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**LABRADOR GOLD CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

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

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**Labrador Gold Corp.**

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

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	As at March 31, 2022	As at September 30, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 27,438,104	\$ 33,245,743
Amounts receivable	477,117	456,079
Prepaid expenses	87,233	69,694
<b>Total current assets</b>	<b>28,002,454</b>	<b>33,771,516</b>
<b>Non-current assets</b>		
Equipment	24,672	6,221
Unproven mineral right interests (note 8)	18,985,521	12,617,438
<b>Total assets</b>	<b>\$ 47,012,647</b>	<b>\$ 46,395,175</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 7)	\$ 783,714	\$ 474,826
Deferred flow-through premium liability (notes 5 and 6)	315,916	1,144,254
<b>Total liabilities</b>	<b>1,099,630</b>	<b>1,619,080</b>
<b>Shareholders' equity</b>		
Share capital (note 6)	56,515,813	55,513,015
Share-based payments reserve (note 6)	4,537,584	4,713,305
Deficit	(15,140,380)	(15,450,225)
<b>Total shareholders' equity</b>	<b>45,913,017</b>	<b>44,776,095</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 47,012,647</b>	<b>\$ 46,395,175</b>

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

Nature of operations and going concern (note 1)  
Subsequent event (note 9)

## Labrador Gold Corp.

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
<b>Operating expenses</b>				
Consulting and management fees (note 7)	\$ 83,045	\$ 21,720	\$ 101,265	\$ 44,220
Corporate development	48,488	34,503	88,337	74,600
Office and miscellaneous	15,463	16,455	31,538	28,842
Professional fees (note 7)	34,873	62,823	58,686	109,523
Regulatory and transfer fees	41,352	27,597	55,966	34,516
Share-based compensation (note 6)	-	-	-	346,010
Shareholder communications	9,507	9,668	17,663	29,419
Amortization expense	2,659	402	3,729	402
<b>Income (loss) before other items</b>	<b>(235,387)</b>	<b>(173,168)</b>	<b>(357,184)</b>	<b>(667,532)</b>
<b>Other items</b>				
Flow-through premium (note 6)	83,706	36,381	828,338	44,941
Other income	4,439	-	8,691	-
Impairment of unproven mineral right interests (note 8)	(170,000)	-	(170,000)	-
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>\$ (317,242)</b>	<b>\$ (136,787)</b>	<b>\$ 309,845</b>	<b>\$ (622,591)</b>
<b>Basic and diluted net income (loss) per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>154,054,934</b>	<b>111,091,399</b>	<b>153,998,667</b>	<b>107,315,934</b>

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

## Labrador Gold Corp.

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

	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
<b>Operating activities</b>		
Net income (loss) for the period	\$ 309,845	\$ (622,591)
Adjustments for:		
Share-based compensation	-	346,010
Flow-through premium	(828,338)	(44,941)
Amortization	3,729	402
Impairment of unproven mineral right interests	170,000	-
Changes in non-cash working capital items:		
Amounts receivable	(21,038)	(36,211)
Prepaid expenses	(17,539)	(15,709)
Accounts payable and accrued liabilities	308,887	(20,977)
<b>Net cash used in operating activities</b>	<b>(74,454)</b>	<b>(394,017)</b>
<b>Investing activities</b>		
Unproven mineral right interest - acquisition	(178,460)	(267,570)
Unproven mineral right interest - exploration	(6,119,623)	(1,506,440)
Purchase of equipment	(22,179)	(5,853)
<b>Net cash used in investing activities</b>	<b>(6,320,262)</b>	<b>(1,779,863)</b>
<b>Financing activities</b>		
Issue of common shares for cash	-	4,050,000
Share issue costs	-	(202,110)
Exercise of options	191,077	24,400
Exercise of warrants	396,000	2,992,866
<b>Net cash provided by financing activities</b>	<b>587,077</b>	<b>6,865,156</b>
<b>Net change in cash</b>	<b>(5,807,639)</b>	<b>4,691,276</b>
<b>Cash, beginning of period</b>	<b>33,245,743</b>	<b>6,298,629</b>
<b>Cash, end of period</b>	<b>\$ 27,438,104</b>	<b>\$ 10,989,905</b>
<b>Supplemental Information</b>		
Acquisition of unproven mineral interests	\$ 240,000	\$ 422,250

