ARIZONA METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Arizona Metals Corp. (the "Company") have been prepared by and are the responsibility of management.

Arizona Metals Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at September 30, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash	**$ 22,994,307**	$ 3,885,930
Sales tax recoverable	**72,567**	31,971
Prepaid expenses	**739,848**	717,418
Total current assets	**23,806,722**	4,635,319
Non-current assets		
Reclamation bond (note 6)	**234,579**	149,884
Total assets	**$ 24,041,301**	$ 4,785,203
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	**$ 1,221,528**	$ 188,449
Total liabilities	**1,221,528**	188,449
Shareholders' equity		
Share capital (note 3)	**46,770,518**	15,256,986
Reserves (notes 4 and 5)	**6,336,414**	5,038,780
Deficit	**(30,287,159)**	(15,699,012)
Total shareholders' equity	**22,819,773**	4,596,754
Total liabilities and shareholders' equity	**$ 24,041,301**	$ 4,785,203

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

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 6 and 9)
Subsequent event (note 10)

Arizona Metals 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	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating expenses				
Salaries and benefits (note 7)	**$ 680,341**	$ 75,732	**$ 960,641**	$ 247,082
Exploration and evaluation expenditures (note 6)	**3,663,987**	2,078,451	**12,583,104**	4,829,906
Office and general	**64,178**	61,570	**253,430**	247,309
Professional fees (note 7)	**31,219**	(18,918)	**234,947**	116,496
Business development	**6,047**	126,964	**193,777**	126,964
Share-based payments (notes 4 and 7)	**12,288**	24,306	**282,128**	874,513
Filing fees	**34,065**	3,361	**80,120**	36,514
Net loss and comprehensive loss for the period	**$ (4,492,125)**	$ (2,351,466)	**$ (14,588,147)**	$ (6,478,784)
Basic and diluted net loss per share	**$ (0.05)**	$ (0.04)	**$ (0.18)**	$ (0.11)
Weighted average number of common shares outstanding	**89,495,426**	64,388,186	**80,757,428**	58,245,808

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

Arizona Metals Corp.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
Unaudited

	Share capital				
	Shares	Amount	Reserves	Deficit	Total
Balance, December 31, 2019	**49,855,368**	**$ 7,622,591**	**$ 3,104,608**	**$ (8,519,020)**	**$ 2,208,179**
Private placement (note 3(b))	14,041,000	8,415,500	-	-	8,415,500
Share issuance costs	-	(770,365)	155,400	-	(614,965)
Warrant valuation	-	(1,078,553)	1,078,553	-	-
Stock options exercised (note 4)	368,000	131,240	(39,240)	-	92,000
Warrants exercised	544,557	353,809	(83,486)	-	270,323
Share-based payments	-	-	874,513	-	874,513
Net loss for the period	-	-	-	(6,478,784)	(6,478,784)
Balance, September 30, 2020	**64,808,925**	**$ 14,674,222**	**$ 5,090,348**	**$ (14,997,804)**	**$ 4,766,766**
Balance, December 31, 2020	**65,753,710**	**$ 15,256,986**	**$ 5,038,780**	**$ (15,699,012)**	**$ 4,596,754**
Private placements (note 3(b))	10,526,316	10,000,000	-	-	10,000,000
Special warrants (note 3(b))	10,000,000	21,000,000	-	-	21,000,000
Share issuance costs	-	(2,346,440)	540,600	-	(1,805,840)
Warrant valuation	-	(1,501,600)	1,501,600	-	-
Stock options exercised (note 4)	430,000	426,150	(199,150)	-	227,000
Warrants exercised (note 5)	3,491,026	3,935,422	(827,544)	-	3,107,878
Share-based payments	-	-	282,128	-	282,128
Net loss for the period	-	-	-	(14,588,147)	(14,588,147)
Balance, September 30, 2021	**90,201,052**	**$ 46,770,518**	**$ 6,336,414**	**$ (30,287,159)**	**$ 22,819,773**

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

Arizona Metals Corp.

