RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2021 and 2020

(Unaudited – Prepared by Management)

RIVERSIDE RESOURCES INC.

Index to Condensed Interim Consolidated Financial Statements

December 31, 2021

	Page
NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	3
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	
Condensed Interim Consolidated Statements of Financial Position	4
Condensed Interim Consolidated Statements of Income and Comprehensive Income	5
Condensed Interim Consolidated Statements of Cash Flows	6
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity	7
Notes to the Condensed Interim Consolidated Financial Statements	8-28

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The attached condensed interim consolidated financial statements for the three months ended December 31, 2021 have not been reviewed by the Company's auditors.

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Consolidated Statements of Financial Position as at,
(Expressed in Canadian Dollars)

	Note	December 31, 2021	September 30, 2021
Assets			
Current assets:			
Cash and cash equivalents	15	$ 6,880,598	$ 5,972,384
Short-term investments	5	157,994	1,400,526
Receivables	6	127,544	95,199
Prepaid expenses	7	81,517	129,638
		7,247,653	7,597,747
Receivables	6	963,278	977,977
Equipment	8	218,316	234,070
Exploration and evaluation assets	9	6,235,489	6,089,456
		$ 14,664,736	$ 14,899,250
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	10	$ 131,007	$ 474,271
Exploration advances	10	2,455,606	2,423,630
Provision liability	18	1,021,096	1,022,086
		3,607,709	3,919,987
Shareholders' equity:			
Capital stock	12	25,468,861	25,468,861
Reserves	12	3,707,447	3,670,485
Deficit		(15,799,860)	(15,862,311)
Accumulated other comprehensive loss		(2,319,421)	(2,297,772)
		11,057,027	10,979,263
		$ 14,664,736	$ 14,889,250

Nature and continuance of operations (Note 1)
Subsequent event (Note 19)

On behalf of the Board on February 28, 2022

"Walter Henry" Director	*"Carol Ellis"* Director
Water Henry	Carol Ellis

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

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Income and Comprehensive Income
For the three months ended December 31,
(Unaudited - Expressed in Canadian Dollars)

	Note	2021	2020
Expenses			
Management and consulting fees	9, 13	$ 94,518	$ 54,063
Depreciation	8	15,196	18,493
Director fees	13	9,000	9,000
Foreign exchange loss		15,168	89,699
General and administration		31,631	26,012
Interest expense	11	-	806
Investor relations	13	76,106	76,154
Professional fees		33,672	37,794
Property investigation and evaluation		4,512	2,828
Rent		14,550	20,315
Share-based payments	12,13	36,962	135,332
Finance income		(5,603)	(2,480)
Operational fee recovery	9,10	(91,907)	(52,653)
Other income	5, 10,13	(71,855)	(32,907)
Unrealized loss (gain) on short-term investments	5	1,156,295	(432,494)
Realized gain on short-term investments	5	(1,384,833)	-
Write-down of E&E assets		4,137	-
Income for the period		62,451	50,038
Foreign exchange movements		(21,649)	262,917
Comprehensive income for the period		40,802	312,955
Income per share – basic and diluted		$ 0.001	$ 0.00
Weighted average number of common shares outstanding			
– basic	4(h)	65,649,896	64,028,731
– diluted	4(h)	66,131,688	72,605,175

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

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Cash Flows for the period ended December 31,
(Unaudited - Expressed in Canadian Dollars)

	Note	2021	2020
OPERATING ACTIVITIES			
Income for the period		$ 62,451	$ 50,038
Items not involving cash:			
Depreciation	8	15,196	18,493
Share-based payments	12,13	36,962	135,332
Realized gain on short-term investments	5	(1,384,833)	-
Unrealized loss (gain) on short-term investments	5	1,156,295	(432,494)
Other income	5,13	(71,855)	(32,907)
Interest expense (recovery)	11	-	806
Change in non-cash working capital items:			
Prepaid expenses		48,121	31,223
Receivables		54,209	(186,696)
Accounts payable and accrued liabilities		(587,012)	(132,727)
		(670,466)	(548,932)
INVESTING ACTIVITIES			
Exploration advances – accounts payable and accrued liabilities		31,976	(194,111)
Exploration and evaluation assets		97,360	(56,974)
Purchase of equipment	8	-	(4,440)
Purchase of short-term investment	5	-	(5,408)
Sale of short-term investments	5	1,471,070	-
		1,600,406	260,933
FINANING ACTIVITY			
Proceeds from shares issuance, net of issuance costs	12	-	37,425
		-	37,425
Effect of foreign exchange on cash and cash equivalents		(21,726)	119,378
Increase (decrease) in cash and cash equivalents		908,214	(653,062)
Cash and cash equivalents, beginning of the period		5,972,384	4,588,578
Cash and cash equivalents, end of the period		$ 6,880,598	$ 3,935,516

Supplemental disclosures with respect to cash flows (Note 15)

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

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Note	Capital Stock		Reserves	Deficit	Accumulated other comprehensive loss	Total
		Shares	Amount				
Balance at September 30, 2020		68,127,131	$ 24,961,986	$ 3,458,788	$ (16,596,443)	$ (2,260,653)	$ 9,563,678
Issued for:							
Exercise of warrants	12	125,000	21,250	-	-	-	21,250
Exercise of options	12	142,500	31,543	(15,368)	-	-	16,175
Share-based payments	12	-	-	135,332	-	-	135,332
Income for the period		-	-	-	50,038	-	50,038
Foreign exchange movements		-	-	-	-	262,917	262,917
Balance at December 31, 2020		68,394,631	25,014,779	3,578,752	(16,546,405)	(1,997,736)	10,049,390
Balance at September 30, 2021		71,017,631	25,468,861	3,670,485	(15,862,311)	(2,297,772)	10,979,263
Issued for:							
Share-based payments	12	-	-	36,962	-	-	36,962
Income for the period		-	-	-	62,451	-	62,451
Foreign exchange movements		-	-	-	-	(21,649)	(21,649)
Balance at December 31, 2021		71,017,631	$ 25,468,861	$ 3,707,447	$ (15,799,860)	$ (2,319,421)	$ 11,057,027

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

(Unaudited - Expressed in Canadian Dollars)

1. Nature and continuance of operations

Riverside Resources Inc. (the "Company" or "Riverside") is a mineral exploration and evaluation company operating as a prospect generator listed on the TSX Venture Exchange (the "Exchange") under the symbol "RRI" and is engaged in the acquisition, exploration and evaluation of exploration and evaluation assets in the Americas including Canada, the United States and Mexico.

The Company's head office address is 550 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6.

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

The Company's ability to continue operations is uncertain and is dependent upon the ability of the Company to obtain necessary financing to meet the Company's liabilities and commitments as they become payable, acquiring assets or a business, and the ability to generate future profitable production or operations or sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Management believes that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

2. Plan of Arrangement

On October 30, 2019, the Company incorporated a new subsidiary, Capitan Mining Inc. ("Capitan") and Rios DE Suerte S.A de C.V., another new subsidiary was incorporated on November 29, 2019 in order to facilitate a plan of arrangement ("Arrangement") whereby the Company's 100% interest in the Peñoles Project was spun out to Capitan.

On August 14, 2020, the Company transferred its 100% interest in the Peñoles Project and completed the Arrangement to spin out the shares of Capitan to the shareholders of Riverside. Pursuant to the Arrangement, holders of common shares of Riverside on August 13, 2020 received one new common share of Riverside (each, a "Riverside Share") and 0.2594 of a Capitan share (each, a "Capitan Share") for each common share held.

The carrying value of the net assets transferred to Capitan, pursuant to the Arrangement, consisted of the following assets:

Assets	$
Carrying value of exploration and evaluation assets	**1,082,717**
Fair value of net assets transferred	**3,500,000**
Gain on transfer of spin-out assets	**2,417,283**

In accordance with IFRIC 17, Distribution of Non-cash Assets to Owners, the Company recognized the transfer of net assets to Riverside shareholders at fair value with the difference between that value and the carrying amount of the net assets recognized in the consolidated statement of comprehensive income. The fair value of net assets transferred was based on the expected market value of a Capitan share of $0.20 per share as per private placement completed on August 24, 2020.

The Arrangement resulted in a reduction of share capital amounting to $3,500,000.

2. Plan of Arrangement (continued)

Under the terms of the Arrangement, each issued and outstanding Riverside option has been adjusted for the assets spun-out. The exercise prices of the Riverside replacement stock options were adjusted based on the proportional market value of the two companies after completion of the Arrangement. See Note 12.

3. Basis of presentation and Statement of compliance

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments as fair value through profit and loss or available for sale, which are stated at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS 34"), "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these interim financial statements comply with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

4. Significant accounting policies

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Riverside Resources Mexico, S.A. de C.V.	Mexico	100%	Mineral exploration
RRM Exploracion, S.A.P.I. de C.V.	Mexico	100%	Mineral exploration
RRM Minas S DE RL de C.V.	Mexico	100%	Mineral exploration
RRI Exploration Inc.	United States	100%	Mineral exploration
RRI Holdings Limited	Canada	100%	Holding company
Riverside Resources (BC) Inc.	Canada	100%	Mineral exploration

New standards, interpretations and amendments adopted during the period

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2021 and have therefore not been applied in preparing these consolidated financial statements. None are expected to have a material effect on the financial statements of the Company.

(Unaudited - Expressed in Canadian Dollars)

5. Short-term investments

Short-term investments include marketable securities received as a result of property option agreements. Marketable securities comprise common shares in publicly traded and private companies as follows:

	December 31, 2021			September 30, 2021		
	Number of shares	Cost	Fair market value	Number of shares	Cost	Fair market value
Arcus Development Group Inc.	29,000	$ 11,020	$ 870	29,000	$ 11,020	$ 870
Arizona Metals Corp. (1)	-	-	-	324,500	86,237	1,184,425
Guerrero Exploration Inc.	1,926,000	343,049	-	1,926,000	343,049	-
Carlyle Commodities Corp.	2,000,000	497,500	50,000	2,000,000	497,500	120,000
Goldshore Resources Inc. (formerly Sierra Madre Developments Inc.)	104,194	1,103,791	67,726	104,194	1,103,791	63,559
Sinaloa Resources Corp.	1,000,000	100,000	-	1,000,000	100,000	-
First Helium Inc. (2)	154,500	45,308	39,398	154,500	45,308	31,672
Upper Canada Mining Inc.	5,600,000	-	-	5,600,000	-	-
		$ 2,100,668	$ 157,994		$ 2,186,905	$ 1,400,526

(1) During the three months ended December 31, 2021, the Company sold the remaining 324,500 shares for net proceeds of $1,471,070. During the year ended September 30, 2021, the Company sold 1,175,500 shares for net proceeds of $1,805,182.