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

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**Labrador Gold Corp.****Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

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	Share Capital		Share-based	Deficit	Total
	Number	Amount	payments reserve		
<b>Balance, September 30, 2020</b>	<b>93,374,175</b>	<b>\$ 23,561,123</b>	<b>\$ 2,715,991</b>	<b>\$ (12,707,683)</b>	<b>\$ 13,569,431</b>
Issuance of common shares in private placements	7,500,000	4,050,000	-	-	4,050,000
Flow-through premium	-	(1,275,000)	-	-	(1,275,000)
Share issue costs	-	(202,110)	-	-	(202,110)
Options exercised	340,000	24,400	-	-	24,400
Warrants exercised	9,791,286	2,915,386	-	-	2,915,386
Broker units exercised	442,736	77,480	-	-	77,480
Acquisition of unproven mineral interests	1,050,000	422,250	-	-	422,250
Share-based compensation	-	-	346,010	-	346,010
Net loss for the period	-	-	-	(622,591)	(622,591)
<b>Balance, March 31, 2021</b>	<b>112,498,197</b>	<b>\$ 29,573,529</b>	<b>\$ 3,062,001</b>	<b>\$ (13,330,274)</b>	<b>\$ 19,305,256</b>
<b>Balance, September 30, 2021</b>	<b>153,311,033</b>	<b>\$ 55,513,015</b>	<b>\$ 4,713,305</b>	<b>\$ (15,450,225)</b>	<b>\$ 44,776,095</b>
Options exercised	423,077	366,798	(175,721)	-	191,077
Warrants exercised	1,320,000	396,000	-	-	396,000
Acquisition of unproven mineral right interests	300,000	240,000	-	-	240,000
Net income for the period	-	-	-	309,845	309,845
<b>Balance, March 31, 2022</b>	<b>155,354,110</b>	<b>\$ 56,515,813</b>	<b>\$ 4,537,584</b>	<b>\$ (15,140,380)</b>	<b>\$ 45,913,017</b>

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

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# Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 1. Nature of business and going concern

Labrador Gold Corp. ("Labrador Gold" or the "Company") is a company involved in the acquisition and exploration of prospective gold projects in the Americas. It was incorporated under the Business Corporations Act (British Columbia) in 1987. Effective July 1, 2021, the Company filed Articles of Continuance to continue into Ontario and is now subject to the provisions of the Business Corporations Act (Ontario). The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "LAB" and the OTCQX Exchange in the United States under the symbol "NKOSF". Its principal office is located at 82 Richmond Street East, Toronto, ON, Canada M5C 1P1.

The Company is focused in conducting gold exploration in the province of Newfoundland and Labrador, Canada, and also has mineral right interests in Ontario, Canada. At the date of these financial statements, the Company has not yet determined whether any of its mineral interests contain economic mineral reserves. Accordingly, the carrying amount of its mineral right interests represents the cumulative acquisition costs and exploration expenditures incurred to date, which does not necessarily reflect present or future values. The recovery of these costs is dependent on the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to undertake continuing exploration and development, and to resolve any environmental, regulatory or other constraints.

These financial statements have been prepared on a going concern basis, which assume that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has made an assessment of its ability to continue as a going concern and is aware of several material adverse conditions as set out below that cast significant doubt on the validity of this assumption.

The Company is a mineral exploration company with a history of recurring losses and without a source of revenue. At March 31, 2022, the Company had no source of operating cash flow. Operations in recent years have been funded from the issuance of share capital and cash on hand.

Given its current stage of operations, the Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company's unproven mineral right interests could be subject to adjustments. At March 31, 2022, the Company believes it has sufficient funds to finance its operations for the current fiscal year.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", 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. Global equity markets have experienced significant volatility and weakness. 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. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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# Labrador Gold Corp.

