



# **MARITIME RESOURCES**

## **MARITIME RESOURCES CORP.**

### **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three month periods ended March 31, 2022 and 2021**

(Expressed in Canadian dollars)

(Unaudited)

#### **NOTICE TO READER OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

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

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

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at		March 31	December 31
(Unaudited – Prepared by Management, in Canadian dollars)	Note	2022	2021
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash	5	<b>2,826,829</b>	4,339,859
Marketable securities	6	<b>885,885</b>	-
Receivables	7	<b>155,556</b>	298,216
Prepaid expenses and deposits	8	<b>104,052</b>	141,619
		<b>3,972,322</b>	4,779,694
<b>Deposits</b>	10	<b>117,926</b>	119,923
<b>Property, plant and equipment</b>	4,9	<b>1,980,723</b>	1,956,403
<b>Exploration and evaluation assets</b>	4,10	<b>31,618,817</b>	31,233,481
<b>Total Assets</b>		<b>37,689,788</b>	38,089,501
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	11	<b>924,744</b>	821,237
Current portion of lease liability	12	<b>90,445</b>	87,037
Flow-through premium liability	14	<b>98,856</b>	223,319
		<b>1,114,045</b>	1,131,593
<b>Lease liability</b>	12	<b>370,002</b>	330,614
<b>Reclamation liability</b>	4,13	<b>718,750</b>	718,750
<b>Total Liabilities</b>		<b>2,202,797</b>	2,180,957
<b>Shareholders' equity</b>			
Share capital	14	<b>45,231,609</b>	45,132,523
Reserves	14	<b>2,580,935</b>	2,576,413
Royalty reserve	14	<b>210,700</b>	210,700
Deficit		<b>(12,536,253)</b>	(12,011,092)
<b>Total Shareholders' Equity</b>		<b>35,486,991</b>	35,908,544
<b>Total Liabilities and Shareholders' Equity</b>		<b>37,689,788</b>	38,089,501

Nature of operations and going concern (Note 1), Subsequent event (Note 18).

*Approved and authorized on behalf of the Board of Directors:*

*"John P. Hayes"*  
 \_\_\_\_\_  
 Chairman

*"Tom Yip"*  
 \_\_\_\_\_  
 Director

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

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

<b>For the three month periods ended March 31</b>		<b>2022</b>	<b>2021</b>
<b>(Unaudited – Prepared by Management, in Canadian dollars)</b>		<b>\$</b>	<b>\$</b>
	<b>Note</b>		
<b>EXPENSES</b>			
Administration	15	<b>64,630</b>	50,300
Consulting		<b>15,670</b>	-
Depreciation	9	<b>41,291</b>	10,899
Directors' fees and expenses	15	<b>25,001</b>	20,038
Interest expense on lease liability	12	<b>9,998</b>	-
Investor relations and promotion		<b>82,062</b>	98,401
Professional fees		<b>97,529</b>	-
Salaries and benefits	15	<b>293,571</b>	263,216
Share-based payment	14,15	<b>4,522</b>	2,911
		<b>(634,274)</b>	(445,765)
Interest income		<b>2,327</b>	5,425
Loss on sale of royalty interests	10	<b>(70,927)</b>	-
Unrealized gain on marketable securities	6	<b>53,250</b>	-
Recognition of flow-through premium liability	14	<b>124,463</b>	203,613
		<b>109,113</b>	209,038
<b>Loss and comprehensive loss for the period</b>		<b>(525,161)</b>	(236,727)
<b>Basic and diluted loss per common share</b>		<b>Nil</b>	Nil
<b>Weighted average number of common shares outstanding</b>		<b>399,594,712</b>	315,939,566