(2) On July 12, 2021, First Helium Inc. completed its listing and began trading on the TSX-V under the symbol HELI.

6. Receivables

Receivables mainly consist of tax refunds from the Federal Government of Canada and Mexico.

	December 31, 2021	September 30, 2021
GST recoverable amounts in Canada	$ 16,221	$ 19,990
IVA recoverable amounts in Mexico (current)	54,106	26,178
Land taxes recovery in Mexico	21,113	21,133
Other receivable*	36,104	27,898
	127,544	95,199
IVA recoverable amounts in Mexico (non-current)	963,278	977,977
	$ 1,090,822	$ 1,073,176

*As at December 31, 2021, the Company recognized $36,104 other receivable for the exploration expenditures reimbursement from February to November 2021 from iMetal Resources Inc. ("iMetal"). Please refer to the Note 9 for additional details.

7. Prepaid expenses

The breakdown of prepaid expenses is as follows:

	December 31, 2021	September 30, 2021
Conferences and courses	$ 4,731	$ 9,463
Expense advances	30,252	71,337
Insurance	30,844	37,998
Rent	15,690	10,840
	$ 81,517	$ 129,638

(Unaudited - Expressed in Canadian Dollars)

8. Equipment

	Computer hardware	Exploration equipment	Furniture & fixtures	Vehicles	TOTAL
Cost					
Balance at September 30, 2020	$ 88,805	$ 205,522	$ 31,353	$ 193,064	$ 518,744
Additions	-	-	-	65,823	65,823
Foreign exchange movement	524	6,138	634	6,257	13,553
Balance at September 30, 2021	$ 89,329	$ 211,660	$ 31,987	$ 265,144	$ 598,120
Foreign exchange movement	(16)	(190)	(20)	(257)	(483)
Balance at December 31, 2021	**$ 89,313**	**$ 211,470**	**$ 31,967**	**$ 264,887**	**$ 597,637**
Accumulated depreciation					
Balance at September 30, 2020	$ (79,295)	$ (102,373)	$ (27,242)	$ (77,823)	$ (286,733)
Depreciation	(4,432)	(21,392)	(845)	(49,274)	(75,943)
Foreign exchange movement	(215)	(2,810)	(544)	2,195	(1,374)
Balance at September 30, 2021	$ (83,942)	$ (126,575)	$ (28,631)	$ (124,902)	$ (364,050)
Depreciation	(593)	(4,161)	(165)	(10,277)	(15,196)
Foreign exchange movement	-	26	18	(118)	(75)
Balance at December 31, 2021	**$ (84,535)**	**$ (130,710)**	**$ (28,778)**	**$ (135,297)**	**$ (379,321)**
Net book value					
Balance at September 30, 2021	$ 5,387	$ 85,085	$ 3,356	$ 140,242	$ 234,070
Balance at December 31, 2021	**$ 4,778**	**$ 80,760**	**$ 3,189**	**$ 129,590**	**$ 218,316**

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets

For the period ended December 31, 2021

	Tajitos Mexico	La Silla Mexico	Australia Mexico	Ariel Mexico	Cecilia Mexico	Teco Mexico	Suaqui Verde Mexico	Los Cuarentas Mexico	La Union Mexico	El Valle, Llano del Nogalo & El Pima Mexico	Northwestern Ontario Canada	Total
Acquisition costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,905 -	$ 450	$ -	$ 60,455
Exploration costs:												
Assaying	-	-	-	-	-	-	-	-	9,149	-	658	9,807
Drilling	-	-	-	-	-	-	-	2,356	-	-	-	2,356
Field & camp costs	182	125	-	212	-	-	-	-	7,956	-	334	8,809
Geological consulting	5,224	9,175	-	9,129	-	-	-	6,900	45,884 -	6	28,531	104,837
Surveys & geophysics	-	-	-	-	-	-	-	-	-	-	-	-
Transport & support	1,749	4,056	1,370	2,405	-	1,907	-	211	7,066	-	4,146	22,910
Total current exploration costs	7,155	13,356	1,370	11,746	-	1,907	-	9,467	70,055 -	6	33,669	148,719
Professional & other fees:												
Professional consulting	-	6,000	-	3,000	-	3,000	-	-	-	-	-	12,000
Legal fees	12,139	-	-	-	-	-	-	555	5,651 -	1,627	-	16,718
Others	313	3,002	-	818	-	478	-	-	1,735	-	2,150	8,496
Total current professional & other fees	12,452	9,002	-	3,818	-	3,478	-	555	7,386 -	1,627	2,150	37,214
Total costs incurred during the year	19,607	22,358	1,370	15,564	-	5,385	-	10,022	138,346 -	2,083	35,819	246,388
Balance, Opening	2,697,156	562,511	39,432	121,874	1,228,630	240,710	30,285	193,064	132,575	6,799	836,420	6,089,456
Recoveries	-	-	-	-	-	-	(50,000)	-	-	-	(50,000)	(100,000)
Foreign exchange movements	(1,648)	(182)	(6)	(41)	(542)	(204)	(25)	(157)	2,504	(54)	-	(355)
Balance, End of the year	$ 2,715,115	$ 584,687	$ 40,796	$ 137,397	$ 1,228,088	$ 245,891 -	$ 19,740	$ 202,929	$ 273,425	$ 4,662	$ 822,239	$ 6,235,489
Cumulative costs:												
Acquisition	$ 1,110,615	$ 63,176	$ 3,566	$ 13,105	$ 624,814	$ 80,165	$ 4,869	$ 211,288	$ 92,060	$ 3,968	$ 74,453	$ 2,282,079
Exploration	1,599,953	590,118	26,623	102,662	978,177	139,666	27,196	106,926	162,055	174	599,703	4,333,253
Professional & other fees	365,624	121,066	13,450	24,634	149,829	20,602	52	18,807	20,232	797	198,083	933,176
Recoveries	-	(164,000)	-	-	(597,500)	-	(50,000)	(122,519)	-	-	(50,000)	(984,019)
Foreign exchange movements	(361,077)	(25,673)	(2,843)	(3,004)	72,768	5,458	(1,857)	(11,573)	(922)	(277)	-	(329,000)
	$ 2,715,115	$ 584,687	$ 40,796	$ 137,397	$ 1,228,088	$ 245,891 -	$ 19,740	$ 202,929	$ 273,425	$ 4,662	$ 822,239	$ 6,235,489

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

For the year ended September 30, 2021

	Tajitos Mexico	La Silla Mexico	Australia Mexico	Ariel Mexico	Cecilia Mexico	Teco Mexico	Suaqui Verde Mexico	Los Cuarentas Mexico	La Union Mexico	El Valle, Llano del Nogalo & El Pima Mexico	Northwestern Ontario Canada	Total
Acquisition costs	$ 80,110	$ 6,670	$ 911	$ 3,870	$ -	$ 12,649	$ 975	$ 61,055	$ 14,165	$ 2,468	$ 7,556	$ 190,429
Exploration costs:												
Assaying	-	946	-	-	-	-	-	-	592	-	3,467	5,005
Drilling	-	-	-	-	-	-	-	21,757	-	-	-	21,757
Field & camp costs	20,677	10,128	3,566	4,180	144	6,656	-	313	10,746	-	12,025	68,435
Geological consulting	21,820	46,458	312	7,924	750	6,237	-	2,494	39,504	-	110,590	236,089
Surveys & geophysics	-	-	-	-	-	-	-	-	-	-	76,658	76,658
Transport & support	18,624	26,607	303	5,735	1,404	3,774	4,634	724	10,111	-	55,307	127,223
Total current exploration costs	61,121	84,139	4,181	17,839	2,298	16,667	4,634	25,288	60,953	-	258,047	535,167
Professional & other fees:												
Professional consulting	-	26,273	-	4,000	52	12,000	52	2,440	5,000	-	53,327	103,144
Legal fees	39,057	352	-	-	658	-	-	623	4,416	1,934	-	47,040
Others	1,185	-	-	-	-	-	-	-	-	-	-	1,185
Total current professional & other fees	40,242	26,625	-	4,000	710	12,000	52	3,063	9,416	1,934	53,327	151,369
Total costs incurred during the year	181,473	117,434	5,092	25,709	3,008	41,316	5,661	89,406	84,534	4,402	318,930	876,965
Balance, Opening	2,460,312	438,112	33,405	95,192	1,305,696	193,987	23,864	100,264	47,271	2,354	517,490	5,217,947
Recoveries	-	-	-	-	(97,500)		-	-		-	-	(97,500)
Foreign exchange movements	55,371	6,965	935	973	17,426	5,407	760	3,394	770	43	-	92,044
Balance, End of the year	$ 2,697,156	$ 562,511	$ 39,432	$ 121,874	$ 1,228,630	$ 240,710	$ 30,285	$ 193,064	$ 132,575	$ 6,799	$ 836,420	$ 6,089,456
Cumulative costs:												
Acquisition	$ 1,110,615	$ 63,176	$ 3,566	$ 13,105	$ 624,814	$ 80,165	$ 4,869	$ 211,288	$ 31,155	$ 4,418	$ 74,453	$ 2,221,624
Exploration	1,592,798	576,762	25,253	90,916	978,177	137,759	27,196	97,459	92,000	180	566,034	4,184,534
Professional & other fees	353,172	112,064	13,450	20,816	149,829	17,124	52	18,252	12,846	2,424	195,933	895,962
Recoveries	-	(164,000)	-	-	(597,500)	-	-	(122,519)	-	-	-	(884,019)
Foreign exchange movements	(359,429)	(25,491)	(2,837)	(2,963)	73,310	5,662	(1,832)	(11,416)	(3,426)	(223)	-	(328,645)
	$ 2,697,156	$ 562,511	$ 39,432	$ 121,874	$ 1,228,630	$ 240,710	$ 30,285	$ 193,064	$ 132,575	$ 6,799	$ 836,420	$ 6,089,456

9. Exploration and evaluation assets (continued)

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Mexico and Canada.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

(a) Peñoles, Durango, Mexico

The Company owned 100% of the Peñoles Property, subject to a 2% NSR payable to the underlying concession holder.

On August 14, 2020, the Company completed the Arrangement and transferred its 100% interest of the Peñoles Project to Capitan as previously mentioned in Note 2. In connection with the Arrangement, the Company recognized a gain on spin-out of Peñoles Project of $2,417,283 in consideration for 17,500,000 common shares of Capitan with a value of $3,500,000. There were $1,082,717 historical capitalized costs associated with this project transferred to Capitan.

(b) Tajitos, Sonora, Mexico

The Company has a 100% interest in the Tajitos Property.

(c) La Silla, Sinaloa, Mexico

In October 2015, the Company acquired two mining concessions in the La Silla district in Sinaloa through a lottery process.