## Notes to Condensed Interim Financial Statements For the Three and Six Months Ended March 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

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### 2. Basis of Preparation

#### Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim financial statements do not include all the information required for a complete set of IFRS statements. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended September 30, 2021.

These unaudited condensed interim financial statements were authorized for issue by the board of directors of the Company on May 17, 2022.

### 3. Significant accounting policies

These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, the interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

### 4. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these unaudited condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended September 30, 2021.

### 5. Liability and income tax effect on flow-through shares

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to 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 have not been spent and are held by the Company for such expenditures.

During the year ended September 30, 2021, the Company issued an aggregate of 21,500,000 flow-through units for gross proceeds of \$13,850,000, and recognized total deferred flow-through premium liabilities of \$2,675,000. As at March 31, 2022, the Company had spent approximately \$11,639,000 of the flow-through funds and must incur an additional \$2,211,000 in qualifying flow-through expenditures prior to December 31, 2022.

During the three and six months ended March 31, 2022, the Company recognized a flow-through recovery of \$83,706 and \$828,338, respectively (three and six months ended March 31, 2021 - \$36,381 and \$44,941, respectively). As at March 31, 2022, the deferred flow-through premium liability was \$315,916 (September 30, 2021 - \$1,144,254).

## Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

### 6. Equity

#### (a) Authorized

An unlimited number of common shares without par value

#### (b) Issued and outstanding

	Number of common shares	Amount
Balance, September 30, 2020	93,374,175	\$ 23,561,123
Private placements (i)	7,500,000	4,050,000
Flow through premium liability (i)	-	(1,275,000)
Share issuance costs (i)	-	(202,110)
Options exercised (iv)	340,000	24,400
Warrants exercised (v)	9,791,286	2,915,386
Broker warrants exercised (v)	442,736	77,480
Acquisition of unproven mineral right interests (vi)	1,050,000	422,250
Balance, March 31, 2021	112,498,197	29,573,529
Private placements (ii)(iii)	30,666,667	24,800,000
Flow-through premium liability (ii)	-	(1,400,000)
Share issuance costs (ii)	-	(81,424)
Fair value of warrants (iii)	-	(1,333,333)
Options exercised	660,256	541,096
Warrants exercised	8,560,856	2,568,257
Broker units exercised	335,057	189,290
Acquisition of unproven mineral right interests (note 8)	590,000	655,600
Balance, September 30, 2021	153,311,033	55,513,015
Exercise of options (iv)	423,077	366,798
Warrants exercised (v)	1,320,000	396,000
Acquisition of unproven mineral right interests (vi)	300,000	240,000
Balance, March 31, 2022	155,354,110	\$ 56,515,813

(i) On October 29, 2020, the Company closed a non-brokered private placement with the sale of 7,500,000 flow-through units of the company at a price of \$0.54 per unit for gross proceeds of \$4,050,000. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.60 until October 29, 2022. In connection with the private placement, the Company incurred cash share issuance costs of \$202,110. The Company recognized the receipt of \$1,275,000 as a deferred flow-through premium liability.

(ii) On April 16, 2021, the Company closed a non-brokered private placement with the sale of 14,000,000 flow-through units of the company at a price of \$0.70 per unit for gross proceeds of \$9,800,000. Each unit is comprised of one common share of the Company and one half common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.75 until April 16, 2023. In connection with the private placement, the Company incurred cash share issuance costs of \$81,424. The Company recognized the receipt of \$1,400,000 as a deferred flow-through premium liability.



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# Labrador Gold Corp.

## Notes to Condensed Interim Financial Statements For the Three and Six Months Ended March 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

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### 6. Equity (continued)

#### (b) Issued and outstanding (continued)

(iii) On May 18, 2021, the Company closed a non-brokered private placement with the sale of 16,666,667 units of the Company at a price of \$0.90 per unit for gross proceeds of \$15,000,000. Each unit is comprised of one common share of the Company and one half common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$1.05 until May 15, 2023. The Company allocated the receipt of \$1,333,333 to the fair value of the warrants.