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

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating activities		
Net loss for the period	**$ (14,588,147)**	$ (6,478,784)
Adjustments for:		
Share-based payments (note 4)	**282,128**	874,513
Changes in non-cash working capital items:		
Sales tax recoverable	**(40,596)**	51,543
Prepaid expenses	**(22,430)**	(189,565)
Accounts payable and accrued liabilities	**1,033,079**	67,614
Net cash used in operating activities	**(13,335,966)**	(5,674,679)
Investing activities		
Reclamation bond	**(84,695)**	(92,540)
Net cash used in investing activities	**(84,695)**	(92,540)
Financing activities		
Proceeds from private placements (note 3)	**31,000,000**	8,415,500
Share issuance costs (note 3)	**(1,805,840)**	(614,965)
Proceeds from exercise of stock options (note 4)	**227,000**	92,000
Proceeds from exercise of warrants (note 5)	**3,107,878**	270,323
Net cash provided by financing activities	**32,529,038**	8,162,858
Net change in cash	**19,108,377**	2,395,639
Cash, beginning of period	**3,885,930**	1,611,891
Cash, end of period	**$ 22,994,307**	$ 4,007,530

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

Arizona Metals Corp. ("AMC" or the "Company") was incorporated under the Canada Business Corporations Act on June 28, 2017. The Company's head office, principal address and registered and records office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, Canada, M5K 1B7. The Company completed its Initial Public Offering on March 6, 2018 and was classified as a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange ("TSX-V").

On August 1, 2019, the Company completed a reverse take-over transaction ("RTO") with Croesus Gold Corp. ("Croesus") wherein the Company acquired 100% of the issued and outstanding common shares of Croesus. As a result of the share exchange, Croesus is considered to have control. While the Company is the legal acquirer, the accounting acquirer is Croesus and these financial statements are consolidated and presented with Croesus as the continuing entity. Concurrent with the RTO, the Company changed its name to Arizona Metals Corp. and began trading on the TSX-V under the symbol "AMC". On August 6, 2020, the Company began trading on the OTCQB under the ticker "AZMCF" and moved to the OTCQX in January 2021.

AMC is a Canadian exploration company focused on precious metal exploration in the United States. At the date of these unaudited condensed interim consolidated financial statements, the Company does not have any operating mines, nor has it earned any income.

Although the Company has taken customary 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 and non-compliance with regulatory requirements.

AMC is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current assets in excess of current liabilities of $22,585,194 at September 30, 2021 (December 31, 2020 - $4,446,870). For the nine months ended September 30, 2021, the Company had a net loss of $14,588,147 (nine months ended September 30, 2020 - $6,478,784), and had cash outflows from operations of $13,335,966 (nine months ended September 30, 2020 - $5,674,679).

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital. See note 10.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital. While it has not had a significant impact on operations so far, the continuing extent of the effect of COVID-19 on the Company is uncertain.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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 the IASB. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2020 annual financial statements which have been prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 29, 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 financial statements as at and for the year ended December 31, 2020.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is assessing the impact of the below of the below pronouncements on its financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

(Expressed in Canadian Dollars)

3. Share capital

a) Authorized share capital

The authorized share capital consisted of 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, December 31, 2019	**49,855,368**	**$ 7,622,591**
Private placement (i)(ii)	14,041,000	8,415,500
Share issuance costs (i)(ii)	-	(770,365)
Warrant valuation (i)	-	(1,078,553)
Stock options exercised	368,000	131,240
Warrants exercised	544,557	353,809
Balance, September 30, 2020	**64,808,925**	**$ 14,674,222**
Balance, December 31, 2020	**65,753,710**	**$ 15,256,986**
Private placement (iii)	10,526,316	10,000,000
Special warrants converted (iv)	10,000,000	21,000,000
Share issuance costs (iii)(iv)	-	(2,346,440)
Warrant valuation (iv)	-	(1,501,600)
Stock options exercised	430,000	426,150
Warrants exercised	3,491,026	3,935,422
Balance, September 30, 2021	**90,201,052**	**$ 46,770,518**

(i) On February 12, 2020, the Company announced that it has closed a non-brokered private placement offering of 4,741,000 common shares of the Company at a price of $0.50 per common share, for aggregate gross proceeds of $2,370,500. Certain directors of the Company purchased an aggregate of 200,000 common shares under the offering. An insider of the Company at the time beneficially purchased an aggregate of 500,000 common shares under the offering. In connection with the offering, the Company paid cash finders' fees of an aggregate of $93,900 and other share issuance cost of $69,999.

(ii) On May 29, 2020, the Company completed a bought deal private placement offering of 9,300,000 units at a price of $0.65 per unit for aggregate gross proceeds of $6,045,000. Each unit consists of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.85 for a period of 18 months. In connection with the offering, the Company paid a cash commission of $451,066 and issued 427,654 broker warrants. Each broker warrant is exercisable into one common share at a price of $0.65 per share for a period of 18 months.

