MILLENNIAL

PRECIOUS METALS

(formerly 1246768 B.C. Ltd)

Condensed Interim Consolidated Financial Statements (Unaudited)

(Expressed in Canadian Dollars)

As at and for the three month periods ended March 31, 2022 and 2021

MILLENNIAL PRECIOUS METALS CORP.

(formerly 1246768 B.C. Ltd)

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in Canadian Dollars)

		March 31, 2022		December 31, 2021
Assets				
Current				
Cash and cash equivalents *(Note 5)*	**$**	**7,821,581**	$	11,655,878
HST and other receivables *(Note 6)*		**161,208**		123,109
Prepaid expenses and deposits		**587,832**		450,766
Total Current Assets	**$**	**8,570,621**	$	12,229,753
Reclamation deposits *(Note 7)*		**18,847**		18,847
Property, plant and equipment *(Note 8)*		**1,017,699**		1,021,618
Total Assets	**$**	**9,607,167**	$	13,270,218
Liabilities				
Current				
Accounts payable and accrued liabilities *(Note 9 and 17)*	**$**	**2,716,930**	$	991,394
RSU liability *(Note 13)*		**583,000**		490,000
Current portion of lease obligation *(Note 10)*		**176,134**		173,092
Total Current Liabilities		**3,476,064**		1,654,486
Long term portion of lease obligation *(Note 10)*		**531,608**		580,798
Provision for site reclamation and closure *(Note 11)*		**119,450**		119,000
Total Liabilities		**4,127,122**		2,354,284
Shareholders' Equity (Deficiency)				
Share Capital *(Note 12)*		**48,704,569**		48,535,715
Reserve for warrants *(Note 12)*		**715,000**		715,000
Reserve for Share-based Payments *(Note 13)*		**2,896,000**		1,300,000
Accumulated Deficit		**(46,835,524)**		(39,634,781)
Total Shareholders' Equity (deficiency)		**5,480,045**		10,915,934
Total Liabilities and Shareholders' Equity (deficiency)	**$**	**9,607,167**	$	13,270,218

Nature of Operations and Going concern (Note 1)
Commitments and Contingencies (Notes 16)

Approved on behalf of the Board:

"Jason Kosec" Director

"Terry Harbort" Director

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

MILLENNIAL PRECIOUS METALS CORP.

(formerly 1246768 B.C. Ltd)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)

(Expressed in Canadian Dollars)

Three month period ended March 31,		**2022**		2021
Expenses				
Exploration and evaluation expenditures (Note 16)	**$**	**4,143,587**	$	457,733
Consulting and wages (Note 17)		**720,741**		203,591
Share-based payments (Note 13 and 17)		**1,810,000**		800,000
Professional fees		**57,744**		46,566
Shareholder information		**288,951**		15,963
Office and general expenses		**176,001**		67,865
Travel expenses		**65,361**		38,223
Depreciation (Note 8)		**56,835**		5,331
Total expenses	**$**	**(7,319,220)**	$	(1,635,272)
Other income (loss)				
Gain/loss on revaluation of RSU liability		**121,000**		-
Accretion on site reclamation and closure (Note 11)		**(450)**		-
Interest income		**12,882**		-
Interest on lease		**(14,955)**		(1,847)
Loss and comprehensive loss	**$**	**(7,200,743)**	$	(1,637,119)
Loss per share - basic and diluted	**$**	**(0.05)**	$	(0.03)
Weighted average number of shares outstanding		**138,582,419**		55,735,108

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

MILLENNIAL PRECIOUS METALS CORP.

(formerly 1246768 B.C. Ltd)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (Unaudited)

(Expressed in Canadian Dollars)

	Share Capital						
	Number of Shares	**Amount**	**Subscription received in advance**	**Reserve for share-based payments**	**Reserve for warrants**	**Accumulated Deficit**	**Total**
Balance at December 31, 2020	**55,735,108**	**$ 10,080,208**	**$ -**	**$ 661,000**	**$ -**	**$ (1,986,491)**	**$ 8,754,717**
Subscription received in advance (Note 12)	-	-	22,827,839	-	-	-	22,827,839
Loss and comprehensive loss for the period	-	-	-	-	-	(1,637,119)	(1,637,119)
Balance at March 31, 2021	**55,735,108**	**$ 10,080,208**	**$ 22,827,839**	**$ 661,000**	**$ -**	**$ (3,623,610)**	**$ 29,945,437**
Shares issued for cash (Note 12)	48,000,000	24,000,000	(22,827,839)	-	-	-	1,172,161
Share issue costs (Note 12)	-	(2,799,993)	-	-	715,000	-	(2,084,993)
Shares issued to shareholders of 1246768 B.C. Ltd. (Note 4)	1,999,999	1,000,000	-	-	-	-	1,000,000
Shares issued for settlement of debt (Note 12)	350,000	115,500	-	-	-	-	115,500
Shares issued for property acquisitions (Note 4 & 16)	30,650,000	15,260,000	-	-	-	-	15,260,000
Shares issued on exercise of RSU's	1,600,000	880,000	-	-	-	-	880,000
Share-based payments (Note 13)	-	-	-	639,000	-	-	639,000
Loss and comprehensive loss for the period	-	-	-	-	-	(36,011,171)	(36,011,171)
Balance at December 31, 2021	**138,335,107**	**$ 48,535,715**	**$ -**	**$ 1,300,000**	**$ 715,000**	**$ (39,634,781)**	**$ 10,915,934**
Shares issued for property acquisitions (Note 4 & 16)	255,840	168,854	-	-	-	-	168,854
Share-based payments (Note 13)	-	-	-	1,596,000	-	-	1,596,000
Loss and comprehensive loss for the period	-	-	-	-	-	(7,200,743)	(7,200,743)
Balance at March 31, 2022	**138,590,947**	**$ 48,704,569**	**$ -**	**$ 2,896,000**	**$ 715,000**	**$ (46,835,524)**	**$ 5,480,045**