On September 11, 2020, the Company entered into a Letter of Intent (“LOI”) with Upper Canada Mining Inc. (“Upper Canada”) and received 600,000 shares of Upper Canada whereby Upper Canada could acquire up to a 100% interest in the La Silla Property. The shares received from Upper Canada had a fair market value of $nil.

On December 9, 2020, the Company entered into an option agreement, signing a Definitive Agreement with Upper Canada Inc. whereby Upper Canada could acquire up to a 100% undivided interests in the La Silla Property, by paying $500,000 in cash, issuing 10,600,000 common shares and incurring exploration expenditures of $20,000,000 over a four-year period as follows:

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

(c) La Silla, Sinaloa, Mexico (continued)

Due Date	Cash	Common shares	Exploration expenditures	Percentage earned
September 11, 2020 (signing of LOI)		600,000 (received)	-	-
December 9, 2020	*$50,000	5,000,000(received)	-	-
March 9, 2021	$50,000	2,500,000	-	-
June 9, 2021	$75,000	2,500,000	-	-
December 9, 2021	$150,000	-	$5,000,000	51%
December 9, 2022	$100,000	-	$2,500,000	60%
December 9, 2023	$50,000	-	$7,500,000	-
December 9, 2024	$25,000	-	$5,000,000	100%

* The Company did not receive the $50,000 cash payment that was due on December 9, 2020 from Upper Canada. On February 4, 2021, the Company terminated the option agreement with Upper Canada and therefore, Upper Canada has no further obligation with respect to the project.

(d) Ariel, Sonora, Mexico

The Company has a 100% exploration concession interest in the Ariel Property.

(e) Cecilia, Sonora, Mexico

In January 2017, the Company signed letter agreements with Gunpoint Exploration Ltd. ("Gunpoint") and Millrock Resources Inc. ("Millrock") to acquire three La Cecilia Margarita concessions owned by Gunpoint, and to acquire the Violeta concession owned by Millrock into a unified Cecilia Gold Project. The Company could acquire a 100% interest in the La Cecilia Margarita concessions from Gunpoint with the following terms:

Due date	Cash	Common shares
Upon signing of letter agreement (January 31, 2017)	$ 10,000 (paid)	-
Upon signing of Mexican agreement (June 2017)	$ 15,000 (paid)	100,000 (issued, fair value: $46,000)
January 31, 2018	$ 25,000 (paid)	200,000 (issued, fair value: $54,000)
January 31, 2019	$ 75,000 (paid)	300,000 (issued, fair value: $51,000)
January 31, 2020	$ 125,000 (paid)	400,000 (issued, fair value: $56,000)

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

(e) Cecilia, Sonora, Mexico (continued)

In addition to the payments made to Gunpoint above, the Company acquired a 100% interest in the Violeta concession from Millrock during the year ended September 30, 2017 by paying $10,000 and issuing 100,000 common shares with a fair value of $46,000 to Millrock upon completion of property title transfer, subject to 0.5% NSR.

On July 15, 2020, the Company entered into an Definitive Option Agreement with Carlyle Commodities Corp. (“Carlyle”) whereby Carlyle could acquire a 100% interest in the Cecilia Property, by paying $200,000 in cash, issuing 1,500,000 common shares and 3,000,000 special warrants, and incurring exploration expenditures of $2,500,000 over a three-year period as per below, while retaining a 2.5% NSR.

Due date	**Cash**	**Common shares**	**Special warrants**	**Exploration expenditures**
June 23, 2020 (signing of LOI)	$10,000 (received)[1]	-	-	-
July 15, 2020	$40,000 (received)[2]	1,500,000 (received)[3]	3,000,000 (received) [3]	-
July 15, 2021	$50,000 (received) [4]	-	-	$ 750,000 (achieved)
July 15, 2022	$50,000	-	-	$ 500,000
July 15, 2023	$50,000	-	-	$ 1,250,000

[1] Option payments were received on June 23, 2020
[2] Option payment was received on July 16, 2020
[3] 1,500,000 common shares and 3,000,000 special warrants were received on July 13, 2020. The special warrants are subject to the following vesting schedule: 500,000 vested 12 months after issuance, 500,000 vested 18 months after issuance, 500,000 vested 24 months after issuance, 500,000 vested 30 months after issuance, and 1,000,000 vested 36 months after issuance. Unless the option agreement expires or is terminated, the special warrants will be converted to common shares in Carlyle with no additional consideration. Upon expiration or termination of the option agreement, any unvested special warrants are terminated. On July 13, 2021, 500,000 special warrants were vested and converted to common shares with a fair market value of $47,500. On January 13, 2022, 500,000 special warrants were vested and converted to common shares with a fair market value of $15,000.
[4] Option payment was received on July 12, 2021

On August 17, 2020, the Company received $150,000 as exploration advance from Carlyle for generative exploration during the period from July 15 to September 30, 2020. As of September 30, 2020, the Company had spent the overall $150,000 for the generative exploration program.

During the year ended September 30, 2021, the Company received $600,000 in total as exploration advance from Carlyle for generative exploration in 2021. As of September 30, 2021, the Company had spent the overall $600,000 for the generative exploration program.

During the period ended December 31, 2021, the Company recognized and received $nil (September 30, 2021 $51,101) as operational fee recovery.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

(f) Teco, Sonora, Mexico

The Company has a 100% ownership interest in the Teco Project which is made up of two concessions: Teco and Suaqui Grande.

(g) Australia, Sonora, Mexico

The Company has a 100% interest ownership interest in the Australia Project which is made up of two concessions: Sandy and Sandy 2.

(h) Suaqui Verde, Suaqui Grande, Mexico

The Company has a 100% interest in Suaqui Verde and Suaqui Grande Properties.

On December 24, 2021, the Company entered into an Definitive Option Agreement with Southern Empire Resource Corp. ("Southern Empire") whereby Southern Empire could acquire a 100% interest in the Suaqui Verde Property, by paying $112,500 in cash, issuing 1,625,000 common shares while retaining a 2.5% NSR on precious metal products and 1.75% NSR on base metal products. The transaction details as below:

Due date	Cash	Common shares
Upon the closing date (December 24, 2021)	$ 25,000 (paid)	500,000 (received)
On or before the first anniversary of the closing date (December 24, 2022)	$ 37,500	550,000
On or before the second anniversary of the closing date (December 24, 2023)	$ 50,000	575,000

On October 1, 2021, the Company received the payment of $50,000 for granting an exclusivity period of 60 days from October 1, 2021 to complete its due diligence on the Suaqui Verde property.

(i) Los Cuarentas, Sonora, Mexico

On June 24, 2019, the Company entered into a binding letter agreement ("Letter Agreement") with Millrock to acquire a 100% undivided right, title, and interest in five projects, including Los Cuarentas, La Union, El Valle, Llano del Nogalo and El Pima, at a purchase price of $35,000 cash (paid) and 150,000 common shares (issued at a fair market value of $24,000). During the year ended September 30, 2021, the Company has officially obtained ownership of the properties of Llano del Nogalo and EI Valle.

On June 17, 2020, the Company entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for the Company's 100% owned Los Cuarentas Gold-Silver Project (the "Project").

9. Exploration and evaluation assets (continued)

(i) Los Cuarentas, Sonora, Mexico (continued)

On April 9, 2021, Hochschild initiated the termination of the option agreement by undertaking the costs of reclamation works and the federal annual concession maintenance fees due prior to September 6, 2021. On May 14, 2021, the Company received US$23,793 as exploration advance for the reclamation costs and the federal annual concession maintenance fees during the period from April to September 2021 and therefore, Hochschild has no further obligation with respect to the project.

During the period ended December 31, 2021, the Company recognized and received $nil (September 30, 2021 $78,338) as operational fee recovery.

(j) La Union, Sonora, Mexico

The Company has a 100% exploration concession interest in the La Union Property.

(k) Northwestern Ontario, Canada

In April 2019, the Company acquired a 100% interest in the Oakes, Longrose, Pichette and Vincent projects in Northwestern Ontario, Canada. In July 2020, the Company expanded and acquired a 100% interest in the High Lake (Kenora) project in Western Ontario, Canada.

On October 28, 2021, the Company entered into an Definitive Option Agreement with Golden Retriever Minerals Ltd. ("Golden Retriever") whereby Golden Retriever could acquire a 100% interest in the High Lake Property, by paying $125,000 in cash while retaining a 2% NSR. The transaction details as below:

- $50,000 to be paid to Riverside on closing date of October 28, 2021 (Paid).
- $75,000 to be paid to Riverside before the 28th of March 2022. Riverside will file the work it has so far completed with the Ontario Ministry and Regulatory Mineral Claims Authority.
- Riverside will be granted a 2% NSR on each of the Royal, Canoe and Electrum Projects. Each of the royalty granted on each project can be bought down to 1% for a total of $2 million for a determined period of time. Once the final Option payment is made to Riverside and should the Option not be completed then the properties are fully returned to Riverside in good standing.

On February 10, 2021, the Company announced the sales of Oakes, Pichette and Longrose projects in northwestern Ontario for 8,000,000 common shares and a one-time bonus $500,000 in cash or share consideration for drill results of 100 g/m gold intercept at any of the three properties sold by the Company to iMetal Resources Inc. ("iMetal"), as well as the Company retaining a 2.5% Net Smelter Royalty (NSR) on each project. On November 18, 2021, the Company terminated the proposed acquisition with iMetal. As at December 31, 2021, the Company has a total receivable of $36,104 related to the exploration expenditures to be reimbursed by iMetal.

(Unaudited - Expressed in Canadian Dollars)

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of payables to vendors and exploration advances from alliance partners. The breakdowns of accounts payable and accrued liabilities are as follows:

	December 31, 2021	September 30, 2021
Payables to vendors	$ 131,007	$ 474,271
Exploration advances*	2,455,606	2,423,630
	$ 2,586,613	$ 2,897,901

*Exploration advances is in connection to the BHP, Carlyle and Hochschild projects. Refer to Note 9 (e),(i) and the following exploration alliance program for further details.

Exploration Alliance Program_ Palo Fierro, Sonora, Mexico

On May 15, 2019, the Company entered into an exploration financing agreement with BHP Exploration Chile SpA ("BHP") for funding of generative exploration in the copper producing belt of Mexico (the "Program").

On December 16, 2020, the Company received US$340,855 as exploration advance for the additional MT survey project under the second HVWP for the exploration expenditures incurred from December 2020 to March 2021. As of March 31, 2021, the Company had completed and spent the US$340,855 for the MT survey project.

On April 8, 2021, the Company received US$546,708 as the second part of exploration advances for the generative exploration during the period from January 1 to May 15, 2021 in the second year. As of May 15, 2021, the Company had spent the US$546,708 for the second part of generative exploration in the second year.