The 4,650,000 warrants and 427,654 broker warrants issued were assigned a grant date value of $1,078,553 and $155,400, respectively, as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.53, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.28%, and an expected maturity of 18 months.

(Expressed in Canadian Dollars)

3. Share capital (continued)

b) Common shares issued (continued)

(iii) On January 26, 2021, the Company closed a non-brokered private placement of 10,526,316 common shares of the Company at $0.95 per common share for gross proceeds of $10,000,000. In connection with the offering, the Company paid cash finders' fees totaling $211,787 and other share issuance cost of $59,693.

(iv) On April 22, 2021, the Company completed a bought-deal private placement offering of 10,000,000 special warrants of the Company at a price of $2.10 per special warrant for aggregate gross proceeds of $21,000,000. Each special warrant entitled the holder to receive, without payment of additional consideration, 1 unit of the Company, on June 30, 2021.

Each unit consisted of 1 common share of the Company and one-half of 1 common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at $3.00 per warrant until April 22, 2022. In connection with the offering, the Company paid cash commissions and other issue costs totaling $1,534,360 and 525,442 broker warrants. Each broker warrant is exercisable into one (1) unit of the Company at a price of $2.10 per unit until April 22, 2022.

The 5,000,000 warrants were assigned a grant date value of $1,501,600, as estimated by using the Black-Scholes valuation model with the following assumptions: unit price of $2.10, expected dividend yield of 0%, expected volatility of 82%, risk-free rate of return of 0.45%, and an expected maturity of 10 months.

The 525,442 broker warrants issued was assigned a grant date value of $540,600, as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $2.54, expected dividend yield of 0%, expected volatility of 88%, risk-free rate of return of 0.31%, and an expected maturity of 1 year.

4. Stock options

The Company's stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2019	8,300,000	$ 0.21
Issued (i)(ii)(iii)	1,650,000	0.66
Exercised	(368,000)	0.25
Expired	(32,000)	0.25
Balance, September 30, 2020	9,550,000	$ 0.28
Balance, December 31, 2020	10,082,000	$ 0.30
Issued (iv)	200,000	1.00
Exercised	(430,000)	0.53
Balance, September 30, 2021	9,852,000	$ 0.31

(Expressed in Canadian Dollars)

4. Stock options (continued)

(i) On May 7, 2020, the Company granted 100,000 stock options to a consultant of the Company with exercise price of $0.50 per share, expiring in 5 years. The stock options vest immediately. The stock options were assigned a grant date value of $59,732 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.68, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.37%, and an expected maturity of 5 years.

(ii) On June 4, 2020, the Company granted 1,450,000 stock options to directors and consultants of the Company with exercise price of $0.66 per share, expiring in 5 years. The stock options vest immediately. The stock options were assigned a grant date value of $790,475 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.66, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.48%, and an expected maturity of 5 years.

(iii) On August 4, 2020, the Company granted 100,000 stock options to a consultant of the Company with exercise price of $0.80 per share, expiring in 2 years. The stock options vest monthly in equal installments over one year. The stock options were assigned a grant date value of $56,020 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.89, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.25%, and an expected maturity of 2 years.

(iv) On February 8, 2021, the Company granted 200,000 stock options to directors of the Company with an exercise price of $1.00 per share, expiring five years from the date of issuance. The stock options vested immediately upon issuance. The stock options were assigned a grant date value of $169,076 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $1.09, expected dividend yield of 0%, expected volatility of 107%, risk-free rate of return of 0.50%, and an expected maturity of 5 years.

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

Fair value ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Exercisable options	Weighted average exercise price ($)	Expiry date
11,204	0.84	20,000	20,000	0.80	August 4, 2022
3,412	1.43	32,000	32,000	0.25	March 6, 2023
236,033	2.17	500,000	300,000	0.68	November 30, 2023
467,071	2.49	1,800,000	1,800,000	0.30	March 27, 2024
202,031	3.13	600,000	600,000	0.40	November 15, 2024
763,217	3.68	1,400,000	1,400,000	0.66	June 4, 2025
324,573	4.22	2,000,000	2,000,000	0.10	December 18, 2025
169,076	4.36	200,000	200,000	1.00	February 8, 2026
250,336	4.55	1,000,000	1,000,000	0.10	April 18, 2026
627,386	4.64	2,300,000	2,300,000	0.20	May 19, 2026
3,054,339	4.02	9,852,000	9,652,000	0.31	