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

MILLENNIAL PRECIOUS METALS CORP.

(formerly 1246768 B.C. Ltd)

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(Expressed in Canadian Dollars)

Three month period ended March 31,	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	**$ (7,200,743)**	$ (1,637,119)
Adjustments for non-cash items		
Share-based payments	**1,810,000**	800,000
Amortization	**56,835**	5,331
Gain on revaluation of RSU liability	**(121,000)**	-
Accretion on site reclamation and closure	**450**	-
Shares issued for property acquisition	**168,854**	-
Net change in non-cash working capital :		
HST and other receivables	**(38,099)**	(66,302)
Prepaid expenses	**(137,066)**	(7,086)
Accounts payable and accrued liabilities	**1,725,536**	311,934
Net cash used in operating activities	**(3,735,233)**	(593,242)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(52,916)**	(35,518)
Reclamation deposits	**-**	(25,515)
Net cash used in investing activities	**(52,916)**	(61,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of subscription receipts	**-**	24,000,000
Share issue costs advances	**-**	(1,172,161)
Repayment of lease obligation	**(46,148)**	(6,142)
Net cash provided by financing activities	**(46,148)**	22,821,697
Net (decrease) increase in cash	**$ (3,834,297)**	$ 22,167,422
Less: cash held in escrow	**-**	(23,191,797)
Cash and cash equivalents at beginning of period	**11,655,878**	8,686,883
Cash and cash equivalents at end of period	**$ 7,821,581**	$ 7,662,508

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

1. Nature of operations and going concern

Millennial Precious Metals Corp. (“Millennial” or the “Company”) (formerly 1246768 B.C. Ltd) was incorporated under the laws of the Province of Ontario on October 28, 2019. The Company is engaged in exploration and evaluation of mineral properties in Nevada, USA. The head office and registered address of the Company is located at 350 Bay Street, Suite 400, Toronto, Ontario, M5H 2S6.

The common shares of Millennial began trading on the TSX Venture Exchange on May 5, 2021 under the symbol "MPM”.

Going Concern

The financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company’s ability to continue as a going concern is dependent upon attaining profitable operations, and, if required, the ability to raise equity financing to meet expenditure commitments. There is no assurance that these activities will be successful. The combination of these circumstances set out above represents a material uncertainty which may cast significant doubt upon the Company’s ability to continue as a going concern. However, the Company is managing the business and operations so that it will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that would be necessary if the going concern assumptions were not appropriate. The Company had a net loss during the three month period ended March 31, 2021 of $7,200,743 and an accumulated deficit of $46,835,524.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company’s ability to continue its operations as a going concern, and the Company’s ability to obtain financing on a go forward basis.

2. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), and on a basis consistent with the accounting policies disclosed in the Company’s annual audited consolidated financial statements for the year ended December 31, 2021.

2. Basis of preparation (continued)

Basis of presentation and currency

The notes presented in these interim condensed consolidated financial statements include in general only significant changes and transactions occurring since the Company's last year end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These financial statements should be read in conjunction with the Company's audited financial statements as at December 31, 2021 and for the year ended December 31, 2021.

Presentation Currency

These condensed interim financial statements are presented in Canadian dollars and are prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

3. Critical accounting judgments and estimates

IFRS requires management to make estimates and judgments that affect the amounts reported in the financial statements. By their nature, these estimates and judgments are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Areas of judgment that have the most significant effect on the amounts recognized in the financial statements include:

- Applicability of the going concern assumption (Note 1)
- Determination of functional currency

Critical accounting estimates include:

- Share-based payments (Note 13 and 17)
- Useful life of property, plant and equipment (Note 8)

(Expressed in Canadian dollars)

4. Reverse takeover transaction

On April 28, 2021, the Company completed the previously announced series of transactions with 1246768 B.C. Ltd., and Clover Nevada LLC ("Waterton"), including the reverse take-over and acquisition ("Acquisition") by 124678 B.C. Ltd., of all of the issued outstanding shares of the Company, resulting in Millennial Precious Metals Corp. indirectly acquiring Waterton's interest in each of the Wildcat Property, the Mountain View Property, the Marr Property, the Ocelot Property, the Eden Property and the Dune Property located in Nevada and also a lease and option to purchase the Red Canyon Property also located in Nevada.