(iv) During the six months ended March 31, 2022, the Company received proceeds of \$191,077 from the exercise of 423,077 share purchase options (2021 - proceeds of \$24,400 from the exercise of 340,000 share purchase options). The fair value of \$175,721 (2021 - \$nil) attributable to these options was transferred from the share-based payments reserve to share capital upon exercise.

(v) During the six months ended March 31, 2022, the Company received proceeds of \$396,000 from the exercise of 1,320,000 warrants, including nil brokers' warrants (2021 - proceeds of \$2,992,866 from the exercise of 10,234,022 warrants, including 442,736 brokers' warrants).

(vi) During the six months ended March 31, 2021, the Company issued 300,000 shares, valued at \$240,000 for the acquisition of Kingsway Property (2021 - 1,050,000 shares, valued at \$422,250, for the acquisition of Labrador Property and Kingsway Properties). See note 8.

#### (c) Share-based payment reserve

Share-based payments reserve consists of the accumulated fair value of common share options, share purchase warrants and broker units recognized as share-based payments, net of the fair values of common share options, share purchase warrants and broker units transferred to share capital upon exercise.

#### (d) Share purchase options

The following table reflects the continuity of stock options for the periods ended March 31, 2022 and 2021:

	Number of stock options	Weighted average exercise price
Balance, September 30, 2020	6,510,000	\$ 0.20
Granted (i)(ii)	950,000	0.45
Exercised	(340,000)	0.07
Balance, March 31, 2021	7,120,000	0.35
Granted (iii)(iv)	900,000	0.80
Exercised	(660,256)	0.46
Balance, September 30, 2021	7,359,744	0.42
Exercised	(423,077)	0.45
Balance, March 31, 2022	6,936,667	\$ 0.42

# Labrador Gold Corp.

## Notes to Condensed Interim Financial Statements For the Three and Six Months Ended March 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

### 6. Equity (continued)

#### (d) Share purchase options (continued)

(i) On October 8, 2020, the Company granted 450,000 share purchase options to consultants, exercisable at a price of \$0.45 per share until October 8, 2025. A fair value of \$187,336 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.46; dividend yield - 0%; expected volatility - 148%; risk-free interest rate - 0.37%; and an expected life - 5 years. The options vested immediately upon grant.

(ii) On December 21, 2020, the Company granted 500,000 share purchase options to a consultant, exercisable at a price of \$0.45 per share until December 21, 2025. A fair value of \$158,674 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.36; dividend yield - 0%; expected volatility - 144%; risk-free interest rate - 0.44%; and an expected life - 5 years. The options vested immediately upon grant.

(iii) On March 24, 2021, the Company granted 300,000 share purchase options to a consultant, exercisable at a price of \$0.48 per share until March 24, 2026. A fair value of \$119,600 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.455; dividend yield - 0%; expected volatility - 138%; risk-free interest rate - 0.95%; and an expected life - 5 years. The options vested immediately upon grant.

(iv) On June 4, 2021, the Company granted 600,000 share purchase options to a consultant, exercisable at a price of \$1.24 per share until June 4, 2023. A fair value of \$569,700 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$1.49; dividend yield - 0%; expected volatility - 119%; risk-free interest rate - 0.32%; and an expected life - 2 years. The options vested immediately upon grant.

During the three and six months ended March 31, 2022, \$nil and \$nil, respectively (2021 - \$nil and \$346,010, respectively) was expensed to share-based compensation.

The following table reflects the share purchase options issued and outstanding as of March 31, 2022:

Expiry Date	Exercise price (\$)	Remaining contractual life (years)	Number of options outstanding	Vested and exercisable
March 6, 2022 (v)	0.10	-	300,000	300,000
December 13, 2022	0.20	0.70	1,320,000	1,320,000
May 15, 2024	0.25	2.13	1,300,000	1,300,000
September 9, 2024	0.25	2.45	100,000	100,000
July 27, 2025	0.45	3.33	3,150,000	3,150,000
March 24, 2026	0.48	3.98	166,667	166,667
June 4, 2023 (vi)	1.24	1.18	600,000	600,000
	0.42	2.27	6,936,667	6,936,667

(v) The maturity date of the 300,000 stock options was extended from March 6, 2022 pursuant to the Company's stock option plan.