(Expressed in Canadian Dollars)

5. Warrants

The Company's warrants outstanding are as follows:

	Number of warrants		Weighted average exercise price
Balance, December 31, 2019	7,303,440	$	0.58
Issued	5,077,654		0.83
Warrants repriced (i)	(6,117,999)		0.60
Warrants repriced (i)	6,117,999		0.50
Exercised	(544,557)		0.50
Balance, September 30, 2020	11,836,537	$	0.64
Balance, December 31, 2020	10,883,712	$	0.66
Issued	5,525,442		2.92
Exercised	(3,491,026)		0.89
Balance, September 30, 2021	12,918,128	$	1.56

(i) On February 24, 2020, the Company repriced 6,117,999 of the Company's outstanding warrants expiring on August 1, 2022 from an exercise price of $0.60 per warrant to an exercise price of $0.50 per warrant.

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

Fair value ($)	Number of warrants	Weighted average exercise price ($)	Expiry date
580,838	2,504,185	0.85	November 29, 2021
1,435,380	4,779,501	3.00	April 22, 2022
540,600	525,442	2.10	April 22, 2022
83,460	546,001	0.60	August 1, 2022
697,485	4,562,999	0.50	August 1, 2022
3,337,763	12,918,128	1.56	

(Expressed in Canadian Dollars)

6. Exploration and evaluation expenditures

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Sugarloaf Peak Gold Project				
Concession fees	$ 11,873	$ -	$ 37,087	$ -
Drilling	-	40,527	-	40,527
Consulting	144,282	13,517	194,610	13,517
Assays	-	93,375	-	93,375
	156,155	**147,419**	**231,697**	**147,419**
Kay Mine				
Acquisition cost	-	-	2,853,057	-
Concession fees	3,408	16,117	10,644	47,918
Legal fees	5,007	15,408	79,848	20,260
Consulting	124,619	284,876	440,891	800,496
Camp costs	55,466	13,754	136,844	45,862
Drilling	3,245,257	1,510,190	8,656,338	3,669,776
Assays	74,075	-	162,707	90,101
Storage	-	586	11,078	8,074
	3,507,832	**1,840,931**	**12,351,407**	**4,682,487**
Total exploration and evaluation expenditures	**$ 3,663,987**	**$ 1,988,350**	**$ 12,583,104**	**$ 4,829,906**

Sugarloaf Peak Gold Project

On December 16, 2014, Croesus entered into an option agreement with Riverside Resources Inc. ("Riverside") effective December 16, 2014, as amended December 18, 2015 and March 21, 2016 (the "Sugarloaf Option Agreement") whereby Riverside granted to Croesus the irrevocable and exclusive right and option (the "Option") to purchase and acquire 100% of Riverside's right, title and interest (of any nature or kind whatsoever) in and to the Sugarloaf Peak Gold Project. Croesus exercised the option in full by making aggregate cash payments to Riverside of $700,000 (December 31, 2020 - aggregate cash payments of $700,000) and issuing an aggregate of 10,300,000 common shares (December 31, 2020 - aggregate common shares issued of 10,300,000) to Riverside.

The Sugarloaf Gold Peak Project is subject to a 2% net smelter return royalty due to Riverside and a 1.5% royalty to Arizona Gold Holdings, LLC. AMC has the right to repurchase 0.5% of the royalty granted to Riverside for $2,000,000 until the commencement of production on the Sugarloaf Peak Gold Project. In addition, AMC retains the right to require Riverside to repurchase 1% of the 1.5% royalty held by Arizona Gold Holdings, LLC for US$1,000,000, which repurchase amount would be funded by AMC.

At September 30, 2021, the Company has provided aggregate of $54,652 (December 31, 2020 - $54,652) in deposits as security against potential future reclamation work related to the Sugarloaf Peak Gold Project.

6. Exploration and evaluation expenditures (continued)

Kay Mine

On November 15, 2018, Croesus entered into an acquisition agreement ("Acquisition Agreement") with Silver Spruce Resources Inc. ("Silver Spruce") to acquire 100% interest in certain patented and unpatented mining claims in Yavapai County, Arizona, USA, known collectively as the "Kay Mine Claims". The purchase price includes:

(a) Cash consideration of $50,000 (paid); and
(b) the assumption by the Company of a loan on the closing date with a principal amount of US$450,000, accruing interest at a rate of 12% per annum. The Company repaid the full amount of the loan and the accrued interest on March 12, 2019 in the amount of $652,165.