The transactions were effected through an asset purchase agreement dated December 11, 2020 (the "Asset Purchase Agreement") between 1246768 B.C. Ltd, the Company and Waterton and an amalgamation agreement dated December 11, 2020 between the Company and 1246768 B.C. Ltd. (the "Amalgamation Agreement").

Pursuant to the Acquisition, each share of Millennial was exchanged for one share of Millennial Precious Metals Corp. 1246768 B.C. Ltd consolidated its share capital on a 1.5:1 basis prior to closing of the transaction so that the holders of 1246768 B.C. Ltd shares received 1,999,999 shares of the resulting issuer following completion of the Acquisition.

In accordance with IFRS 3, Business Combinations (“IFRS 3”), the substance of the transaction was a reverse takeover (“RTO”) of a non-operating company. The transaction does not constitute a business combination since 1246768 B.C. Ltd does not meet the definition of a business under IFRS 3. As a result, the transaction is accounted for as an asset acquisition with Millennial being identified as the acquirer (legal subsidiary) and 1246768 B.C. Ltd being treated as the accounting subsidiary (legal parent) with the transaction being measured at the fair value of the equity consideration issued to 1246768 B.C. Ltd.

The consideration received was the fair value of the net liabilities of 1246768 B.C. Ltd, which on April 28, 2021 was $160,929. The amount was calculated as follows:

	Total
	$
Accounts receivable	8,076
Accounts payable and liabilities	(169,005)
Net liabilities assumed	(160,929)
Fair value of 1,999,999 shares issued	1,000,000
Fair value of consideration paid in excess of net assets acquired	1,160,929
Transaction costs related to acquisition	308,366
Listing expense	**1,469,295**

The fair value of the 1,999,999 shares issued were valued at the price of the concurrent financing of $0.50.

(Expressed in Canadian dollars)

5. Cash and cash equivalents

The balance at March 31, 2022 consists of cash on deposit with major Canadian and United States banks in interest bearing accounts totaling $3,573,481 (December 31, 2021 - $2,932,802), guaranteed investment certificates with major Canadian banks of $4,248,099 (December 31, 2021 - $8,723,075) and cash on hand of $1 (December 31, 2021 - $1) for total cash of $7,821,581 (December 31, 2021 - $11,655,878).

6. HST and other receivables

	March 31, 2022	December 31, 2021
HST receivable	**$ 161,208**	$ 121,435
Other	**-**	1,674
Total HST and other receivables	**$ 161,208**	$ 123,109

At March 31, 2022, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 13. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2022 and December 31, 2021.

7. Reclamation Deposits

The Company is required to make reclamation deposits in respect of its expected site reclamation and closure obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company. At March 31, 2022, the surety amounted to $250,000 and the Company has placed $18,847 in cash (December 31, 2021 - $18,847), on deposit to cover estimated future costs related to ground disturbance with the Bureau of Land Management.

(Expressed in Canadian dollars)

8. Property, Plant and Equipment

	Machinery and Equipment $	Vehicles $	Right-of-Use Asset $	Total $
Balance at December 31, 2020	-	-	-	-
Additions	150,923	155,886	800,995	1,107,804
Balance at December 31, 2021	150,923	155,886	800,995	1,107,804
Additions	52,916	-	-	52,916
Balance at March 31, 2022	203,839	155,886	800,995	1,160,720
ACCUMULATED DEPRECIATION				
Balance at December 31, 2020	-	-	-	-
Additions	11,389	10,392	64,405	86,186
Balance at December 31, 2021	11,389	10,392	64,405	86,186
Additions	8,991	7,794	40,050	56,835
Balance at March 31, 2022	20,380	18,186	104,455	143,021
NET BOOK VALUE				
At December 31, 2021	**139,534**	**145,494**	**736,590**	**1,021,618**
At March 31, 2022	**183,459**	**137,700**	**696,540**	**1,017,699**

9. Accounts payable and accrued liabilities

Accounts payable of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The amounts are unsecured.

Accounts payable and accrued liabilities consist of the following:

	March 31, 2022	December 31, 2021
Accounts payable	**$ 2,168,125**	$ 875,394
Accrued liabilities	**548,805**	116,000
Total accounts payable and accrued liabilities	**$ 2,716,930**	$ 991,394

(Expressed in Canadian dollars)

10. Leases Payable

The Company has entered into commercial leases expiring in 2026, with an implied interest rate of 8% per annum. The Company's obligations under finance leases are secured by the lessor's title to the leased assets.