(vi) Subsequent to March 31, 2022, the Company re-priced 500,000 stock options, originally granted at \$1.24 per share, to \$0.72 per share.

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**Labrador Gold Corp.**

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

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**6. Equity (continued)****(e) Share purchase warrants**

The following table reflects the continuity of warrants for the periods ended March 31, 2022 and 2021:

	Number of warrants	Weighted average exercise price
Balance, September 30, 2020	37,665,472	\$ 0.30
Issued	7,500,000	0.60
Exercised	(9,220,022)	0.30
Expired	(230,000)	0.31
Balance, March 31, 2021	35,715,450	0.30
Issued	15,333,333	0.91
Exercised	(9,909,913)	0.31
Expired	(50,000)	0.05
Balance, September 30, 2021	41,088,870	0.58
Exercised	(1,320,000)	0.30
Balance, March 31, 2022	39,768,870	\$ 0.59

The following table reflects the share purchase warrants issued and outstanding as of March 31, 2022:

Expiry Date	Exercise price (\$)	Number of warrants outstanding
June 19, 2022	0.30	4,000,000
June 26, 2022	0.30	12,534,287
June 26, 2022	0.18	401,250
October 29, 2022	0.60	7,500,000
April 16, 2023	0.75	7,000,000
May 15, 2023	1.05	8,333,333
	0.59	39,768,870

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## Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

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### 7. Related party transactions

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
Management and consulting fees	\$ 66,080	\$ 21,720	\$ 85,640	\$ 44,220
Geological consulting fees	25,920	14,280	48,360	27,780
Professional fees	18,785	11,815	25,955	18,740
	<b>\$ 110,785</b>	<b>\$ 47,815</b>	<b>\$ 159,955</b>	<b>\$ 90,740</b>

During the three and six months ended March 31, 2022, the Company incurred management and consulting fees of \$66,080 and \$85,640, respectively (three and six months ended March 31, 2021 - \$21,720 and \$41,220, respectively) and geological consulting fees of \$25,920 and \$48,360, respectively (three and six months ended March 31, 2021 - \$27,780) for services provided by a company controlled by the Company's CEO.

Management fees to the Company's CEO are paid pursuant to a consulting agreement under which Moss Exploration Services received a monthly fee of \$12,000 as of September 1, 2020 and \$14,000 as at October 1, 2021. The Company can terminate the agreement with three months' notice, or payment of the fees during the termination period in lieu of notice.

For the three and six months ended March 31, 2022, the Company paid or accrued \$18,785 and \$25,955, respectively, in professional fees (three and six months ended March 31, 2021 - \$11,815 and \$18,740, respectively) to Marrelli Support Services Inc. ("Marrelli") for Eric Myung, an employee of Marrelli, to act as the CFO of the Company. As at March 31, 2022, \$2,685 (September 30, 2021 - \$1,471) is included in accounts payable and accrued liabilities with respect to the fees. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

## Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

### 8. Unproven mineral right interests

	Labrador Property	Borden Lake Property	Kingsway Property	Scotch Property	Total
Balance, September 30, 2020	\$ 5,486,682	\$ 926,394	\$ 940,200	\$ -	\$ 7,353,276
Acquisition	358,395	-	392,850	17,570	768,815
Deferred exploration	31,110	3,741	6,369,794	-	6,404,645
Recoveries	-	-	-	(8,000)	(8,000)
Impairment	(1,901,298)	-	-	-	(1,901,298)
Balance, September 30, 2021	3,974,889	930,135	7,702,844	9,570	12,617,438
Acquisition	-	-	390,000	28,460	418,460
Deferred exploration	302,562	-	5,692,830	124,231	6,119,623
Impairment	(170,000)	-	-	-	(170,000)
Balance, March 31, 2022	\$ 4,107,451	\$ 930,135	\$ 13,785,674	\$ 162,261	\$ 18,985,521

Ownership in mineral right interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the ambiguous conveyance history of many mineral right interests. The Company has investigated ownership of its mineral right interests and, to the best of its knowledge, ownership of its interests are in good standing.