In May 2019, the Company entered into an agreement with Silver Spruce to amend the ongoing terms of the Acquisition Agreement (“Extension Agreement”). Under the Extension Agreement, Croesus made additional payments to Silver Spruce of $200,000 on May 9, 2019 and $150,000 on June 27, 2019, satisfying all of the Company’s obligations under the Acquisition Agreement and Extension Agreement.

In January 2021, the Company entered into a purchase option and sale agreement to acquire 100% of six parcels of patented land totaling 107 acres, located 900 metres northeast of its Kay Mine VMS Project. The purchase price was $2,853,057 (US$2,250,000) and the purchase was completed in May 2021.

At September 30, 2021, the Company has provided aggregate of $179,927 (December 31, 2020 - $95,232) in deposits as security against potential future reclamation work related to the Kay Mine.

(Expressed in Canadian Dollars)

7. Related party transactions

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

(a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Salaries and benefits	**$ 680,341**	$ 75,732	**$ 960,641**	$ 247,082
Share-based payments	**-**	-	**169,076**	708,702
Professional fees	**10,969**	10,984	**37,964**	40,087
Legal fees	**14,000**	(36,152)	**274,610**	161,182
	$ 705,310	$ 50,564	**$ 1,442,291**	$ 1,157,053

(b) Included in professional fees is $10,969 and $37,964, respectively (three and nine months ended September 30, 2020 - $10,984 and $40,087, respectively) paid to Marrelli Support Services Inc. ("MSSI") for Eric Myung, an employee of MSSI, to act as the Chief Financial Officer ("CFO") of the Company and bookkeeping services. As at September 30, 2021, $2,318 (December 31, 2020 - $2,318) was owed to MSSI and this amount was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

(c) A director of the Company is a partner in a law firm that provides services on a recurrent basis to the Company. During the three and nine months ended September 30, 2021, the Company incurred legal fees of $14,000 and $98,551, respectively (three and nine months ended September 30, 2020 - recovered $36,152 and incurred $47,051, respectively) included in professional fees and share issuance costs of $nil and $176,059, respectively (three and nine months ended September 30, 2020 - $nil and $114,131, respectively) to this law firm. As of September 30, 2021, included in accounts payable and accrued liabilities is an amount of $14,000 (December 31, 2020 - $11,966) owing to this law firm. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

(d) During the nine months ended September 30, 2020, related parties have subscribed for a total of 700,000 common shares for aggregate gross proceeds of $350,000.

(Expressed in Canadian Dollars)

8. Segmented information

Operating segments

At September 30, 2021, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in the United States. As the operations comprise a single reporting segment, amounts disclosed in these unaudited condensed interim consolidated financial statements also represent operating segment amounts.

Geographic segments

The Company is in the business of mineral exploration in the United States. As such, management has organized the Company's reportable segments by geographic area. The Company's operations in the United States are responsible for mineral exploration activities while the Canadian segment manages corporate head office activities. Information concerning the Company's reportable segments is as follows:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net loss and comprehensive net loss				
Canada	**$ (828,138)**	$ (273,015)	**$ (2,005,043)**	$ (1,648,878)
United States	**(3,663,987)**	(2,078,451)	**(12,583,104)**	(4,829,906)
Total	**$ (4,492,125)**	$ (2,351,466)	**$ (14,588,147)**	$ (6,478,784)

9. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management contracts

The Company is party to certain employment contracts. These contracts require that additional payments of approximately $2,200,000 be made upon the occurrence of a change of control or $1,100,000 upon termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

10. Subsequent event

On November 12, 2021, the Company completed a bought-deal private placement offering of 11,725,000 common shares of the Company at a price of $4.25 per common share, consisting of 8,625,000 common shares issued from treasury for gross proceeds to the Company of $36,656,250, and 3,100,000 common shares sold by certain existing shareholders for gross proceeds of $13,175,000. In connection with the offering, the underwriters received a cash commission of 6% of the gross proceeds of the offering, excluding gross proceeds from the sale of common shares on a president's list agreed upon by the Company and the underwriters, for which a commission of 3% of such gross proceeds was paid by the Company to the underwriters, and 258,750 non-transferable compensation options. Each compensation option is exercisable into one common share of the Company at a price of $4.25 per common share until November 12, 2022.