The contractual maturities and interest charges in respect of the Company's finance lease obligations are as follows:

	March 31, 2022	December 31, 2021
Not later than one year	**$ 226,463**	$ 227,165
Later than one year and not later than five years	**606,902**	667,739
Less: Future interest charges	**(125,623)**	(141,014)
Present value of lease payments	**707,742**	753,890
Less: current portion	**(176,134)**	(173,092)
Non-current portion	**$ 531,608**	$ 580,798

Reconciliation of debt arising from lease liabilities:

	March 31, 2022	December 31, 2021
Lease liability at beginning of year	**$ 753,890**	$ -
Additions to lease liabilities	**-**	800,995
Principal payments on lease liabilities	**(46,148)**	(47,105)
	$ 707,742	$ 753,890

11. Provision for site reclamation and closure

State laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

The breakdown of the provision for site reclamation and closure is as per below:

	March 31, 2022				December 31, 2021			
	Mountain View	**Wild Cat**	**Red Canyon**	**Total**	Mountain View	Wild Cat	Red Canyon	Total
Balance, beginnning of year	**$ 41,000**	**$ 41,000**	**$ 37,000**	**$ 119,000**	$ -	$ -	$ -	$ -
Change in estimate	**-**	**-**	**-**	**-**	41,000	41,000	37,000	119,000
Accretion expense	**150**	**150**	**150**	**450**	-	-	-	-
Balance, end of year	**$ 41,150**	**$ 41,150**	**$ 37,150**	**$ 119,450**	$ 41,000	$ 41,000	$ 37,000	$ 119,000

(Expressed in Canadian dollars)

11. Provision for site reclamation and closure (continued)

The present value of the obligation for Mountain View, Wild Cat and Red Canyon of $119,450 (December 31, 2021 – $119,000) is based on an undiscounted obligation of $139,000, estimated to be incurred commencing 2031. The provision was calculated using a weighted average risk-free interest rate of 1.52% (December 31, 2021 – 1.52%) and a weighted average inflation rate of 4.7% (December 31, 2021 – 4.7%).

12. Share capital

a) Authorized: An unlimited number of common shares with no par value

b) Issued and outstanding:

	Number of Shares	Amount $
Balance – December 31, 2020	**55,735,108**	**10,080,208**
Issued for cash pursuant to private placement of 48,000,000 shares	48,000,000	24,000,000
Shares issued to shareholders of 1246768 B.C. Ltd. (Note 4)	1,999,999	1,000,000
Share issue costs	-	(2,084,993)
Broker warrants issued as share issuance costs	-	(715,000)
Issued for debt settlement	350,000	115,500
Issued for property acquisitions (Note 16)	30,650,000	15,260,000
Issued on exercise of RSU's	1,600,000	880,000
Balance – December 31, 2021	**138,335,107**	**48,535,715**
Issued for property acquisitions (Note 16)	255,840	168,854
Balance – March 31, 2022	**138,590,947**	**48,704,569**

During the three month period ended March 31, 2022

Property Acquisitions:
On January 4, 2022, the Company issued 255,840 shares with a value of $168,854 in connection with the purchase of its interest in the Ocelot property. See note 16 for details.

During the year ended December 31, 2021

Settlement of debt:

On September 22, 2021, the Company issued 350,000 common shares at a fair value of $115,500 ($0.33 per share) to settle outstanding fees owed totaling $175,000. The Company recorded a gain of $59,500 on the settlement of this debt.

(Expressed in Canadian dollars)

12. Share capital (continued)

Subscription Receipts:

On February 11, 2021, the Company completed a financing of 48,000,000 subscription receipts at a price of $0.50 per subscription receipt for gross proceeds of $24,000,000.

The subscription receipts financing was closed on February 11, 2021, and the net cash proceeds from the sale of the subscription receipts were held by an escrow agent, in a restricted account, until closing of the Acquisition on April 28, 2021 at which point each subscription receipt was converted into one common share.

The brokered financing includes 6% of broker commission, excluding proceeds falling under the Presidents List at 3% commission, as well as 6% broker warrants. Each broker warrant entitles the holder to acquire a common share of the Company at a price of $0.50 for a period of 24 months from April 28, 2021.

The fair value of the 2,741,310 broker warrants granted amounting to $715,000 was calculated using the Black-Scholes model with the following assumptions:

		April 28, 2021
Number of warrants issued		2,741,310
Grant date share price	$	0.50
Exercise price	$	0.50
Expected volatility		100%
Expected option life		2 years
Expected dividend yield		0%
Risk-free interest rate		0.30%

The Company incurred cash commission and other closing costs totaling $2,084,993.

Property Acquisitions:
On April 28, 2021, the Company issued 26,942,000 shares with a value of $13,471,000 in connection with the purchase of the Waterton's interest in the Mountain View, Wildcat, Marr, Ocelot, Eden and Dune properties located in Nevada ("the Nevada Properties"), as well as 3,708,000 shares with a value of $1,789,000 in connection with the purchase of Red Canyon Property. See note 16 for details.

Diluted Weighted Average Number of Shares Outstanding

	March 31, 2022	March 31, 2021
Basic weighted average shares outstanding:	**138,582,419**	55,735,108
Dilutive effect of outstanding securities	**-**	-
Diluted weighted average shares outstanding	**138,582,419**	55,735,108

During the three month periods ended March 31, 2022 and 2021, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share.