### Labrador Properties

On September 5, 2017, the Company entered into a Letter of Intent (“LOI”) that grants the Company the option to earn a 100% interest in the Ashuanipi, Nain and Hopedale properties, located in Labrador (the “Labrador Properties”). To exercise the option, the terms of which were amended December 7, 2020, the Company must complete the following:

- On receipt of TSX-V approval: payment of \$75,000 and issuance of 450,000 shares in respect of each of the three Labrador Properties (completed);
- On or before September 5, 2018: payment of \$100,000 and issuance of 300,000 shares in respect of each property (completed with the payment of \$200,000 and issuance of 600,000 shares on the Ashuanipi and Hopedale properties, as the Company dropped its option on the Nain property);
- On or before September 5, 2019: payment of \$75,000 and issuance of 175,000 shares in respect of the Ashuanipi property and payment of \$150,000 and issuance of 350,000 shares in respect of the Hopedale property (completed);
- On or before September 5, 2020: payment of \$50,000 and issuance of 400,000 shares in respect of each of the Ashuanipi and Hopedale properties (completed);
- On or before September 5, 2021: payment of \$100,000 and issuance of 675,000 shares in respect of the Ashuanipi property and payment of \$100,000 and issuance of 500,000 shares in respect of the Hopedale property (completed with the payment of \$100,000 and issuance of 500,000 shares on the Hopedale property, as the Company dropped its option on the Ashuanipi property);
- On or before September 5, 2022: payment of \$150,000 in respect of the Hopedale properties; and
- On or before September 5, 2023: payment of \$125,000 in respect of the Hopedale property.

The vendors of the Labrador Properties retain a 2% net smelter return (“NSR”) royalty, half of which may be bought back by the Company at any time for \$2 million plus \$1 per ounce of gold in measured and indicated resources. An advance royalty of \$25,000 per annum for each property will be payable starting in 2024.

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## Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

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### 8. Unproven mineral right interests (continued)

#### Labrador Properties (continued)

During the year ended September 30, 2018, the Company terminated its option to acquire the Nain property.

During the year ended September 30, 2021, the Company terminated its option to acquire the Ashuanipi Property and returned the property to the vendor. The Company had been unable to perform any work on the project since 2019 due to a request by the First Nations. The Company was not able to reach an agreement with the First Nations to carry out any work on the property and does not expect to return to work at Ashuanipi at any time in the near term.

The Company maintains its interest in the Hopedale Property. On December 7, 2020, the LOI was replaced with the Hopedale Option Agreement, which contains the same terms as those of the LOI. In June 2021, the Company staked additional new claims at the Hopedale property. The new claims are subject to the 2% NSR held by the vendors of the Labrador property. Also, during the year ended September 30, 2021, the Company abandoned certain claims at the Hopedale property that had been staked in May 2018 and were being earned into by the Company under the terms of the LOI.

#### Borden Lake Property

The Company has a 100% undivided interest in the Borden Lake Property (the "Borden Lake Property") located near Chapleau Ontario. The 1,598 hectare property lies immediately east of, and adjacent to, Newmont Goldcorp's Borden Lake gold project. The original vendors of the Borden Lake Property retain a 2% NSR royalty, half of which may be bought back by the Company for \$1 million at any time.

