-	(3,028,145)
<b>Balance at March 31, 2021</b>	<b>99,840,573</b>	<b>\$ 22,047,949</b>	<b>\$ (23,135,297)</b>	<b>\$ -</b>	<b>\$ 187,559</b>	<b>\$ 1,165,850</b>	<b>\$ 266,060</b>
<b>Balance at September 30, 2021</b>	<b>116,482,240</b>	<b>\$ 23,576,788</b>	<b>\$ (27,279,046)</b>	<b>\$ 2,565,200</b>	<b>\$ 248,513</b>	<b>\$ 1,286,414</b>	<b>\$ 397,869</b>
Property acquisition	30,000,000	3,000,000	-	-	-	-	3,000,000
Warrant exercise	28,174,718	3,030,936	--	(2,565,200)	-	-	465,736
Share-based compensation	-	-	-	-	-	334,060	334,060
Net loss for the year	-	-	(3,663,131)	-	-	-	(3,661,032)
<b>Balance at March 31, 2022</b>	<b>141,210,307</b>	<b>\$ 29,607,724</b>	<b>\$ (30,942,177)</b>	<b>\$ -</b>	<b>\$ 248,513</b>	<b>\$ 1,620,474</b>	<b>\$ 534,535</b>

**MAS GOLD CORP.***(an exploration stage enterprise)*

## STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED MARCH 31

(expressed in Canadian Dollars)

	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Net loss for the year	\$ (3,663,131)	\$ (3,028,145)
Items not involving cash		
Share based payments	334,060	233,525
Net changes in non-cash working capital items		
Receivables	(3,170)	(111,698)
Prepaid expenses and deposits	298,222	(28,845)
Accounts payable and accrued liabilities	1,755,206	701,859
<b>Cash used in operating activities</b>	<b>(1,278,813)</b>	<b>(2,233,304)</b>
<b>Investing activities</b>		
Property acquisition	(3,000,000)	-
<b>Cash used in investing activities</b>	<b>(3,000,000)</b>	<b>-</b>
<b>Financing activities</b>		
Advances from (payments to) related parties	167,000	233,800
Proceeds from issuance of shares, net of share issue costs	3,000,000	3,036,037
Proceeds from exercise of warrants	465,736	-
Proceeds from exercise of options	-	-
<b>Cash provided by financing activities</b>	<b>3,632,736</b>	<b>3,269,837</b>
<b>Increase (decrease) in cash during the year</b>	<b>(646,077)</b>	<b>1,036,533</b>
<b>Cash (cheques issued in excess of cash), beginning of year</b>	<b>742,033</b>	<b>-</b>
<b>Cash (cheques issued in excess of cash), end of year</b>	<b>\$ 95,957</b>	<b>\$ 1,036,533</b>

**MAS GOLD CORP.**

*(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)



---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

MAS Gold Corp. (the “Company” or “MAS Gold”) was incorporated under the laws of British Columbia on July 7, 1981. The Company is an exploration stage public company listed on the TSX Venture Exchange, whose principal business activities include the exploration and development of exploration and evaluation properties in Canada. The Company’s offices are located at 102-3239 Faithfull Avenue, Saskatoon, SK S7K 8H4.

The Company is currently exploring its mineral properties and has not yet determined whether they contain resources that are economically recoverable. The recoverability of amounts capitalized for mineral properties is dependent upon the discovery of sufficient economically recoverable ore resources, confirmation of the Company’s interest in the underlying mineral properties, the ability of the Company to arrange appropriate financing to complete the development of the mineral properties and upon future profitable production or proceeds from the sale of the mineral properties.

The Company’s financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2022, the Company had an accumulated deficit of \$30,942,177 (2021 – \$23,135,297) and a working capital deficiency of \$3,546,938 (2021 – \$617,091). The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration, and development of its mineral property interests, is dependent on the Company’s ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and expected growth. If the Company is unable to obtain additional financing, the Company will be unable to continue in operation. There can be no assurances that management’s plans will be successful.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in future profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company’s ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise alternative financing. These factors raise significant doubt about the Company’s ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Since January 2020, the gradual outbreak of the novel strain of the coronavirus, COVID – 19 and its eventual declaration as a pandemic by the World Health Organization, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. This may impact the Company’s ability to obtain additional financing to support exploration activities.



---

## **2. BASIS OF PRESENTATION**

### **Statement of Compliance**

These financial statements have been prepared and are presented in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The functional and reporting currency of the Company is the Canadian dollar. These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements were prepared by management and reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on May 29, 2022.