On July 16, 2021, the Company received US$650,747 as the first part of exploration advances for the generative exploration during the period from May 15 to October 31, 2021 in the third year.

On August 10, 2021, the Company received US$536,665 as exploration advance for the additional Penitas project under the third HVWP and received US$926,609 as exploration advance for the additional Sinoquipe project under the fourth HVWP for the exploration expenditures incurred from June to December 2021

On November 2, 2021, the Company received US$745,414 as exploration advance for the Palofierro project and received US$191,293 as an advance for the acquisition of Esperanza concession from Chuin project under the fifth HVWP for the exploration expenditures incurred from November 2021 to May 2022.

During the period ended December 31, 2021, the Company recognized and received $91,907 (September 30, 2021 $266,309) as operational fee recovery.

During the period ended December 31, 2021, the Company recognized the $71,855 (September 30, 2021- $127,595) for the rental vehicles and exploration equipment recovery as other income.

(Unaudited - Expressed in Canadian Dollars)

11. Government loan

In May 2020, the Company secured a $40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program.

Terms of the CEBA loan:

- The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,
- If there is a balance outstanding after December 31, 2020, the remaining outstanding amount will be converted into a 2-year interest-free term loan effective January 1st, 2021,
- If $30,000 is repaid by December 31, 2022, $10,000 of the loan will be forgiven,
- On December 31, 2022, the term loan will be automatically extended for another 3 years at the rate of 5% per annum on any balance remaining.

The Company has estimated the initial fair value of the CEBA loan at $30,927, using a discount rate of 10%, which was the estimated rate for a similar loan without the interest-free component. The difference of $9,073 will be accredited to the loan liability over the term of the CEBA loan and offset to other income on the statements of income and comprehensive income (loss).

The details of the CEBA loan is as follows:

		December 31, 2021		September 30, 2021
Opening balance	$	-	$	31,970
Interest expense		-		2,299
Repayment		-		(30,000)
Forgiveness of the accrued interests		-		(4,269)
Ending balance	**$**	**-**	**$**	**-**

On June 11, 2021, the Company repaid $30,000 cash payment for the CEBA loan and accordingly, the accrued interests of $4,269 was forgiven as per the terms of the loan agreement.

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves

The authorized capital stock of the Company consists of an unlimited number of common and preferred voting shares without nominal or par value.

Issued and outstanding

Shares issued for the period ended December 31, 2021

There were no shares issued for the three months ended December 31, 2021.

Shares issued for the year ended September 30, 2021

(a) During the year ended September 30, 2021, the Company issued 2,173,000 common shares for the exercise of warrants for net proceeds of $366,285.

(b) During the year ended September 30, 2021, the Company issued 717,500 common shares for the exercise of options for net proceeds of $79,925, and the Company transferred $60,665 from reserves to share capital.

Share purchase and finders' warrants

	Number of warrants	Weighted average exercise price
Outstanding warrants, September 30, 2020	13,297,932	$ 0.22
Exercised	(2,173,000)	0.22
Expired	(11,124,932)	0.22
Outstanding warrants, September 30 and December 31, 2021	-	$ -

Capitan was liable to issue shares pursuant to the Arrangement, whereby a holder exercised a Riverside warrant they would be entitled to receive one new Riverside common share and 0.2594 of a Capitan common share. The exercise price of the Riverside warrants would remain the same; however, Riverside would need to compensate Capitan for each Capitan common share that was issued on exercise of a Riverside warrant. During the year ended September 30, 2021, 2,173,000 of Riverside's warrants were exercised, as a result, Capitan issued 563,676 common shares and Riverside compensated Capitan for $111,775.

The incremental fair value of 22,000 finders' warrants repriced during the year ended September 30, 2020, as result of the Arrangement, was estimated to be $768 on the modification date using the Black-Scholes option pricing model with the following weighted average assumptions: Risk-free interest rate – 0.27%, Expected life – 0.59 year, expected volatility - 114.05%, Expected dividend yield – Nil, Weighted average fair value per warrant - $0.30.

On March 19, 2021, the 22,000 finder's warrants expired unexercised.

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves (continued)

Share purchase and finders' warrants (continued)

Bonus share plan

The Company has a bonus share plan ("Bonus Plan") that enables the directors to approve the issuance of bonus shares to employees, officers, directors and consultants of the Company. The Bonus Plan puts the number of bonus shares that may be issued under the Bonus Plan to be 400,000 common shares per year. During the period ended December 31, 2021, nil (September 30, 2021 - nil) bonus shares were issued under this plan.

Stock options

The Company has established a rolling stock option plan ("Option Plan") enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding listed shares (on a non-diluted basis) less that portion of the 400,000 that may be issued as bonus shares that have not been so issued as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. All stock options issued are subject to vesting terms. Options issued to directors, vest in the amount of 33% every six months from the date of grant; and options issued to officers and/or consultants vest between 12 and 24 months depending on date of grant and nature of service. The exercise price of each option equals the market price, minimum price, or discounted market price of the Company's shares as calculated on the date of grant.

Share-based payments relating to options vested during the three months ended December 31, 2021, using the Black-Scholes option pricing model was $36,962 (September 30, 2021 - $272,362), of which $nil was associated with the incremental fair value of stock options repriced as a result of the Arrangement. The associated share-based payment expense for the options granted during the year was calculated based on the following weighted average assumptions:

	December 31, 2021	September 30, 2021
Forfeiture rate	0.00%	0.00%
Estimated risk-free rate	1.12 %	1.16 %
Expected volatility	88.29%	89.30%
Estimated annual dividend yield	0.00 %	0.00 %
Expected life of options	5.00 years	5.00 years
Fair value per option granted	$ 0.16	$ 0.20

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves (continued)

The number and weighted average exercise prices of the stock options are as follows:

	Number of options	Weighted average exercise price
Outstanding options, September 30, 2020	3,870,500	$ 0.18
Expired	(15,000)	$ 0.11
Granted	1,330,000	$ 0.30
Exercised	(717,500)	$ 0.11
Forfeited	(85,000)	$ 0.21
Outstanding options, September 30, 2021	4,383,000	$ 0.23
Expired	(895,000)	$ 0.32
Granted	1,000,000	$ 0.16
Forfeited	(200,000)	$ 0.21
Outstanding options, December 31, 2021	4,288,000	$ 0.19

During the three months ended December 31, 2021, 200,000 stock options were forfeited and 895,000 stock options expired unexercised.

During the year ended September 30, 2021, 717,500 stock options were exercised, 85,000 stock options were forfeited and 15,000 stock options expired unexercised.

On October 19, 2020, the Company granted 1,330,000 incentive stock options (the “Options”) to certain directors, officers and consultants of the Company. The Options are exercisable at $0.30 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

On November 17, 2021, the Company granted 1,000,000 incentive stock options (the “Options”) to certain directors, officers and consultants of the Company. The Options are exercisable at $0.16 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves (continued)

Stock options (continued)

As at December 31, 2021, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	*Exercise price	Number of options exercisable
11/03/2022	638,000	0.84	$ 0.21	638,000
01/08/2024	525,000	2.02	$ 0.13	525,000
11/15/2024	775,000	2.88	$ 0.11	775,000
03/27/2025	100,000	3.24	$ 0.12	100,000
10/19/2025	1,250,000	3.80	$ 0.30	1,166,667
11/17/2026	1,000,000	4.88	$ 0.16	-
	4,288,000			3,204,667

*According to the Arrangement with Capitan on August 14, 2020, each Riverside Option were exchanged for one Riverside Replacement Option to acquire one New Riverside Share and one Capitan Option to acquire 0.2594 of a Capitan Share. As a result, the above exercise prices have been properly reflected to the new Riverside Replacement Option prices.

13. Related party transactions

The Company entered into the following transactions with related parties:

Payee / Payer	Nature of transactions	Period ending December 31,	Fees (Income) ($)	Shares ($)	Amount payable (receivable) at period end ($)
Arriva Management Inc.	Management and consulting fees (i)	2021 2020	58,200 58,200	Nil Nil	11,623 Nil
GSBC Financial Management Inc.	Management and consulting fees (i)	2021 2020	24,000 24,000	Nil Nil	Nil Nil
Alberto Orozco	Consulting fees (i)	2021 2020	- 479	Nil Nil	Nil Nil
FT Management Inc.	Management and consulting fees (i) and Rent (iii)	2021 2020	44,400 36,815	Nil Nil	2,497 Nil
Omni Resource Consulting Ltd.	Consulting fees (i)	2021 2020	6,000 25,000	Nil Nil	Nil Nil
Brian Groves	Director fees	2021 2020	3,000 3,000	Nil Nil	Nil Nil
Carol Ellis	Director fees	2021 2020	3,000 3,000	Nil Nil	Nil Nil
Walter Henry	Director fees	2021 2020	3,000 3,000	Nil Nil	Nil Nil
First Helium Inc.	Rent (ii)	2021 2020	- (6,000)	Nil Nil	Nil Nil

(Unaudited - Expressed in Canadian Dollars)

13. Related party transactions (continued)

The remuneration of related parties during the period ended December 31, 2021 and 2020 are as follows:

	2021	2020
Directors' fees	$ 9,000	$ 9,000
Management and consulting fees (i)	118,050	112,679
Share-based payments	22,754	57,604
	$ 149,804	$ 179,283

(i) Management and consulting fees of the key management personnel for the three months ended December 31 were allocated as follows: $56,850 (2020 - $27,000) expensed to consulting fees, $41,400 (2020 - $25,800) capitalized to exploration and evaluation assets and $19,800 (2020 - $59,879) capitalized to exploration work performed for alliances that will be reimbursed.

(ii) From February 2019 to June 2021, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the three months ended December 31, 2021, the Company recognized rental recovery of $nil (2020 - $6,000) from First Helium, which was recorded in other income.

(iii) During the three months ended December 31, 2021, the Company incurred rent expense of $14,550 (2020 - $20,315) as a result of a shared office space with FT Management Inc., a company controlled by spouses of officers of the Company.

14. Segmented information

The Company operates in one business segment, the exploration of exploration and evaluation assets and prospect generation. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making. Geographical information is as follows:

	December 31, 2021	September 30, 2021
Equipment		
Canada	$ 4,093	$ 4,332
Mexico	214,223	229,738
	218,316	234,070
Exploration and evaluation assets		
Canada	822,238	836,420
Mexico	5,413,252	5,253,036
	6,235,490	6,089,456
Total	$ 6,453,806	$ 6,323,526

(Unaudited - Expressed in Canadian Dollars)

15. Supplemental disclosure with respect to cash flows

	December 31, 2021	September 30, 2021
Cash	$ 6,745,248	$ 5,837,104
Cash equivalents	135,350	135,280
	6,880,598	5,972,384

The significant non-cash transactions for the period ended December 31, 2021 were as follows:

a) Included in accounts payable was $23,994 in exploration and evaluation asset expenditures.