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

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

	Shares	Share capital	Reserves	Royalty reserve	Deficit	Total
(Unaudited – Prepared by Management, in Canadian dollars)	#	\$	\$	\$	\$	\$
<b>Balance, December 31, 2020</b>	<b>312,001,233</b>	<b>33,399,928</b>	<b>1,971,293</b>	<b>210,700</b>	<b>(10,687,436)</b>	<b>24,894,485</b>
Issued for private placements (Note 14)	38,500,000	6,906,900	-	-	-	6,906,900
Share issuance costs (Note 14)	-	(628,015)	-	-	-	(628,015)
Finders' warrants (Note 14)	-	(131,670)	131,670	-	-	-
Flow-through premium liability (Note 14)	-	(1,324,400)	-	-	-	(1,324,400)
Issued for mineral properties (Note 10,14)	550,000	73,500	-	-	-	73,500
Share-based payment (Note 14)	-	-	2,911	-	-	2,911
Loss for the period	-	-	-	-	(236,727)	(236,727)
<b>Balance, March 31, 2021</b>	<b>351,051,233</b>	<b>38,296,243</b>	<b>2,105,874</b>	<b>210,700</b>	<b>(10,924,163)</b>	<b>29,688,654</b>
Issued for private placements (Note 14)	30,770,000	4,000,100	-	-	-	4,000,100
Issued for warrant exercises (Note 14)	13,165,940	2,026,792	(51,901)	-	-	1,974,891
Share issuance costs (Note 14)	-	(72,987)	-	-	-	(72,987)
Issued for advisory services (Note 4,14)	400,000	82,000	-	-	-	82,000
Issued for mineral properties (Note 10,14)	500,000	65,000	-	-	-	65,000
Issued for gold plant acquisition (Note 4,14)	3,571,428	660,714	-	-	-	660,714
Share-based payments (Note 14)	-	-	891,003	-	-	891,003
Reserves transferred on expired options (Note 14)	-	-	(293,902)	-	293,902	-
Reserves transferred on expired warrants (Note 14)	-	74,661	(74,661)	-	-	-
Loss for the period	-	-	-	-	(1,380,831)	(1,380,831)
<b>Balance, December 31, 2021</b>	<b>399,458,601</b>	<b>45,132,523</b>	<b>2,576,413</b>	<b>210,700</b>	<b>(12,011,092)</b>	<b>35,908,544</b>
Share issuance costs (Note 14)	-	(3,414)	-	-	-	(3,414)
Issued for mineral properties (Note 10,14)	800,000	102,500	-	-	-	102,500
Share-based payments (Note 14)	-	-	4,522	-	-	4,522
Loss for the period	-	-	-	-	(525,161)	(525,161)
<b>Balance, March 31, 2022</b>	<b>400,258,601</b>	<b>45,231,609</b>	<b>2,580,935</b>	<b>210,700</b>	<b>(12,536,253)</b>	<b>35,486,991</b>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

<b>For the three month periods ended March 31</b>	<b>2022</b>	<b>2021</b>
(Unaudited – Prepared by Management, in Canadian dollars)	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the period	(525,161)	(236,727)
Items not involving cash:		
Depreciation	41,291	10,899
Flow-through premium recovery	(124,463)	(203,613)
Loss on sale of royalty interests	70,927	-
Unrealized gain on marketable securities	(53,250)	-
Share-based payments	4,522	2,911
Changes in non-cash working capital items:		
(Increase) decrease in receivables	147,471	100,741
(Increase) decrease in accrued interest receivable	(4,811)	(18,949)
(Increase) decrease in prepaid expenses	37,567	26,605
Increase (decrease) in accounts payable and accrued liabilities	61,783	135,463
<b>Net cash provided by (used in) operating activities</b>	<b>(344,124)</b>	<b>(182,670)</b>
<b>Cash flows from investing activities</b>		
Deferred acquisition costs	-	(36,045)
Exploration and evaluation expenditures	(1,493,415)	(2,122,561)
Property and equipment expenditures	-	(23,681)
Sale of royalty interests	375,300	-
Selling costs	(24,562)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(1,142,677)</b>	<b>(2,182,287)</b>
<b>Cash flows from financing activities</b>		
Proceeds from private placement	-	6,906,900
Repayment of lease liability	(22,815)	(6,027)
Share issue costs	(3,414)	(628,015)
<b>Net cash provided by (used in) financing activities</b>	<b>(26,229)</b>	<b>6,272,858</b>
<b>Change in cash during the period</b>	<b>(1,513,030)</b>	<b>3,907,901</b>
<b>Cash, beginning of the period</b>	<b>4,339,859</b>	<b>6,418,616</b>
<b>Cash, end of the period</b>	<b>2,826,829</b>	<b>10,326,517</b>
<b>Supplemental disclosure</b>		
Cash paid for interest	9,998	-
<b>Supplemental disclosure of non-cash financial and investing activities</b>		
Exploration and evaluation assets included in accounts payable	710,164	820,422
Fair value of finders' warrants	-	131,670
Flow-through share premium	-	1,324,400
Marketable securities received upon sale of royalty portfolio	885,885	-
Recognition of right of use asset and lease liability	65,611	-
Shares issued for property	102,500	73,500

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



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 *(Unaudited, expressed in Canadian dollars)*

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

Maritime Resources Corp. (the “Company” or “Maritime”) was incorporated under the Business Corporations Act (British Columbia) on May 14, 2007. Maritime is an exploration stage company focused on re-starting the past producing Hammerdown Gold Mine located near the Baie Verte mining district in Newfoundland and Labrador, Canada as well as exploration on its other properties in the region. The Company also holds a portfolio of mineral exploration properties in key mining camps across Canada in a wholly owned subsidiary.