## **3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company’s financial instruments are exposed to certain financial risks: credit risk, liquidity risk and market risk.

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s cash and accounts receivable are exposed to credit risk. The Company minimizes credit risk by placing its cash with major Canadian financial institutions. Credit risk with respect to cash represents the maximum credit risk exposure to the Company.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company’s approach to managing liquidity risk is to ensure that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks consist of interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

## **4. CAPITAL RISK MANAGEMENT**

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the exploration of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders’ equity.



**MAS GOLD CORP.**

*(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)



---

**4. CAPITAL RISK MANAGEMENT (Continued)**

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or reduce expenditures. Management reviews the capital structure on a regular basis to ensure that objectives are met.

There have been no changes to the Company's approach to capital management during the current period. The Company is not subject to external restrictions on its capital.

**5. EXPLORATION AND EVALUATION INTERESTS**

The investment in and expenditures on mineral properties comprise a significant portion of the Company's operations. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown are for acquisition costs incurred to date and do not reflect present or future values. These costs will be written off if the properties are abandoned or the claims allowed to lapse.

**Environmental**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

**Title to exploration and evaluation interests**

Although the Company has taken steps to verify the title to mineral property interests 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 or transfers and may be affected by undetected defects.

**MAS GOLD CORP.***(an exploration stage enterprise)*

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)

**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

The Company has capitalized the following acquisition expenditures:

	September 30, 2020	Net Additions	September 30, 2021	Net Additions	March 31, 2022
<b>Greywacke</b>					
Acquisition	\$ 137,394	\$ 48,000	\$ 185,394	\$ -	\$ 185,394
	137,394	48,000	185,394	-	185,394
<b>Preview Lake</b>					
Acquisition	411,535	-	411,535	-	411,535
	411,535	-	411,535	-	411,535
<b>North Lake</b>					
Acquisition	294,868	-	294,868	-	294,868
	294,868	-	294,868	-	294,868
<b>Preview SW</b>					
Acquisition	-	-	-	3,000,000	3,000,000
	-	-	-	3,000,000	3,000,000
<b>Elizabeth Lake</b>					
Acquisition	35,000	-	35,000	-	35,000
	35,000	-	35,000	-	35,000
Total exploration and evaluation assets	\$ 878,797	\$ 48,000	\$ 926,797	\$ 3,000,000	\$ 3,926,797

The Company has expensed the following evaluation and exploration expenditures for the periods ended March 31:

	2022	2021
Assays	\$ 2,025	\$ 57,136
Drilling	3,486,122	1,627,781
Geology	110,229	352,652
Environmental	169,479	83,124
Field crew, camp costs and supplies	138,689	270,633
Funding reimbursement*	(1,090,000)	-
	\$ 2,817,219	\$ 2,391,326

\*On December 21, 2021 the Company signed an agreement granting Eros Resources Corp. the exclusive right to earn a 17.5% interest in all of the Company's current properties by funding \$3,500,000 in exploration expenditures over a six-month period. As at March 31, 2022 \$1,090,000 of funding has been received.

**MAS GOLD CORP.**

*(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)



---

**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

**Greywacke – Saskatchewan**

In 2001, the Company earned a 51% interest in four mineral claims located in northern Saskatchewan for consideration of \$10,000, the issuance of 16,665 common shares and by incurring certain exploration expenditures. On September 20, 2011, the Company entered into the Greywacke Joint Venture Agreement with Golden Band Resources (“Golden Band”), the holder of the remaining 49% interest, to advance the property. MAS is the operator. This arrangement is accounted for as a joint operation. The Greywacke Joint Venture Agreement was expanded in June 2012 to form the La Ronge South Gold Joint Venture Agreement (“LRG JV”), which includes the Preview Lake and North Lake properties, with participating interests being 50:50 in all three properties, including Greywacke. Pursuant to the LRG JV and the addition of the North Lake and Preview Lake properties, the Company awarded Golden Band a 1% interest in Greywacke and 2,500,000 options, which could be exercised to purchase common shares at \$0.35 per share for three years (expired).

The LRG JV is intended to pass operatorship from MAS to Golden Band on a project specific basis, once the specific project changes to a producer status. Recent developments may no longer make that possible and Golden Band has suspended its mining operations. In a court ordered debt restructuring effective July 22, 2016, all the shares of Golden Band were acquired by its largest creditor, Procon Resources Inc. In accordance with the terms of the LRG JV, MAS has first right of refusal for all the property under the JV agreement. Any acquirer is obligated to conduct business under the LRG JV. A court ruling, subsequent to September 30, 2018, disallowed MAS’s arguments to enforce dilution on disputed costs occurring prior to April 15, 2016.