The significant non-cash transactions for the year ended September 30, 2021 were as follows:

b) The Company received 500,000 Carlyle shares valued at $47,500 as exploration and evaluation assets recoveries (Note 9 (e)).
c) Included in accounts payable was $126,591 in exploration and evaluation asset expenditures.

16. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes in the Company's approach to capital management during the period ended December 31, 2021.

The Company is not currently subject to externally imposed capital requirements.

17. Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

17. Financial instruments (continued)

The fair value of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities and government loan approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's public company short-term investments, are based on level 1 quoted prices in active markets for identical assets and liabilities. Financial instruments valued at level 2 inputs consist of the Company's private company short-term investments. The key assumptions driving the valuation of the private company short-term investments include, but are not limited to the value of completed financings by the investee.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held with major financial institutions in Canada and Mexico which management believes the risk of loss to be remote. Receivables consist of tax refunds from the Federal Government of Canada and Mexico, in which regular collection occurs. The Company believes its credit risk is equal to the carrying value of this balance.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company had cash and cash equivalents of $6,880,598 to settle current liabilities of $3,607,709. The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has interest-bearing cash balances. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of December 31, 2021, the Company had investments in short-term deposit certificates of $23,000.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains short-term investments, which include marketable securities (Note 5). There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, and accounts payable and accrued liabilities that are denominated in US dollars (US) and Mexican pesos.

17. Financial instruments (continued)

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the US dollar and the Mexican peso. A simultaneous 10% fluctuation in the US dollar and Mexican peso against the Canadian dollar would affect loss for the period by $354,184.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. A simultaneous 15% fluctuation in share prices would affect short-term investments and profit or loss for the year by approximately $17,789.

18. Mexico tax liability

During the year ended September 30, 2019, the Company received a final verdict of a lawsuit against the Government of Mexico. The funds provided by the Company to its wholly-owned subsidiary Riverside Resources Mexico S.A. de C.V. ("RRM") in fiscal 2010 were deemed to be income. The Mexican tax authority passed a decision to impose a lien on RRM's assets and a tax penalty of $1,131,026 on RMM. Accordingly, the Company recorded a tax penalty totaling $1,131,026. The Mexican tax authority has not enforced the lien and the lien does not impede RRM's ability to carry out its business operations.

As at December 31, 2021, the Company recognized $1,021,096 (September 30, 2021 - $1,022,086) as provision liability as a result of the foreign exchange movement. The Company is currently negotiating with the tax authority on a settlement.

19. Subsequent event

On February 15, 2022, the Company completed its non-brokered private placement of charity flow-through shares for gross proceeds of 720,475. The Company issued 3,430,833 flow-through shares at a price of $0.21 per share. No share issuance cost incurred for this financing.

RIVERSIDE RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2021

INTRODUCTION

The management discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Riverside Resources Inc. (the "Company" or "Riverside") for the three months ended December 31, 2021. In order to better understand the MD&A, it should be read in conjunction with the audited financial statements and related notes for the year ended September 30, 2021. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with appropriate regulatory authorities in Canada. This MD&A is current to February 28, 2022 and in Canadian dollars unless otherwise stated.

Additional information relating to the Company, including its Information Circular for the financial year ended September 30, 2021, is available under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

CORPORATE OVERVIEW

The Company is a mineral exploration and evaluation company listed on the TSX Venture Exchange under the symbol "RRI" and is engaged in the acquisition, exploration and evaluation of exploration and evaluation assets in the Americas including Canada, the United States and Mexico where the technical team collectively has more than 100 years of exploration experience and has been part of more than five discoveries that have gone into production.

The Company combines the experience of mine discoverer John-Mark Staude (President, CEO, Director), Freeman Smith (Vice President Exploration), and Alberto Orozco (VP Corporate Development) with the finance and business management expertise of Rob Scott (CFO), Brian Groves (Director), James Clare (Director), Walter Henry (Director) and Carol Ellis (Director). Management has experience in developing significant shareholder value and they have assembled a team that can build a valuable and successful organization.

HIGHLIGHTS OF EVENTS OCCURING DURING AND SUBSEQUENT TO DECEMBER 31, 2021

COVID19 update

Although Riverside during 2021 and now into 2022, strives to maintain a safe, healthy working environment for all, with a strong safety culture where everyone is continually reminded of the importance of keeping themselves and their colleagues healthy and injury-free. Throughout the year, the company continued to advance implementation of its sustainability performance management framework, which includes standards specific to safety leadership and managing higher-risk activities. The company's overarching commitment is to have all employees and contractors return home safe every day.

The World Health Organization declared COVID-19 a pandemic on March 11, 2020. The company responded rapidly and pro-actively and implemented several initiatives to help protect the health and safety of the company's employees, their families and the communities in which the company operates.

Specifically, each program site activated established COVID19 management plans and developed specific plans that have enabled the Company to meet and respond to changing conditions associated with COVID-19. The company has adopted the advice of public health authorities and is adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates.

The following measures have been instituted at sites to prevent the potential spread of the virus:

- Medical screening for all personnel prior to entry to site for symptoms of COVID-19;
- Testing of personnel at all operating sites prior to starting their work rotation;
- Vaccinations supported for contractors and employees;
- Training on proper hand hygiene and social distancing;
- Remote work options have been implemented for eligible team members;
- Social distancing practices have been implemented for all meetings, office work, field work and transportation;
- Mandatory use of personal protective equipment for employees where social distancing is not practicable;
- Proactive camp and site hygiene protocols have been instituted and are being followed;
- Elimination of all non-essential business travel;
- In addition, since the COVID-19 pandemic began the company's teams in Mexico have donated their time, medical supplies and training to help combat the effects and spread of the virus.

COVID 19 -- impact on projects

Given the significant precautionary measures taken by the company, and thanks to the dedication of its employees, contractors and stakeholders, projects remain relatively unaffected by COVID-19. All the company's programs continue to incur additional costs related to testing of personnel, lodging and transportation, which have been included in exploration costs.

Financing

On February 15, 2022, the Company completed its charity flow through private placement, whereby the Company issued 3,430,833 common shares on a flow-through basis at a price of $0.21 per share for gross proceeds of $720,475 with $nil brokerage or finder fees. Furthermore, there was no warrant associated with this financing and to date, the Company has no warrant outstanding.

Sale of short-term investments

During the three months ended December 31, 2021, the Company sold 324,500 shares of Arizona Metal Corp. for net proceeds of $1,471,070.

Sale of mineral claims

On February 10, 2021, the Company announced the sales of Oakes, Pichette and Longrose projects in northwestern Ontario for 8,000,000 common shares and a one-time bonus $500,000 in cash or share consideration by the Company to iMetal Resources Inc. ("iMetal"), as well as the Company retaining a 2.5% Net Smelter Royalty (NSR) on each project. On November 18, 2021, the Company terminated the proposed acquisition with iMetal and therefore, iMetal has no further obligation with respect to the project and the related accounts receivable of $110,117, in connection with the Oakes expenditures from February to September 2021, was reversed accordingly. Please refer to the section of "OPERATIONS" for details.

On December 1, 2021, the Company announced it took back 100% ownership of its 3 projects in the Beardmore-Geraldton Greenstone Belt ("BGGB") in Ontario, Canada from iMetal.

CAPITAL STOCK

As at December 31, 2021, the Company had $25,468,861 in capital stock and 71,017,631 common shares outstanding.

Options

On November 17, 2021, the Company granted 1,000,000 incentive stock options (the "Options") to certain directors, officers and consultants of the Company. The Options are exercisable at $0.16 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

Stock option activity for the three months ended December 31, 2021 included the following:

(a) 1,000,000 options were granted, exercisable at a price of $0.16 per common share for a period of 5 years.

(b) 200,000 options were forfeited

(c) 895,000 stock options expired unexercised

Stock option activity for the year ended September 30, 2021 included the following:

(d) 1,330,000 options were granted, exercisable at a price of $0.30 per common share for a period of 5 years.

(e) 717,500 options were exercised for net proceed of $79,925

(f) 85,000 options were forfeited

(g) 15,000 stock options expired unexercised

Warrants

There are no share purchase warrants outstanding as at December 31and September 30, 2021, respectively.

OPERATIONS

The Company's exploration team remains active in Mexico and Canada. The Company has four gold projects in Ontario, Canada continuing to cost-effectively build a strong asset portfolio of gold, silver and copper exploration projects. The Company continues to focus on northwestern Mexico where it has exploration partners funding programs that focus on gold, silver and copper. The Company is also progressing in Ontario, Canada toward drill testing the Oakes project in the Beardmore Geraldton Greenstone Gold Belt.

Strategic Funding Agreement with BHP in Sonora, Mexico

Operational Details during the period ended December 31, 2021 and 2020

On December 16, 2020, the Company received US$340,855 as exploration advance for the additional MT survey project for the Chuin project under the second HVWP ("High Value Work Program") for the exploration expenditures incurred from December 2020 to March 2021. As of March 31, 2021, the Company had completed and spent the US$340,855 for the MT survey project.

On April 8, 2021, the Company received US$546,708 as the second part of exploration advances for the generative exploration during the period from January 1 to May 15, 2021. As of May 15, 2021, the Company had spent the US$546,708 for the second part of the second year of generative exploration program.

On May 27, 2021 the Company expanded and extended into a 3rd year the Generative Exploration program with BHP for copper in Sonora, Mexico with funding of US$1,300,000 that is focused on generating new projects as the Company has now built up a porphyry portfolio and target ideas.

On June 21, 2021 the Company received approval from BHP to move forward with 5 projects having additional high value funding expanding from the generative budget of US$1,300,000. Further field review with BHP will be completed and planned MT geophysics. On July 16, 2021, the Company received US$650,747 as the first part of exploration advances for the generative exploration during the period from May 15 to October 31, 2021 in the third year.

On July 15, 2021, the Company received approval from BHP to advance Penita and Sinoquipe projects with MT geophysical surveys. BHP approved drill funds for Sonora at this time with the total approved amount of USD$5,400,000. On August 10, 2021, the Company received US$536,665 as exploration advance for the additional Penitas project under the third HVWP and received US$926,609 as exploration advance for the additional Sinoquipe project under the fourth HVWP for the exploration expenditures incurred from June to December 2021.

On October 18, 2021, the Company received from BHP for advancing the next HVWP Palofierro project a total amount of USD$745,414 and advance to the acquisition of right of third-party concessions of Chuin project for an amount of USD$191,293. Both approved funds were received on November 2, 2021.

On January 5, 2022, the Company received US$689,713 as the second part of exploration advance for the generative exploration from November 1, 2021 to May 15, 2022.