(Expressed in Canadian dollars)

12. Share capital (continued)

Warrant reserve:

The following table summarizes information about warrant reserve:

Balance, December 31, 2020	$	-
Broker warrants issued on private placement		715,000
Balance, December 31, 2021 and March 31, 2022	**$**	**715,000**

The following broker warrants were outstanding as at March 31, 2022:

Number of warrants outstanding	Grant date	Expiry Date		Exercise price
2,741,310	April 28, 2021	April 28, 2023	$	0.50

13. Reserve for share-based payments

Performance warrants

A summary of performance warrants issued and outstanding is as follows:

	March 31, 2022			December 31, 2021	
	Weighted Average Exercise Price	**Number of Performance Warrants**		Weighted Average Exercise Price	Number of Performance Warrants
Outstanding at beginning of period/year	**$ -**	**-**	$	0.30	1,600,000
Transactions during the period/year:					
Granted	**-**	**-**		-	-
Cancelled	**-**	**-**		0.30	(1,600,000)
Outstanding at end of period/year	**-**	**-**		-	-
Exercisable at end of period/year	**$ -**	**-**	$	-	-

On October 29, 2020, the Company granted a total of 1,600,000 performance warrants to executives of the Company. The performance warrants were exercisable at a price of $0.30 per share and were to expire after a period of 24 months commencing on the date the common shares are listed on a recognized stock exchange.

The warrants were cancelled on March 12, 2021.

(Expressed in Canadian dollars)

13. Reserve for share-based payments (continued)

These performance warrants had an estimated fair value of $275,000 at grant date calculated using the following assumptions:

		October 29, 2020
Number of performance warrants issued		1,600,000
Grant date share price	$	0.30
Exercise price	$	0.30
Expected volatility		100%
Expected option life		2.5 years
Expected dividend yield		0%
Risk-free interest rate		0.23%

Volatility was based on average historical volatility of comparable publicly traded companies. The expected life was determined by estimating the date that the Company expects to have its common shares listed on a recognized stock exchange. The grant date share price was estimated based on the price value of the November 2020 private placement (Note 12). Changes in the underlying assumptions could materially affect the fair value estimates. The warrants vested immediately on the grant date.

Restricted Share Units

The Restricted Share Unit Plan (RSU Plan) provides for the grant of restricted share units (each, an "**RSU**") convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common Share or payment in cash for the equivalent thereof based on the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals. Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the liability.

(Expressed in Canadian dollars)

13. Reserve for share-based payments (continued)

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU's	**Weighted average fair value**
Balance, December 31, 2020	-	$ -
Issued	3,603,000	$ 0.50
Exercised	(1,600,000)	$ 0.50
Cancelled	(75,000)	$ 0.50
Balance, December 31, 2021	1,928,000	$ 0.50
Issued	775,000	$ 0.62
Balance, March 31, 2022	2,703,000	$ 0.53

RSU liability:

As at March 31, 2022 a liability of $583,000 (December 31, 2021 - $490,000) has been recorded for RSUs. Out of the issuances during the year ended December 31, 2021, 1,600,000 RSU's vested immediately on the grant date and 2,003,000 RSU vest in tranches of 1/3 over 3 years. The 775,000 RSU's issued during the three month period ended March 31, 2022 vest in tranches of 1/3 over 3 years.

Share based payment expense related to the vested portion amounted to $214,000 during the three month period ended March 31, 2022 (2021 - $800,000).

(Expressed in Canadian dollars)

13. Reserve for share-based payments (continued)

Stock Options

The Board of Directors of the Company adopted a stock option plan (the “Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company’s common shares before the date of grant or in accordance with regulatory requirements.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following options were outstanding as at March 31, 2022:

Number of options outstanding	Number of exercisable options	Grant date	Expiry Date	Exercise price	Fair value vested
2,250,000	2,250,000	October 29, 2020	April 28, 2023	$ 0.30	$ 386,000
3,127,000	781,750	May 28, 2021	May 28, 2026	$ 0.50	$ 770,000
3,305,000	3,105,000	January 5, 2022	January 5, 2027	$ 0.66	$ 1,465,000
8,682,000	**6,136,750**				**$ 2,621,000**

The options outstanding as at March 31, 2022 had a weighted exercise price of $0.51 (December 31, 2021: $0.42) and a weighted average remaining contractual life of 3.60 years (December 31, 2021: 3.13 years).

Options issued during 2020 vested on their date of issue and expire 24 months after going public transaction, or 90 days after the resignation of the director, officer, employee or consultant.

Options issued during 2021 vest ¼ immediately and ¼ over 3 years and expire 5 years from issuance, or 90 days after the resignation of the director, officer, employee or consultant.

Options issued during 2022 vested immediately with the exception of 200,000 options vesting ¼ every 3 months for 1 year and expire 5 years from issuance, or 90 days after the resignation of the director, officer, employee or consultant.