Subsequent to the ruling, MAS provided notices of dilution to Golden Band for exploration expenses incurred after April 15, 2016, which were approved but not funded by Golden Band, including the exploration programs completed in fiscal 2018, 2019 and 2020. These notices reduced the ownership position of Golden Band below 10%. In accordance with the terms of the LRSGJV, once a party is diluted below 10%, they are converted to a 2.5% net smelter returns royalty (“Royalty”) position and MAS assumes 100% ownership in the LRG JV assets. MAS has the right to purchase the Royalty at any time for \$1,000,000. Notice of this, and a request for title transfer, were issued to Golden Band on January 8, 2020.

On February 11, 2021, MAS acquired an additional 3 mineral claims from Eagle Plains Resources Ltd (“Eagle”). And issued 300,000 common shares, with a fair value of \$48,000, in consideration for 100% interest. Eagle was granted a 2% net smelter returns royalty, which MAS has the right to purchase 1% for \$1,000,000.

On April 16, 2021, MAS was confirmed as the 100% owner of the Greywacke property through the process of binding arbitration.

**Preview SW – Saskatchewan**

The Company acquired, from Comstock Metals, 100% of its interest in its Preview SW Gold Project and property by issuing 30,000,000 common shares with a fair value of \$3,000,000.

**Elizabeth Lake – Saskatchewan**

In April 2018, the Company acquired a 100% interest in the Elizabeth Lake properties, located within the southern La Ronge gold belt for cash consideration of \$35,000.

**MAS GOLD CORP.**

*(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)



---

**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

**Preview Lake – Saskatchewan**

On April 2, 2012, Golden Band acquired a 66.67% interest in the Preview Lake properties, located within the southern La Ronge gold belt and, on June 15, 2012, Golden Band acquired the remaining 33.33% interest from Cameco Corporation and Areva Resources Canada Inc. The Company paid Golden Band \$340,009 and issued 75,000 common shares, with a fair value of \$8,250, in consideration for a 50% interest.

The Company paid 100% of the exploration costs in this first year's exploration program, with a minimum expenditure of \$300,000, which has been reached; thereafter, each party pays its pro rata share of all expenditures relating to such properties. There is a 5% net profit interest royalty in favour of a vendor on claim ML 5427 and a 1% gross revenue royalty in favour of a vendor on claim S-101681.

**North Lake – Saskatchewan**

The Company has earned a 50% participating interest in the North Lake properties by paying \$150,000 and issuing 25,000 common shares with a fair value of \$2,750 to Golden Band. The Company paid the first \$100,000 in exploration costs in the first year, and, thereafter, will pay its 50% share of any exploration costs and expenses relating to these properties, as well as Golden Band's earn-in costs from the optionor. Subsequent to earning its position, both parties are obligated to meet its share of the earn-in obligations.

On September 30, 2014, pursuant to a Second Amending Agreement, the option was amended whereby a total of \$850,000 in exploration expenditures on one of the claims, CBS 7396 in the LRG JV, which was to occur by October 14, 2014, may be incurred in five years following the election date for consideration of \$200,000 (50% each paid by the Company and Golden Band in May 2015). The vendor retains a 2% net smelter return royalty with a buyback provision of 1%.

On October 8, 2019, pursuant to an Option Agreement, the Company acquired 100% interest in North Lake properties by paying \$1,500 and issuing 300,000 common shares with a fair value of \$13,500 to Eagle Plains Resources Ltd. (Eagle Plains). Eagle Plains retains a 2% net smelter return royalty ("NSR") with a buyback provision for 1% of the NSR, which is purchasable at any time for \$1,000,000.

On April 16, 2021, MAS was confirmed as the 100% owner of the North Lake property through the process of binding arbitration.

**Contact Lake – Saskatchewan**

The Company acquired 100% of the Contact Lake property, including the Contact Lake Gold Mine, on September 13, 2021 through an agreement with the Government of Saskatchewan. The Contact Lake Gold Mine was operated by the Cameco Corporation from 1994 to 1997. In connection with this transaction the Company has paid a deposit of \$165,000 to the Government of Saskatchewan. The Company is obliged to undertake cleanup and restoration of the property.

**MAS GOLD CORP.**

*(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)



---

**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

**Little Deer Lake – Saskatchewan**

On March 30, 2014, the Company acquired an undivided 100% interest in the Little Deer Lake property S-112357 adjacent to the North Lake property and Highway 102 from Wesdome Gold Mines Ltd. for \$1,000 and granted a 1% net smelter return royalty to the vendor. Under the terms of the LRG JV, a 50% interest was offered to Golden Band and although accepted, Golden Band's portion of the acquisition costs remain unpaid. The Company retains 100% interest of the property outside of the LRG JV.