Canada

As of the year ended September 30, 2020, the Company held 100% interest in the High Lake, Longrose, Oakes, Pichette, and Vincent projects in northwestern Ontario, Canada. During this year Vincent and Pichette were combined.

High Lake Greenstone Belt, Kenora, Northwestern Ontario

On October 28, 2021, the Company entered into a Definitive Option Agreement with Golden Retriever Minerals Ltd. ("Golden Retriever") whereby Golden Retriever could acquire a 100% interest in the High Lake Property, by granting a 2% NSR on each of the three projects, agreeing to complete all required spending, taxes, keep in good standing and paying Riverside $125,000 in cash. The transaction greater details as below:

- C$50,000 to be paid to Riverside on closing date of October 28, 2021 (Paid).
- C$75,000 to be paid to Riverside before the 28th of March 2022. Riverside will file the work it has so far completed with the Ontario Ministry and Regulatory Mineral Claims Authority.
- Riverside will be granted a 2% NSR on each of the Royal, Canoe and Electrum Projects. Each of the royalty granted on each project can be bought down to 1% for a total of CAD $2 million on each project for a determined period of time.

Once the final Option payment is made to Riverside and should the Option not be completed then the properties are fully returned to Riverside in good standing with all required work, taxes and data.

Beardmore Geraldton Greenstone Belt Portfolio, Ontario (Oakes, Pichette, Longrose)

On February 10, 2021, the Company announced the sale of the Company's Oakes, Pichette and Longrose Projects in northwestern Ontario to iMetal Resources Inc.("iMetal") as part of the Beardmore Geraldton Gold Belt (BGGB).

- The Oakes Project is 5,600 hectares and host to several gold bearing shear zones. Channel sampling by Riverside (2019) of Trench 1 in the HG shear zone returned values of 31.9 g/t gold, 19.7 g/t gold and 6.9 g/t gold over 0.5 to 1.0 m intervals. In 2022 Riverside will conduct a core drilling program at Oakes.

- The Pichette Project is 1,650 hectares and hosts gold in banded iron formation and metasediments. Historic drill intersections of 4.78 g/t gold over 0.65 m and historic surface grab sample highlights of 24.55 g/t gold, 21.42 g/t gold and 16.01 g/t gold. Source (PME) 1990 42E12NE0168.

- The Longrose Project is 360 hectares and adjacent to the historic Leitch and Sand River Mines and hosts gold quartz veins. Drill highlights include 30.8 g/t gold over 0.15m and 10.28 g/t gold over 0.45m from quartz veins (Longrose Gold Mines, 1947).

The BGGB is comprised of a series of east-west trending Archean metavolcanic and metasedimentary belts, divided into a northern, central and southern assemblage. The northern assemblage consists of mafic metavolcanic flows overlain by intermediate pyroclastics and capped to the south by a sulphide facies iron formation. Gold deposits in the BGGB district include the 4.6 Moz Hardrock deposit[1] near Geraldton which was recently acquired by Equinox Gold Corp. from Premier Gold Mines Limited. The deposits are considered classic examples of epigenetic non-stratiform BIF-hosted gold deposits. Other notable deposits within the BGGB include the Brookbank (0.6 Moz M&I)[2]. Past production from the belt is estimated at 4.1M ounces which include the McCleod, Sand River and Leitch Mines (past production of 0.9 Moz)[3], Northern Empire Mine and the Sturgeon River Mine.

<u>Details of the transaction</u>

iMetal will issue 8 million shares from treasury upon TSX Venture Exchange approval to Riverside to complete the transaction of buying Oakes, Longrose, and Pichette projects. Riverside is entitled to a one-time bonus payment of $500,000 in cash or shares at iMetal's option in the event a drill intersection in excess of 100-gram-metres is reported. Riverside will retain a 2.5% Net Smelter Return (NSR) Royalty.

On November 18, 2021, the Company terminated the proposed acquisition with iMetal and therefore, iMetal has no further obligation with respect to the project and the related accounts receivable of $110,117, in connection with the Oakes expenditures from February to September 2021, was reversed accordingly.

During the months of the partnership, Riverside acted as exploration operator completing a summer field program. During the agreement with iMetal, Riverside more than doubled the induced polarization survey (IP) grid as well as conducted a focused sampling and mapping program along the survey grid at the Oakes Gold Project.

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[1] G Mining Services Inc. (Louis-Pierre Gignac, P.Eng et el), December 2016: NI 43-101 Technical Report Hardrock Project, Ontario, Canada for Greenstone Gold Mines

[2] Micon International Inc. Alan J. San Martin, and Charley Murahwi, (2012). Technical report on the Mineral Resources Estimates for the Brookbank and KeyLake projects Trans-Canada Property Beardmore-Geraldton Area Northern Ontario Canada Dated December 14, 2012.

[3] Mineral Deposit Inventory for Ontario, Ministry of Energy, Northern Development and Mines, Record: MDI52H09SE00004 (Leitch Mine).

Mexico

La Union Gold Project, Sonora, Mexico

On October 6, 2021, the Company announced high-grade gold samples from initial field work and the mineral tenure consolidation and expansion of La Union Polymetallic Project in Sonora, Mexico. The acquisition of these additional concessions provides Riverside with an expanded land position and further control of the historical mines and old workings across the district. The consolidation through the acquisition of small internal concessions provides Riverside an option on the high-grade, previous small scale mine properties, internal to the larger surrounding 100% Riverside owned mineral concessions and increases the property total area to over 26 km^2 (2,604 hectares).

Riverside's initial field work included selective rock sampling from abandoned mine workings and dumps with results returning up to 59.4 g/t Au and 833 g/t Ag (see Table below).

Table 1: Sample Results from La Union Polymetallic Project

Sample ID	Au(g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Type	Description
RRI7891	59.4	833	5.76	4.16	0.3	rock chip	massive sulfide - dolomitic breccia
RRI7895	40	3.3			0.13	mine dump	massive sulfide and jasperoid
RRI7894	8.3	239			0.17	mine dump	jasperoid
RRI7890	1.367	50	1.63	1.43		mine dump	sulfide-oxide bearing breccia
RRI7893	0.473	12.4				rock chip	brecciated contact - dolomite/quartzite
RRI7889	0.072	76.4				rock chip	brecciated contact - dolomite/limestone

Note: Six of the higher-grade due diligence samples out of eight total are shown in Table above.

Transaction Details for the Acquisition:

Riverside has optioned over a 4-year term the properties with staged cash payments without any retained NSR. The terms for each respective property (La Famosa and Plomito) are presented below:

YEAR	PAYMENTS	LA FAMOSA	PLOMITO
0	On Signing	$ -	$ -
1	12 months	$ 10,000.00	$ 10,000.00
2	24 months	$ 15,000.00	$ 15,000.00
3	36 months	$ 25,000.00	$ 25,000.00
4	48 months	$ 50,000.00	$ 40,000.00
5	60 months	$ 75,000.00	$ 75,000.00
TOTAL		$ 175,000.00	$ 165,000.00

On January 5, 2022, the Company reported high grade surface sample assay results from its most recent field exploration program at La Union Project in Sonora, Mexico. After completing a claim consolidation in September, Riverside conducted a follow up field mapping and sampling program of 103 samples with the best sample returning 83.2 g/t (2.6 oz/t) gold and 4,816 g/t (150 oz/t) silver. The work further enhanced Riverside's understanding of the structural and lithological context by linking the small historical workings into a larger regional context.

Riverside's team returned and was able to define the extent of the mineralization. The highlights of this latest work defined high grade polymetallic samples up to 30% Zn, 83.2 g/t Au, 4,816 g/t Ag, 10.3% Pb (see Table below). Of the 103 samples assay value ranged from 83.3 g/t gold to non-detectable with about 30% of the samples returning significant values in gold, silver, lead and/or zinc the best being.

- Au – high: 83.2 g/t; low cut-off: 0.5 g/t
- Ag – high: 4,816 g/t; low cut-off: 300 g/t
- Pb – high: 10.3%; low cut-off: 0.1%
- Zn – high: 30%*; low cut-off: 0.1%

*30% Zn is the upper detection limit in analysis method performed

Table: Assays from La Union Polymetallic Project. Results from November 2021 program

Sample ID	Au(g/t)	Ag (g/t)	Pb (%)	Zn (%)	Sample Type	Width_m	Description
RRI-10180	83.2	1.1	-	-	chips		oxide veining
RRI-10178	22.6	20.3	-	-	dump		oxide veining
RRI-7814	0.3	4816	10.3	3.5	chips		oxide veining
RRI-10155	0.0	14.7	1.1	30	dump		hanging wall copper oxides
RRI-10156	0.0	8.2	2	21.4	chips		gossan
RRI-10157	0.1	176	3.8	19.8	chips		carbonate replacement
RRI-10865	9.4	107.6	0.06	1.6	chip channel	0.8	oxides
RRI-10866	9.9	53.6	0.01	2.5	chip channel	1.6	brecciation with oxides
RRI-10888	3.6	373	7.3	7.3	chip channel	0.6	manto with copper oxides
RRI-10889	2.6	169.7	0.7	6.6	chip channel	1.5	brecciation with oxides
RRI-10869	4.2	42	2.3	3.5	dump		brecciation with oxides
RRI-10189	6.1	23.4	8.2	0.06	chips		oxide veining
RRI-7808	8.8	183.2	3.9	3.4	chips		oxide veining

Note: Best 13 assays from 103 samples collected.

Los Cuarentas Gold Project, Sonora, Mexico

On January 12, 2021, Riverside announced drill results and published these on the Company website with maps, cross sections and interpretations. Drilling intersected 3.44m of 1.04 g/t Au and 57.8 g Ag among other intercepts on the Santa Rosalia structural target which is one of 4 high priority targets for further drill testing.

On May 19, 2021, the Company completed work with Hochschild Mining with over US$1,200,000 invested in the project including the development of 4 key drill areas of which Hochschild completed work on 1 and now 3 areas remain open and undrilled. Riverside took over control of the project and Hochschild forfeited its option after completing 1,500m of drilling at Santa Rosalia.

On July 29, 2021, the Company announced drill results from the Cuarentas Santa Rosalia Sur intermediate sulfidation vein system which is interpreted as potentially the upper extent for a untested porphyry Cu system. The drill results intersected gold of 3.15m @ 0.36 g/t Au including 0.7m @ 0.88 g/t Au. 1.55m at 0.58 g/t Au was the second intercept in the same drill hole both occurring in the upper 70m of the drill hole and the targets remain open along strike and down dip.