(Expressed in Canadian dollars)

13. Reserve for share-based payments (continued)

Stock Options (continued)

Fair Value of Share Options Granted in the three month period ended March 31, 2022:

On January 5, 2022, 3,305,000 options were granted to directors, officers and consultants of the Company to acquire the Company's common shares at an exercise price of $0.66 for 5 years. These options had an estimated fair value of $1,511,000 at grant date and vest 100% immediately except 200,000 options which vest one quarter (1/4) every three months for one year after the date of grant.

The fair value of options granted in the three month period ended March 31, 2022 was calculated using the following assumptions:

		January 5, 2022
Number of options issued		3,305,000
Grant date share price	$	0.62
Exercise price	$	0.66
Expected volatility		100%
Expected option life		5 years
Expected dividend yield		0%
Risk-free interest rate		1.42%

The options were priced using the Black-Scholes option-pricing model as at the date of the grant assuming a 5 year term to maturity with an expected volatility based on comparable companies, an expected dividend yield, and a risk free interest rate, as noted in the table above. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Share based payment expense related to the vested portion amounted to $1,465,000 during the three month period ended March 31, 2022 (2021 - $nil).

(Expressed in Canadian dollars)

13. Reserve for share-based payments (continued)

Stock Options (continued)

Fair Value of Share Options Granted in the year ended December 31, 2021:

On May 28, 2021, 3,477,000 options were granted to directors, officers and consultants of the Company to acquire the Company's common shares at an exercise price of $0.50 for 5 years. These options had an estimated fair value of $1,291,000 at grant date and vest one quarter (1/4) upon grant, and one quarter (1/4) one (1) year after the date of grant, one quarter (1/4) two (2) years after the date of grant and one quarter (1/4) three (3) years after the date of grant.

The fair value of options granted in the year ended December 31, 2021 was calculated using the following assumptions:

		May 28, 2021
Number of options issued		3,477,000
Grant date share price	$	0.50
Exercise price	$	0.50
Expected volatility		100%
Expected option life		5 years
Expected dividend yield		0%
Risk-free interest rate		0.92%

The options were priced using the Black-Scholes option-pricing model as at the date of the grant assuming a 5 year term to maturity with an expected volatility based on comparable companies, an expected dividend yield, and a risk free interest rate, as noted in the table above. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Share based payment expense related to the vested portion amounted to $131,000 during the three month period ended March 31, 2022 (2021 - $nil).

(Expressed in Canadian dollars)

13. Reserve for share-based payments (continued)

Stock Options (continued)

Movements in Share Options During the Period

The following reconciles the options outstanding for the three month period ended March 31, 2021 and year ended December 31, 2021:

	Number of options	Weighted Average exercise price
Balance, December 31, 2020	2,250,000	$ 0.30
Granted	3,477,000	0.50
Cancelled	(337,500)	0.50
Balance, December 31, 2021	5,389,500	$ 0.42
Granted	3,305,000	0.66
Cancelled	(12,500)	0.50
Balance, March 31, 2022	8,682,000	$ 0.51

Share-based payment reserve:

The following table summarizes information about share-based payment reserve:

Balance, December 31, 2020	**$ 661,000**
Share-based compensation – options	639,000
Balance, December 31, 2021	**$ 1,300,000**
Share-based compensation – options	1.596,000
Balance, March 31, 2022	**$ 2,896,000**

(Expressed in Canadian dollars)

14. Financial instruments

Financial assets and financial liabilities as at March 31, 2022 and December 31, 2021:

	At fair value through profit of loss	Amortized cost	Other financial liabilities	Total
As at March 31, 2022				
Cash and cash equivalents	$ -	$ 7,821,581	$ -	$ 7,821,581
Accounts payable and accrued liabilities	-	-	2,716,930	2,716,930
Lease obligation	-	707,742	-	707,742
RSU Liability	-	-	583,000	583,000
As at December 31, 2021				
Cash and cash equivalents	$ -	$ 11,655,878	$ -	$ 11,655,878
Accounts payable and accrued liabilities	-	-	991,394	991,394
Lease obligation	-	753,890	-	753,890
RSU Liability	-	-	490,000	490,000

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities and RSU liability approximate fair value due to their short term nature.

The Company’s risk exposure and the impact on the Company’s financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous reporting period.

Credit Risk

The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to this financial instruments is minimal as the funds are deposited in Canadian and United States chartered banks and invested in guaranteed investment certificates (“GICs”).

14. Financial instruments (continued)

Foreign Exchange Risk

The Company's foreign exchange risk arises primarily with respect to balances denominated in USD. The value of the Company's financial assets and liabilities may be affected unfavourably by fluctuations in currency rates. The Company has not entered into hedging instruments to manage exposure to currency movements at this stage.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at March 31, 2022, the Company had current assets of $8,570,621 (December 31, 2021 - $12,229,753) to settle current liabilities of $3,476,064 (December 31, 2021 - $1,654,486). Working capital for the Company as at March 31, 2022 was $5,094,557 (December 31, 2021 - $10,575,267).