#### Kingsway Property

On March 3, 2020, the Company acquired an option to earn a 100% interest in the Gander Property, subsequently renamed the Kingsway Property ("Kingsway"), near Gander, Newfoundland. To exercise the option, the Company must complete the following:

- As consideration for the option: payment of \$250,000 and issuance of 400,000 common shares (completed);
- On or before March 3, 2021: payment of \$150,000 cash and issuance of 250,000 common shares (completed);
- On or before March 3, 2022: payment of \$150,000 cash and issuance of 300,000 common shares (completed);
- On or before March 3, 2023: payment of \$200,000 cash and issuance of 350,000 common shares;
- On or before March 3, 2024: payment of \$250,000 cash and issuance of 400,000 common shares;
- On or before March 3, 2025: payment of \$250,000 cash and issuance of 300,000 common shares;
- Incur \$750,000 in expenditures on each of two licenses (\$1.5 million total) over the first four years of the option; and
- Complete additional payments totaling \$2.25 million based on exploration expenditures incurred, as follows:
  - \$750,000 upon incurring an aggregate of \$10 million in expenditures on one of the licenses;
  - \$750,000 upon incurring an aggregate of \$20 million in expenditures on one of the licenses; and
  - \$750,000 upon incurring an aggregate of \$30 million in expenditures on one of the licenses

The Company will also grant to the optionor a 1% NSR plus \$1 per ounce of gold in the measured and indicated resources for the property. An advance royalty of \$50,000 per annum for each property will be payable once the Company exercises the option.

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## **Labrador Gold Corp.**

**Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)**

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### **8. Unproven mineral right interests (continued)**

#### **Kingsway Property (continued)**

On July 6, 2020, the Company entered into an option agreement to acquire 100% of License 023940M which is strategically positioned between the Kingsway North and South claim blocks.

The Company can earn an initial 75% undivided property interest by completing the following:

- Cash payment of \$18,000 and issuance of 30,000 common shares, within 5 business days of TSXV acceptance of the option agreement (completed);
- Cash payment of \$36,000, issuance of 90,000 common shares and incurring \$100,000 in property work expenditures on or before the first anniversary of the option agreement (completed);
- Cash payment of \$75,000, issuance of 120,000 common shares and incurring an additional \$250,000 (cumulative \$350,000) in property work expenditures on or before the second anniversary of the option agreement; and
- Cash payment of \$90,000, issuance of 150,000 common shares and incurring an additional \$650,000 (cumulative \$1 million) in property work expenditures on or before the third anniversary of the option agreement.

If the Company exercises the initial 75% option and satisfies all payment requirements, the Company has the option to acquire the remaining 25% interest by making a cash payment of \$240,000 and incurring a further \$1 million in property work expenditures on or before the fourth anniversary of the option agreement.

If the Company only exercises the option to earn an initial 75% property interest but does not exercise the option to acquire the remaining 25% interests, the parties will form an unincorporated joint venture.

Subsequent to March 31, 2022, the Company exercised its option to earn 100% of the Kingsway Project by making an aggregate cash payment of \$1,105,000 and issuing an aggregate 1,320,000 shares.

The Company now owns a 100% undivided interest in license 023940M.

The Company also owns a 100% undivided interest in licenses 027636M and 027637M subject to:

- A 1.0% NSR plus \$1 per ounce of gold in the measured and indicated mineral resource categories established in a National Instrument 43-101 technical report for the development of the Property; and
- Expenditure target payments of \$750,000 for each \$10 million in exploration expenditures up to \$30 million.

#### **Scotch Property**

The Company acquired a 100% undivided interest in the Scotch Property acquired by staking in March 2021. The Scotch Property is located approximately 71 kilometres southwest of Moncton, New Brunswick.

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## **Labrador Gold Corp.**

**Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)**

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### **9. Subsequent event**

Subsequent to March 31, 2022, the Company exercised its option to earn 100% of the 3 licenses comprising the Kingsway Project by making an aggregate cash payment of \$1,105,000 and issuing an aggregate 1,320,000 shares.

The Company now owns a 100% undivided interest in license 023940M.

The Company also owns a 100% undivided interest in licenses 027636M and 027637M subject to:

- A 1.0% NSR plus \$1 per ounce of gold in the measured and indicated mineral resource categories established in a National Instrument 43-101 technical report for the development of the Property; and
- Expenditure target payments of \$750,000 for each \$10 million in exploration expenditures up to \$30 million.