Highlights from the hole LC20-010 discovering a new drilled vein system:

- 3.15 m at 0.36 g/t Au including 0.7 m at 0.88 g/t Au
- 1.55 m at 0.58 g/t Au including 0.65 m at 1.05 g/t Au

Cecilia Gold Project, Sonora

The Cecilia project is located 40 km southwest of the Mexico-U.S.A. border town of Agua Prieta in Sonora, Mexico and is easily accessed by paved highway and dirt roads. The project is a low sulphidation epithermal Au-Ag rhyolite flow dome complex and is 6,897 ha (69 km^2) in size. Riverside geologic team has completed mapping of targets on the main claim areas, worked on structural geology targeting for the high grade gold zones and integrated data from the as an on-going effort to complete updated cross sections, systematic targeting and three dimensional modeling.

During early 2021, an initial drill program of 7 holes for a total of 881m was completed by Riverside with funding partner Carlyle Commodities Corporation. The drill results were announced in April 2021.

On April 15, 2021, Riverside updated investors on the assay results from the first five holes at Cecelia with the best intercept being 24.2 m of 1.51 g/t Au starting from only 2.30 m downhole at the North Breccia Target (CED21-005). A further 8.9 m of 0.64 g/t Au intercept was cut near end-of-hole starting from only 40.35 m.

On April 27th Riverside released the assay results from the last two hole, holes 6 and 7 the best results are tabulated below.

Summary of intercepts for hole CED21-006 and CED21-007

Hole_ID	From (m)	To (m)	Down hole width (m)	Grade (g/t Au)
CED21-006	34.50	40.15	5.65	0.39
including	34.50	36.50	2	0.78
CED21-006	47.50	49.00	1.5	0.60
CED21-006	70.20	70.70	0.5	0.20
CED21-006	106.70	110.00	3.3 (True width)	3.70
including	106.70	108.00	1.3 (True width)	8.82
CED21-007	35.35	37.65	2.3	0.19
CED21-007	45.75	48.90	3.15	0.31
CED21-007	60.75	63.80	3.05 (True width)	0.67
including	62.3	63.8	1.5 (True width)	1.18

Tajitos Gold Project, Sonora

Located in north-western Sonora State, Mexico, the Tajitos Gold Project consists of two concession block areas. The core Tajitos claim group and the easterly lying El Tejo group of concessions make up the Project. The Project is strategically situated in the *Caborca Orogenic Gold Province* which includes the major gold mines at La Herradura, Noche Buena, Chinate and San Francisco Mines among other producers. The core claim at Tajitos covers a number of northwesterly striking gold-bearing quartz veins and shear faults that were exploited by small underground mines, now abandoned but still accessible. Riverside geologists conducted field work on the structural control of gold mineralization recently and the adjacent to the east Mexican gold producer.

The gold mineralization intersected in Riverside drill-holes occurs in fault zones and along lithologic contacts like major mines in the area. Due to the wide spacing of the drill-holes a reliable definition of the strike and dip orientations of the mineralized zones could not be refined yet and further drilling is warranted to better determine the extent and tenor of gold mineralization on the Tajitos property.

In addition to the eight core holes drilled by Riverside on the Tajitos claim group, a program of reverse circulation drilling on the El Tejo claim group was also completed. Twelve RC holes, totaling 1,728 meters, were drilled at Tejo to probe the bedrock lying beneath a post-mineral alluvial gravel cover. This work sets the project on a good position going forward to progress and build upon the geology and geochemistry developed previously. Tajitos in 2020 has seen field work, mapping, Leapfrog modeling, 3D mineralization model study, geochemistry, target work with the geophysics and discussions with parties for the project to progress.

La Silla Gold-Silver Project, Sinaloa

The La Silla Project east of Mazatlan in Sinaloa Mexico is a former mining operating district with high grade silver and gold mineralization on Riverside mineral tenure concessions. The project currently 100% owned and controlled by Riverside has had recent field work and mapping, sampling, targeting completed. Two adjoining concessions totaling 1,031.5 hectares are controlled by Riverside. In addition, another two concessions totaling 1,039.3 hectares make up a second target rich area for the project that Riverside controls. Veins on both concession blocks have been progressed at the Project and can move moved ahead with trenching and then drilling.

At the Ciruela and El Roble prospects rock-chip samples have delivered high grade metals and work in the field continues at these target areas. Riverside conducted data integration, review of geology, geochemistry and considerations for strategic steps during the year. The project continues to have interesting growth target potential.

On May 25, 2021, the Company received high grade gold assays itself funded program at La Silla Project with rock chip samples up to 6.1 g/t Au on great than 2 km long vein structures that have no drilling. There are a series of vein systems in the La Silla Project which the Company has been sampling, mapping, and structurally interpreting into drill ready targets. Silver values over 80 g/t Ag in rock chip samples also are announced in this news release.

Australia (Sandy) Gold Project, Sonora

The Australia Project is located in NW Sonora along the extensive series of shears and high grade samples combined with placer and lode gold occurrences are some of the features making this property one of interest. Riverside received title through staking and since has completed field work, targeting, mapping, and studied the past mine workings. Riverside has published results from its work and can envision potential for possible open-pit gold targets on the 100% owned property.

Suaqui Verde and Suaqui Grande, Sonora

Riverside developed copper targets on both the Suaqui Verde and Suaqui Grande properties which are near each other and both have copper potential in the copper belt of central Sonora, Mexico. The Company conducted site work and progressed discussions for the district play. Copper growth areas were reviewed, and further work progressed.

During Q3, 2021 the Company completed further exploration prospecting, geologic mapping, geochemical vectoring for porphyry copper targets. The Riverside property is immediately adjacent to known copper resource areas and former mines for which Riverside may have the structural continuation and exploration work has been progressing on these themes.

On December 24, 2021, the Company entered into a Definitive Option Agreement with Southern Empire Resource Corp. (“Southern Empire”) whereby Southern Empire could acquire a 100% interest in the Suaqui Verde Property, by paying $112,500 in cash, issuing 1,625,000 common shares while retaining a 2.5% NSR on precious metal products and 1.75% NSR on base metal products. The transaction details as below:

Due date	**Cash**	**Common shares**
Upon the closing date (December 24, 2021)	$ 25,000 (paid)	500,000(received)
On or before the first anniversary of the closing date (December 24, 2022)	$ 37,500	550,000
On or before the second anniversary of the closing date (December 24, 2023)	$ 50,000	575,000

On October 1, 2021, the Company received the payment of $50,000 for granting an exclusivity period of 60 days from October 1, 2021 to complete its due diligence on the Suaqui Verde property.

The scientific and technical data contained in the property descriptions pertaining to the Company’s portfolio were reviewed by Freeman Smith, P.Geo. who is responsible for ensuring that the geologic information provided in this section of the

Management Discussion and Analysis is accurate and acts as a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Project.

SELECTED ANNUAL INFORMATION

The following table sets forth selected consolidated information of the Company at September 30, 2021 and for each of the prior two fiscal years prepared in accordance with IFRS. The selected consolidated financial information should be read in conjunction with the audited consolidated financial statements of the Company.

Canadian Dollars	2021	2020	2019
Finance, property and other income	$162,157	$ 108,871	$ 1,348,584
Net income (loss)	734,132	2,631,544	(1,310,831)
Net income (loss) per share, basic and fully diluted	0.01	0.04	(0.02)
Cash and cash equivalent and short-term investments	7,372,910	6,051,890	5,143,379
Total assets	14,899,250	12,211,722	12,341,457

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three-month period ended December 31, 2021

For the three months ended December 31, 2021, the Company had a net income of $62,451, resulting in income per share of $0.001. The loss was mainly related to an unrealized loss on short-term investments of $1,156,295 as a result of the decreases in fair market value of short-term investment, which are partially offset by the realized gain on the sale of Arizona Metal Corp's shares and the increases in other income from the rental vehicles recovery from BHP. The operational fee recovery was mainly contributed from the recoveries of administration services on BHP, Carlyle and Hochschild alliance programs as well as the cost saving initiatives.

Three-month period ended December 31, 2020

For the three months ended December 31, 2020, the Company had a net income of $50,038, resulting in an earning per share of $0.00. The income was mainly related to an unrealized gain on short-term investments of $432,494 which were partially offset by the increases in investor relations, general and administration and share-based compensation.

Exploration and evaluation assets

Three months ended December 31, 2021

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the period ended December 31, 2021, the Company recorded $246,388 in acquisition and exploration of its properties as follows:

- Mexico
  - Tajitos $ 19,607
  - La Silla $ 22,358
  - Australia $ 1,370
  - Ariel $ 15,564
  - Teco $ 5,385
  - Cuarentas $ 10,022
  - La Union $ 138,346
  - El Valle, Llano & Pima $ 2,083

- Canada
  - Northwestern Ontario $ 35,819

Three months ended December 31, 2020

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the three months ended December 31, 2020, the Company recorded $150,137 in acquisition and exploration of its properties as follows:

- Mexico
  - Tajitos $ 31,654
  - La Silla $ 23,122
  - Australia $ 1,067
  - Teco $ 3,000
  - Cuarentas $ 21,757

- Canada
  - Northwestern Ontario $ 69,537

Full particulars of the deferred exploration costs are shown in Note 9 to the Condensed Interim Consolidate Financial Statements.

Recoveries and Other Income

Three months ended December 31, 2021

During the period ended December 31, 2021, the Company recognized and received $91,907 as operational fee recovery. As well, the Company recognized the exploration equipment and vehicle rentals recovery of $71,855 from the BHP alliance program in other income. Finance income for the period ended December 31, 2021 was $5,063.

Three months ended December 31, 2020

Starting from February 2019, the Company agreed to share their office space with First Helium Inc. (“First Helium”), a company with a common officer with the Company. During the period ended December 31, 2020 the Company recognized rental recovery of $6,000 from First Helium, which was recorded in other income. As well, the Company recognized the exploration equipment and vehicle rentals recovery of $26,907 from the BHP alliance program. Finance income and other income for the period ended December 31, 2020 were $2,480 and $32,907, respectively.

Other income consists of revenue from receiving option payment by common shares, exploration equipment and vehicle rentals to the alliance and work programs.

Expenses

Three months ended December 31, 2021

During the period ended December 31, 2021, the Company incurred $15,196 in depreciation, $94,518 in management and consulting fees, $9,000 in directors’ fees, $76,106 in investor relations fees, $33,672 in professional fees, $36,962 in share-based compensation, and $31,631 in general and administrative expenses. In addition, the Company incurred $14,550 in rent. The Company earned $5,603 in finance income, $71,855 in other income, $91,907 operational fee recovery and $1,156,295 in unrealized loss on changes of short-term investments as well as $1,384,833 realized gain on the sales of short-term investments.

Three months ended December 31, 2020

During the period ended December 31, 2020, the Company incurred $18,493 in depreciation, $54,063 in management and consulting fees, $9,000 in directors' fees, $76,154 in investor relations fees, $37,794 in professional fees, $135,332 in share-based compensation, and $26,012 in general and administrative expenses. In addition, the Company incurred $20,315 in rent. The Company earned $2,480 in finance income, $32,907 in other income, $52,653 operational fee recovery and $432,494 in unrealized gain on changes of short-term investments.