15. Capital management

The Company's capital under management includes equity of $5,480,045 at March 31, 2022 (December 31, 2021 - $10,915,934). The Company's objectives when managing capital are to:

(a) safeguard its ability to continue as a going concern,

(b) provide an adequate return to shareholders, and

(c) provide sufficient funding to support on-going exploration and capital development plans.

The Company manages its capital structure and makes adjustments to it to meet the above objectives. The Company monitors capital from time to time using a variety of measures. Monitoring procedures are typically performed as a part of the overall management of the Company's operations. The capital structure of the Company is evaluated by management on an ongoing basis and is adjusted as changes occur in both the economic conditions of the industry in which the Company operates, and the capital markets available to the Company. To maintain or adjust the capital structure, the Company can issue new shares, return shares to shareholders, sell assets, buy back debt or issue new debt and / or any combination thereof.

There were no changes in the Company's approach to capital management during the three month period ended March 31, 2022. The Company is not subject to any externally imposed capital restrictions.

(Expressed in Canadian dollars)

16. Exploration and evaluation expenditures

The exploration and evaluation expenses for the Company are summarized as follows:

Three months ended March 31,		2022		2021
Waterton				
Wild Cat	$	697,892	$	-
Mountain View		3,046,053		-
Ocelot		174,058		-
Marr		720		-
Dune		1,324		-
Eden		5,649		-
Red Canyon				
Red Canyon		65,434		426,468
Cerro Colorado				
Cerro Colorado		152,457		31,265
Exploration and evaluation expenditures	$	4,143,587	$	457,733

Waterton Agreement:

- On September 14, 2020, the Company entered into a letter of intent (the "LOI") with Clover Nevada LLC ("Waterton") to enter into a definitive agreement, pursuant to which Millennial will acquire Waterton's interest in the Mountain View, Wildcat, Marr, Ocelot, Eden and Dune properties located in Nevada ("the Nevada Properties").

- Total cash consideration of US$10,000,000 payable as follows:
    - US$5,000,000 due on completion of the acquisitions of the Nevada Properties ("Effective Date") (paid);
    - US$2,500,000 upon the earlier of (A) announcement of a maiden NI 43-101 compliant mineral resource prepared by Millennial at any of the Nevada Properties, and (B) the date that is twelve (12) calendar months following the date that the material approvals for exploration drilling activities on the first of the Nevada Properties to be drilled have been obtained; and
    - US$2,500,000 upon the earlier of (A) completion of a Preliminary Economic Assessment as defined by NI 43-101 at any of the Nevada Properties, and (B) the date that is twenty-four (24) calendar months following the date that the material approvals for exploration drilling activities on the first of the Nevada Properties to be drilled have been obtained.

- Share and warrant consideration as follows:
    - Millennial will issue to Waterton the greater of (i) an amount of common shares of Millennial ("Shares") representing a 19.9% equity interest in the outstanding Shares on a basic basis, post completion of the RTO (issued), and (ii) an amount of Shares representing an indicative value of $9,000,000.

- Issuing to Waterton a 2.0% Net Smelter Royalty "NSR" on production from the Marr, Ocelot, Eden and Dune properties. Millennial shall have an option at any time to buy down one-half of each royalty, thereby reducing the royalty to a 1.0% NSR royalty per property, for US$1,500,000 per property; and a 0.5% NSR royalty on gold production from the Mountain View and Wildcat properties.

16. Exploration and evaluation expenditures (continued)

- The Company is subject to an advance minimum royalty on certain of the Mountain View unpatented lode mining claims at a rate of US$25,000 per year which can be applied towards the purchase price of US$250,000 exercisable at any time prior to or on commencement of commercial production.

Red Canyon Agreement:
On October 30, 2020, the Company entered into a definitive agreement, pursuant to which Red Canyon will lease to Millennial, and grant Millennial the sole and exclusive right to acquire a 100% undivided legal and beneficial interest in, 254 unpatented lode mining claims located in Eureka County, Nevada (the “Red Canyon Property”).

Under the terms of the definitive agreement, the Company will have an option to acquire a 100% undivided interest in the Red Canyon Property by completing the following:

- Total advance cash payments of US$275,000 (“Advance Payments”) payable as follows:
  - US$25,000 due on signing of a definitive agreement (“Effective Date”) (paid);
  - US$25,000 due on or prior to 6 months from the Effective Date (paid);
  - US$50,000 due on or prior to the first anniversary from the Effective Date (paid);
  - US$75,000 due on or prior to the second anniversary from the Effective Date; and
  - US$100,000 due on or prior to the third anniversary from the Effective Date;

- Reimburse US$44,970 due for federal annual mining claim maintenance fee reimbursement (paid);