During the year ended September 30, 2016, as the Company determined there were indicators of impairment on the property and as such, the value was written down to \$nil by \$1,000, in accordance with Level 3 of the fair value hierarchy.

**6. SHARE CAPITAL**

**Authorized**

Unlimited number of common shares without par value.

**Private placements**

In December 2020, the Company issued 30,017,171 units at a price of \$0.06 per unit and 17,992,139 Flow Through Units ("FT Unit") at a price of \$0.07 per FT Unit. Each unit is comprised of a one common share of the Company and one common share purchase warrant. Each FT Unit consists of one "flow-through" common share of the Company that will qualify as a "flow through share" within the meaning of the subsection 66(15) of the Income Tax Act (Canada) and one-half of on Warrant. Each warrant is exercisable to acquire one common share at a price of \$0.10 per warrant for a period of 24 months from the closing of the Offering. Total proceeds of \$3,060,479 was received. Finder's fees and share issuance cost of \$182,374 was paid.

On August 27, 2021, the Company issued 15,000,000 units at a price of \$0.10 per Unit for gross proceeds of \$1,500,000. Each Unit is comprised of one common share of the Company and one-half (1/2) of a Common Share purchase warrant. Each Warrant is exercisable to acquire one Common Share at a price of \$0.20 for a period of 36 months from the closing of the Offering. A finder's fee of \$85,560 was paid and the Company issued 855,600 compensation warrants. Each compensation warrant is exercisable to purchase one unit at an exercise price of \$0.10 until August 27, 2023. The unit consists of one common share and one half of a share purchase warrant. Each whole share purchase warrant allows the holder to purchase one common share at a price of \$0.20 until August 27, 2024. The compensation warrants had a fair value of \$97,587. The following assumptions were used for the compensation warrants: risk-free interest rate of 0.37%, expected life of 2 years, forfeiture rate of 0% and expected volatility of 152%.

In October 2021, the Company issued 350,000 shares at a price of \$0.105 per share in a non-brokered private placement financing for proceeds of \$36,750.

In December 2021, Company issued 30,000,000 common shares at a price of \$0.10 per share to acquire, from Comstock Metals, 100% of its interest in its Preview SW Gold Project and property.

**MAS GOLD CORP.***(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)****Stock options and warrants**

The Company's registered stock option plan authorizes the Company to grant incentive stock options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the date of grant. The options can be granted for a maximum term of five years. Stock options granted in relation to investor relations activities vest in 25% increments over one year from the grant date; all other stock options vest immediately.

In October 2021, the Company closed the Early Warrant Exercise Incentive Plan ("EWEIP") designed to encourage the early exercise of outstanding warrants. The EWEIP enabled holders of Warrants issued in 2017, 2019 and 2020 to certain incentives for every two exercised warrants. A total of 23,517,353 Common Shares were issued under the EWEIP providing aggregate gross proceeds of \$2,565,200, which was received by the Company as at September 30, 2021. EWEIP participants opting to pay an increased exercise price equal to the original exercise price of the outstanding warrant plus \$0.02 per warrant in order to receive flow-through Common Shares provided proceeds of \$1,180,786 from the exercise of 9,673,215 outstanding warrants. EWEIP participants opting to select the non flow-through Common Shares provided proceeds of \$1,384,414 from the exercise of 13,844,138 outstanding warrants. The Company issued 11,758,672 new Incentive Warrants under the terms of the EWEIP. Each Incentive Warrant is exercisable to acquire one common share for three years at an exercise price of \$0.20.

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number of Options	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, September 30, 2020	3,400,000	\$ 0.09	14,550,724	\$ 0.11
Expired	150,000	\$ 0.05	(353,000)	\$ 0.07
Exercised	187,500	\$ 0.07	(26,314,020)	\$ 0.10
Issued	3,150,000	\$ 0.13	47,368,840	\$ 0.10
Outstanding, September 30, 2021	6,212,500	\$ 0.11	35,252,544	\$ 0.10
Exercised	-		(4,657,365)	\$ 0.10
Issued	5,600,000	\$ 0.13	11,758,672	\$ 0.20
Expired	-		(661,700)	\$ 0.10
Outstanding, March 31, 2022	11,812,500	\$ 0.12	41,692,153	\$ 0.15
Number exercisable/fully vested	11,812,500	\$ 0.12	41,692,153	\$ 0.10