The Company’s registered and records office is 3200 - 650 West Georgia Street, Vancouver, BC, Canada, V6B 4P7. The Company also has an office in Toronto at 1900 - 110 Yonge Street, Toronto, ON, Canada, M5C 1T4. The shares of the Company are traded on the TSX Venture Exchange (“TSX-V”) under the symbol MAE.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. To date the COVID-19 pandemic has not decreased the Company’s access to capital market financing, nor negatively impacted our business and financial position. Maritime continues to monitor and assess the impact of COVID-19.

These condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Although it has been successful in raising financing in the past, there is no assurance it will be able to do so in the future. The Company is evaluating various opportunities for additional financing and intends to raise further funding through debt financing, equity issuances, sales of marketable securities, royalties or assets, or a combination thereof within three months. If the Company is unable to obtain adequate additional financing, it will be required to curtail exploration and development activities. These conditions indicate the existence of material uncertainties which cast significant doubt about the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

#### 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”), on a basis consistent with accounting policies disclosed in the audited financial statements for the fiscal year ended December 31, 2021, and should be read in conjunction with the most recently issued audited financial statements, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies which were presented in Note 3 to the Financial Statements for the year ended December 31, 2021 have been consistently applied in the preparation of the Company’s interim consolidated financial statements.

The condensed interim consolidated financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value and have been prepared using the accrual basis of accounting except



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 *(Unaudited, expressed in Canadian dollars)*

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for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

These financial statements were authorized for issue by the Board of Directors on May 26, 2022.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies having the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

*Economic recoverability and profitability of future economic benefits of exploration and evaluation assets* – Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

*Property, plant and equipment* – Management is required to assess the useful economic lives and residual values of the property, plant and equipment. Determining the useful lives required judgment based on factors such as asset maintenance, rate of technical and commercial obsolescence and asset usage. The useful lives of key assets are reviewed annually.

*Acquisition accounting* – The assessment of whether acquisitions are considered business combinations or asset acquisitions requires management judgment, the outcome of which may result in different accounting treatments. Judgement is also required to determine the allocation of the fair value of the purchase price of the Acquisition (Note 4).

*Royalty reserve* – Royalty reserve includes proceeds received from royalty units, repayable from future production. As future production is not determinable, the royalty units have been classified as capital in nature.

*Going concern* – The Company assesses its ability to continue as a going concern at each period end. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least twelve months from the end of the reporting period and include a detailed analysis of the Company's projected estimated capital and operating expenses and estimated financing requirements and abilities (see Note 1).



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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The most significant accounts that require estimates as the basis for determining the stated amounts include the following:

*Decommissioning and rehabilitation provision* – Management’s determination of the Company’s decommissioning and rehabilitation provision is based on the reclamation and closure activities it anticipates as being required and its estimate of the probable costs and timing of such activities and measures. Accounting for reclamation obligations requires management to make estimates and judgements of the future costs the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each mining operation and exploration and development property. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation. The provision represents management’s best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

*Valuation of share-based payments, agent compensation and finders’ warrants* – The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments, agent compensation and finders’ warrants, which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s results and equity reserves. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm’s length transaction, given that there is no market for the options and they are not transferable.

*Income taxes* – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

#### 4. ACQUISITION

On April 12, 2021, the Company closed a transaction with two subsidiaries of Rambler Metals and Mining PLC, namely Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc. (together, “Rambler”) in respect of the purchase by the Company (the “Acquisition”) of the gold circuit at the Nugget Pond metallurgical facility in the Baie Verte mining district of Newfoundland and Labrador, the Lac Pelletier gold project in Rouyn Noranda, Québec and several other mineral exploration properties located in Québec, Manitoba and Ontario and a portfolio of royalty interests in key mining camps across Canada (collectively, the “Assets”). Sprott Capital Partners LP acted as advisor to Maritime in connection with the Acquisition and were issued 400,000 common shares with a value of \$82,000 in consideration for such services.

Pursuant to the terms of the purchase agreement, the consideration paid by the Company for the Assets was US\$2,000,000 in cash and the issuance of 3,571,428 common shares having a value of \$660,714.

The Company also assumed the reclamation liability of \$718,750 associated with Nugget Pond gold plant assets (Note 13). The Company incurred transaction costs of \$315,765 in addition to a deposit of \$200,000 paid to Rambler on March 12, 2020 totaling \$515,765 and included \$82,000 for the non-cash value of the 400,000 common shares issued for advisory services and the allocation of \$277,256 of deferred acquisition costs incurred in fiscal 2020.