- On or before the 4th anniversary of the Effective Date, Millennial shall pay Red Canyon US$2,000,000 less aggregate amount of Advance Payments paid by Millennial.
- Issuing common shares to Red Canyon as follows:
  - On or prior to the completion of Millennial’s going public transaction by way of reverse take-over (“RTO”), issuing an amount of common shares to ensure Red Canyon owns 2% of the outstanding common shares immediately following completion of the RTO (issued);
  - 1,000,000 common shares on or prior to the first anniversary of the Effective Date (issued);
  - 1,000,000 common shares on or prior to the second anniversary of the Effective Date; and
  - 1,000,000 common shares on or prior to the third anniversary of the Effective Date.
- Spend an aggregate $1,500,000 in exploration expenditures as follows:
  - US$500,000 on or prior to the second anniversary of the Effective Date (incurred);
  - US$500,000 on or prior to the third anniversary of the Effective Date; and
  - US$500,000 on or prior to the fourth anniversary of the Effective Date.
- Issuing to Red Canyon a 2% net smelter return royalty (“NSR”) subject to the Company retaining an option to acquire 1% of the NSR for a cash payment of US$1,500,000 for a period of two years following the royalty grant.

16. Exploration and evaluation expenditures (continued)

Cerro Colorado Agreement:
August 23, 2021, The Company entered into a definitive agreement with Tri Minerals Holding Corp ("Tri Minerals"), to grant Millennial the sole and exclusive right to acquire from Tri Minerals a 100% undivided legal and beneficial interest in and to the Silver Hill, Mina del Tajo-west, La Colorada, Nuevo Colorado, Waterman, and Cyanide projects situated in the Cerro Colorado Mining District in Arizona.

Pursuant to the terms of the agreement, Tri Minerals will lease the Properties to Millennial (the "Lease") for a period of up to four (4) years and grant Millennial the sole and exclusive right to acquire a 100% undivided legal and beneficial interest in and to the Properties, free and clear of all charges, encumbrances and claims (the "Option"), subject to the following terms and conditions:

- US$25,000 on the date that this LOI is executed by the Parties (the "initial Payment"). The date that the Definitive Agreement is executed shall be the ("Effective Date") (Paid)
- US$25,000 on or prior to the earlier of (i) the date that initial operations permits are received in respect of any of the Properties and (ii) the date that is six months after the Effective Date (the "Subsequent Payment") (Paid),
- US$50,000 on or prior to the 1st anniversary of the Effective Date (the "First Anniversary Payment'); and
- US$200,000 on or before the 2nd anniversary of the Effective Date (the "Second Anniversary Payment').

Lease Extension Payment: On or before the 3rd anniversary of the Effective Date, Millennial may extend the Lease for a period of one (1) year by making a payment of US$200,000 to Tri Minerals (the "Lease Extension Payment").

Option Exercise Payment: On or before the termination of the Lease, but no later than the 4th anniversary of the Effective Date, Millennial may exercise the Option and in such event shall pay Tri Minerals US$2,500,000, less the aggregate amount of Lease Payments paid by Millennial to Tri Minerals

Production Royalty: Following the exercise of the Option and the acquisition by Millennial of a 100% undivided legal and beneficial interest in and to the Properties, Millennial shall grant to Tri Minerals a 1.0% net smelter returns royalty on production from the Properties (the "Royalty"). For a period of five (5) years from the date the Option is executed and the Royalty is granted, Millennial shall have the option to buy back the Royalty for a payment US$1,500,000.

Work Commitment: During the Term and provided all necessary State of Arizona (ASLD), Bureau of Land Management ("BLM") approvals, as appropriate, for exploration activities (including drilling) on the Properties have been obtained, Millennial shall conduct exploration activities in accordance with all permit requirements and the exploration plan set out in Appendix B and shall incur exploration expenditures on the Properties as follows:

- A minimum of US$500,000 in exploration expenditures on or prior to the second anniversary of the Effective Date (the "First Work Commitment");
- A minimum of US$500,000 in exploration expenditures on or prior to the third anniversary of the Effective Date (the "Second Work Commitment"); and
- A minimum of US$500,000 in exploration expenditures on or prior to the fourth anniversary of the Effective Date (the "Third Work Commitment").

(Expressed in Canadian dollars)

17. Related Party Transactions

Compensation of Key Management Personnel of the Company

Key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the three month period ended March 31, 2022 and 2021 were as follows:

		March 31, 2022		March 31, 2021
Short term employee benefits, director fees	**$**	**240,000**	$	209,591
Share-based payments		**863,000**		800,000
	$	**1,103,000**	$	1,009,591

As at March 31, 2022, an amount of $nil (December 31, 2021 - $32,000) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

18. Commitments and contingencies

The complex nature of the mining industry, as well as the regulatory environment in which it operates can result in occasional claims, investigatory matters, and legal and tax proceedings that arise from time to time. These matters could subject the Company various uncertainties and may ultimately be resolved with terms unfavorable to the Company. This being the case, certain conditions may exist as of the date the financial statements are issued, which could result in a loss to the Company. In the opinion of management none of these matters are expected to have a material effect on the results of operations, or the financial condition, of the Company. In the event of a change in management's estimate of the future resolution of such matters, the Company will recognize the effects of the change in its financial statements at that time.