**MAS GOLD CORP.***(an exploration stage enterprise)*

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)****Stock options and warrants (continued)**

As at March 31, 2022, incentive stock options and share purchase warrants were outstanding as follows:

	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Weighted Average Remaining Contractual Life</b>
<b>Options</b>				
	1,300,000	\$ 0.12	December 8, 2022	0.69
	325,000	\$ 0.12	February 7, 2024	1.86
	1,437,500	\$ 0.07	December 20, 2024	2.73
	3,150,000	\$ 0.13	January 5, 2026	3.77
	5,600,000	\$ 0.13	February 15, 2027	4.88
	<b>11,812,500</b>			<b>3.78</b>
<b>Warrants</b>				
	4,500,000	\$ 0.12	October 16, 2022	0.55
	17,077,881	\$ 0.10	December 30, 2022	0.75
	855,600	\$ 0.10	August 23, 2023	1.40
	7,500,000	\$ 0.20	August 24, 2024	2.40
	11,758,672	\$ 0.20	October 12, 2024	2.54
	<b>41,692,153</b>			<b>1.54</b>

On January 6, 2021, the Company granted 3,150,000 stock options to directors, officers, and consultants exercisable at \$0.13 for a 5-year term. The options vested immediately. The options have an estimated fair value of \$0.12 per option, estimated using the Black-Scholes option pricing model with the following assumptions: risk-free rate of 0.41%, expected life of 5 years, forfeiture rate of 0% and expected volatility of 144%. The Company recorded a share-based payment expense of \$365,503 in the year ended September 30, 2021.

On February 15, 2022, the Company granted 5,600,000 stock options to directors, officers, and consultants exercisable at \$0.13 for a 5-year term. The options vested immediately. The options have an estimated fair value of \$0.10 per option, estimated using the Black-Scholes option pricing model with the following assumptions: risk-free rate of 1.82%, expected life of 5 years, forfeiture rate of 0% and expected volatility of 80%. The Company recorded a share-based payment expense of \$334,060 in the period ended March 31, 2022.



**MAS GOLD CORP.***(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)

**7. RELATED PARTY TRANSACTIONS**

During the periods ended March 31, 2022 and 2021, the Company entered into the following transactions with companies owned by directors and/or officers:

	<b>2021</b>	<b>2020</b>
Consulting fees <sup>2</sup>	\$ 109,000	\$ 55,000
Office and administration <sup>1,2</sup>	-	7,995
Due to related party <sup>3</sup>	217,000	722,700
	<b>\$ 326,000</b>	<b>\$ 786,195</b>

- 1 A company controlled by a director of the Company previously provided office rental and supplies on a shared cost recovery basis.
- 2 Included in accounts payable and accrued liabilities is \$Nil (2021 - \$Nil) payable to companies controlled by directors and/or officers.
- 3 Due to related party is a \$217,000 (2021 – \$722,700) total advance from directors and is non-interest bearing due on demand loan.

The key management personnel of the Company include directors and officers of the Company. A total of \$109,000 (2021 - \$55,500) was paid directly to key management during the period ended March 31, 2022 and 2021.

**8. SEGMENTED REPORTING**

The Company presents and discloses segmental information based on information that is regularly reviewed by the management and the Board of Directors. Management and the Board of Directors have joint responsibility for allocating resources and assessing performance. The Company is of the opinion that there is a single segment of business, being the exploration and evaluation of mineral resources in Canada.

**9. COMMITMENTS**

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined under Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that are allotted for such expenditures but have not yet been spent.

In connection with the flow-through shares issued during the year ended September 30, 2020, the Company has an obligation to incur qualified expenditures of \$261,755 by December 3, 2021. The obligation was fulfilled as at March 31, 2022.

In connection with the flow-through shares issued during the year ended September 30, 2021, the Company has an obligation to incur qualified expenditures of \$1,259,450 by December 20, 2022, which nil remains outstanding as at March 31, 2022.



**MAS GOLD CORP.**

*(an exploration stage enterprise)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(expressed in Canadian Dollars)



---

**10. SUBSEQUENT EVENTS**

In May 2022, the Company closed the first tranche of a private placement announced on May 5, 2022 by issuing 21,625,000 Units of the Company at a price of \$0.08 per Unit for proceeds of \$1,730,000. The second tranche is expected to close in June 2022. The non-brokered private placement of a minimum of \$1,500,000 and a maximum of \$3,000,000 will be through the sale of Units of the Company at a price of \$0.08. Each unit is comprised of a one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.20 per warrant for a period of 24 months from the closing of the Offering.