Compared to the same period in previous year, increases in net income in 2021 was primarily due to the increase in realized gain on short-term investment by $1,384,833 for the completion of the sales of Arizona Metal's shares and the increases in other income by $38,948 and operational fee recovery by $39,254 yet partially offset by the unrealized loss on short-term investment by $1,588,789. There were no significant variations in other operating expenses over the comparative period.

General and administrative expenses consist of filing fees, director's fees, rent, general office expenses and administrative services related to maintaining the Company's exchange listing and complying with securities regulations. Rent and general office expenses decreased compared to the same period in the prior year as the Company spent less funds on promotional and marketing activities, financial advisory and investor relations services and the Company entered into a new contract of rental agreement of Canadian office, resulting in reduced costs in rent.

Share-based payments increased as a result of more share option grants. During the period ended December 31, 2021, the Company recorded share-based payments of $36,962 (2020 - $135,332) for the vested portion of the options granted and during the period. Share-based payments expense recorded in the comparative period of the previous fiscal year was higher as there were more options granted during that period.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Property Risks

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Canada, Mexico and the United States.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Fluctuating Mineral and Metal Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the exploration activities cannot be predicted. For example, gold prices are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. In addition, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

Risks Related to COVID-19

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

The Company continues to closely monitor developments in the novel coronavirus ("COVID-19") pandemic, including the potential impact on the Company's operations.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars.

Quarter end	Finance income	Property and other income	Unrealized gain/(loss) on short-term investments	Net income (loss)	Earnings (Loss) per share (basic & fully diluted)
31-Dec-21	5,603	71,855	(1,156,295)	62,451	0.00
30-Sep-21	3,945	32,209	879,232	(702,254)	(0.01)
30-Jun-21	4,938	50,983	(1,030,820)	821,455	0.00
31-Mar-21	3,731	30,964	(387,380)	564,892	0.01
31-Dec-20	2,480	32,907	432,494	50,039	0.00
30-Sep-20	2,195	19,987	(385,851)	2,338,398	0.03
30-Jun-20	1,652	11,077	561,520	284,187	0.01
31-Mar-20	22,748	32,557	(354,541)	(677,235)	(0.01)

During the three months ended December 31, 2021, the net income was primarily due to the realized gain on short-term investment of $1,384,833 in relation to for the completion of the sales of Arizona Metal's shares but partially offset by the unrealized loss on short-term investments of $1,156,295 in connection with the changes in fair market value of the marketable securities. Please refer to the condensed interim consolidated financial statements and related notes for the period ended December 31, 2021, Note 5, Short-term investments for details. Also, the increase in operational fee recovery by $39,254 was mainly contributed to the recovery of administration services on BHP alliance program.

During the three months ended September 30, 2021, the net loss was primarily due to the unrealized loss on short-term investment of $879,232 in connection with the changes in fair market value of the marketable securities. Please refer to the audited financial statements and related notes for the year ended September30, 2021, Note 5, Short-term investments for details.

During the three months ended June 30, 2021, the net income was primarily due to the unrealized gain on short-term investment of $1,030,820 in connection with the changes in fair market value of the marketable securities. Please refer to the unaudited financial statements and related notes for the nine months ended June 30, 2021, Note 5, Short-term investments for details.

During the three months ended March 31, 2021, the net income was primarily due to the realized gain on short-term investment of $1,172,012 and unrealized loss on short-term investment of $45,114 in connection with the sales of Arizona Metal shares for net proceed of $1,464,342 and changes in fair market value marketable securities. Please refer to the unaudited financial statements and related notes for the six months ended March 31, 2021, Note 5, Short-term investments for details. Also, the decrease in consulting fees by $96,173 was mainly contributed to the recoveries of administration services on BHP, Carlyle and Hochschild alliance programs.

During the three months ended December 31, 2020, the net income was primarily due to the unrealized gain on short-term investment of $432,494 and the decrease in consulting fees by $60,072 was mainly contributed to the recoveries of administration services on BHP, Carlyle and Hochschild alliance programs.

During the three months ended September 30, 2020, the net income was primarily due to the Company recognized a gain on spin-out of Penoles of $2,417,283 in consideration for 17,500,000 common shares of Capitan with a value of $3,500,000. As well, the sales of 500,000 Arizona Metals Corp's common shares and 1,000,000 Silver Viper Minerals Corp's common shares for recognizing a realized gain on short-term investment of $365,449.

During the three months ended June 30, 2020, the net income was primarily due to the Company recognized an unrealized gain on short-term investments of $561,520 that was mainly triggered by a significant increase in the fair market value of Arizona Metals Corp's common shares as at June 30, 2020. As well, the sale of 4,400,000 Arizona Metals Corp's common shares for recognizing a realized gain on short-term investment of $210,820.

During the three months ended March 31, 2020, the net loss was primarily due to the Company recognized a realized loss on short-term investments of $354,541 that was mainly triggered by a significant decrease in the fair market value of Arizona Metals Corp's common shares as at March 31, 2020. As well, an increase in the professional fee of $197,277 as a result of the Company incurred additional legal, accounting and compliance services with respects to the strategic reorganization of its exploration business. Subsequent to the period ended March 31, 2020, the Company billed and received all the related spin out costs in connection with the strategic reorganization was completed on August 14, 2020.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on equity financings and exploration alliances for its working capital requirements and to fund its planned exploration and development activities. Management ensures the Company has sufficient cash in its treasury to maintain underlying option payments and keep claims in good standing. Increase in cash and cash equivalents for the period ended December 31, 2021 was $908,214. Working capital as at September 30, 2021 was $3,639,944. The Company has sufficient funds to meet ongoing corporate activities and planned exploration programs for the ensuing year.

Decrease in cash and cash equivalents for the period ended December 31, 2020 was $653,062. Working capital as at December 31, 2020 was $4,289,598. The Company has sufficient funds to meet ongoing corporate activities and planned exploration programs for the ensuing year.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements or off-balance sheet financing structures in place.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are recorded at their exchange amount which is the price agreed to between the Company and the directors and officers.

The Company entered into the following transactions with related parties:

Payee / Payer	Nature of transactions	Period ending December 31,	Fees (Income) ($)	Shares ($)	Amount payable (receivable) at period end ($)
Arriva Management Inc.	Management and consulting fees (i)	2021 2020	58,200 58,200	Nil Nil	11,623 Nil
GSBC Financial Management Inc.	Management and consulting fees (i)	2021 2020	24,000 24,000	Nil Nil	Nil Nil
Alberto Orozco	Consulting fees (i)	2021 2020	- 479	Nil Nil	Nil Nil
FT Management Inc.	Management and consulting fees (i) and Rent (iii)	2021 2020	44,400 36,815	Nil Nil	2,497 Nil
Omni Resource Consulting Ltd.	Consulting fees (i)	2021 2020	6,000 25,000	Nil Nil	Nil Nil
Brian Groves	Director fees	2021 2020	3,000 3,000	Nil Nil	Nil Nil
Carol Ellis	Director fees	2021 2020	3,000 3,000	Nil Nil	Nil Nil
Walter Henry	Director fees	2021 2020	3,000 3,000	Nil Nil	Nil Nil
First Helium Inc.	Rent (ii)	2021 2020	- (6,000)	Nil Nil	Nil Nil

The remuneration of related parties during the period ended December 31, 2021 and 2020 are as follows:

	2021	2020
Directors' fees	$ 9,000	$ 9,000
Management and consulting fees (i)	118,050	112,679
Share-based payments	22,754	57,604
	$ 149,804	$ 179,283

(i) Management and consulting fees of the key management personnel for the three months ended December 31 were allocated as follows: $56,850 (2020 - $27,000) expensed to consulting fees, $41,400 (2020 - $25,800) capitalized to exploration and evaluation assets and $19,800 (2020 - $59,879) capitalized to exploration work performed for alliances that will be reimbursed.

(ii) From February 2019 to June 2021, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the three months ended December 31, 2021, the Company recognized rental recovery of $nil (2020 - $6,000) from First Helium, which was recorded in other income.

(iii) During the three months ended December 31, 2021, the Company incurred rent expense of $14,550 (2020 - $20,315) as a result of a shared office space with FT Management Inc., a company controlled by spouses of officers of the Company.

PROPOSED TRANSACTIONS

At the present time, there are no proposed transactions that should be disclosed.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 4 to the consolidated financial statements for the year ended September 30, 2021. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are recognized in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

The following table shows the classification of the Company’s financial assets and liabilities:

Financial asset or liability	IFRS 9 Classification
Cash and cash equivalents	Amortized cost
Short-term investments	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Government loan	Amortized cost

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of the Company’s cash and cash equivalents, receivables, accounts payable and accrued liabilities and government loan approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company’s public company short-term investments, are based on level 1 quoted prices in active markets for identical assets and liabilities. Financial instruments valued at level 2 inputs consist of the Company’s private company short-term investments. The key assumptions driving the valuation of the private company short-term investments include, but are not limited to the value of completed financings by the investee.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s cash and cash equivalents are held with major financial institutions in Canada and Mexico which management believes the risk of loss to be remote. Receivables consist of tax refunds from the Federal Government of Canada and Mexico, in which regular collection occurs, and land tax recovery. The Company believes its credit risk is equal to the carrying value of this balance.

Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company had cash and cash equivalents of $6,880,598 to settle current liabilities of $3,607,709. The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has interest-bearing cash balances. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of December 31, 2021, the Company had investments in short-term deposit certificates of $23,000.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains short-term investments, which include marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, and accounts payable and accrued liabilities that are denominated in US dollars (US) and Mexican pesos.

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the US dollar and the Mexican peso. During the period ended December 31, 2021, a simultaneous 10% fluctuation in the US dollar and Mexican peso against the Canadian dollar would affect loss for the period by $354,184.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. During the period ended December 31, 2021, a simultaneous 15% fluctuation in share prices would affect short-term investments and profit or loss for the period by approximately $17,789.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares. No preferred shares have been issued to date. An aggregate of 74,448,464 common shares were issued and outstanding as of the date of this MD&A.

The Company has nil share purchase warrants outstanding as of the date of this MD&A.

The following summarizes information about the stock options outstanding as of the date of this MD&A:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	*Exercise price	Number of options exercisable
11/03/2022	638,000	0.68	$ 0.21	638,000
01/08/2024	525,000	1.86	$ 0.13	525,000
11/15/2024	775,000	2.72	$ 0.11	775,000
03/27/2025	100,000	3.08	$ 0.12	100,000
10/19/2025	1,250,000	3.64	$ 0.30	1,166,667
11/17/2026	1,000,000	4.72	$ 0.16	-
	4,288,000			3,204,667