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The transaction was accounted for as an asset acquisition and the allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the time of acquisition. While management had substantially completed the process of determining fair values for the assets and liabilities acquired, the purchase price allocation was subject to change as the valuation process was completed during 2021.

The current allocation of the purchase price to the estimated fair value of the assets and liabilities purchased from Rambler is as follows:

	\$
<b>Purchase price</b>	
Consideration paid in cash	2,518,240
Consideration paid in shares	660,714
Transaction costs	515,765
	<b>3,694,719</b>
<b>Fair value of assets and liabilities acquired</b>	
Property, plant and equipment (Note 9)	1,394,300
Mineral properties and interests (Note 10)	1,764,869
Royalty interests (Note 10)	1,254,300
Reclamation provision (Note 13)	(718,750)
	<b>3,694,719</b>

On January 21, 2022, Maritime sold its royalty interests (Note 6 and 10).

#### 5. CASH

	March 31, 2022	December 31, 2021
	\$	\$
Cash	526,829	639,859
Guaranteed Investment Certificate – Fully redeemable	2,300,000	3,700,000
	<b>2,826,829</b>	4,339,859

#### 6. MARKETABLE SECURITIES

Pursuant to the sale of its royalty interests on January 21, 2022, Maritime was issued 96,818 Nomad Royalty Company Ltd. ("Nomad") common shares and recorded as marketable securities with a fair value of \$832,635, using the closing share price on the transaction date (Note 10). As at March 31, 2022, the marketable securities were measured at a fair value of \$885,885 and resulted in an unrealized gain of \$53,250. The Nomad shares are classified as financial assets measured at fair value through profit or loss and are recorded at fair value using the quoted market prices as at March 31, 2022 and accordingly, are classified as Level 1 within the fair value hierarchy. The Nomad common shares were subject to a statutory hold period that expired on May 22, 2022 and were sold subsequent to March 31, 2022 (Note 18).

#### 7. RECEIVABLES

	March 31, 2022	December 31, 2021
	\$	\$
Input sales tax recoverable	150,502	292,955
Interest and other receivables	5,054	5,261
	<b>155,556</b>	298,216



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For the three month periods ended March 31, 2022 and 2021 (Unaudited, expressed in Canadian dollars)

#### 8. PREPAID EXPENSES AND DEPOSITS

	March 31, 2022	December 31, 2021
	\$	\$
Prepaid expenses	34,736	73,319
Deposits	69,316	68,300
	<b>104,052</b>	<b>141,619</b>

#### 9. PROPERTY AND EQUIPMENT

	Mill Equipment	Right of use assets	Furniture and Leaseholds	Vehicles	Exploration Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Net book value – December 31, 2020</b>	-	45,113	13,210	16,071	-	74,394
Additions	1,394,300	408,630	15,648	52,788	93,248	1,964,614
Depreciation	-	(37,159)	(8,618)	(18,948)	(17,880)	(82,605)
<b>Net book value – December 31, 2021</b>	<b>1,394,300</b>	<b>416,584</b>	<b>20,240</b>	<b>49,911</b>	<b>75,368</b>	<b>1,956,403</b>
Additions	-	65,611	-	-	-	65,611
Depreciation	-	(26,316)	(2,428)	(5,837)	(6,710)	(41,291)
<b>Net book value – March 31, 2022</b>	<b>1,394,300</b>	<b>455,879</b>	<b>17,812</b>	<b>44,074</b>	<b>68,658</b>	<b>1,980,723</b>

As at March 31, 2022, the Nugget Pond mill is not considered available for use and accordingly is not being depreciated.

#### 10. EXPLORATION AND EVALUATION ASSETS

##### Green Bay

The Company's Green Bay property, located in Newfoundland and Labrador, Canada hosts the past producing Hammerdown gold mine, as well as the Orion gold deposit and the historic Lochinvar lead, zinc, copper, silver and gold deposit. On September 17, 2020, the Company exercised an early buy-down right of one-half of the Hammerdown deposit royalty held by Commander Resources Ltd. ("Commander") for \$750,000. Commander retains a 1% net smelter return royalty ("NSR") over the Hammerdown deposit and surrounding lands which excludes the Orion deposit. Allowed deductions in calculating the NSR include transportation costs and toll milling charges.

On January 22, 2020, the Company entered into an option agreement to earn a 100% interest in the Spruce Pond property, which is contiguous to the Hammerdown project. The Company exercised its option in full to acquire 100% interest on March 10, 2022, under the following terms:

	Cash	Common shares
	\$	#
Upon approval	10,000 (paid)	250,000 (issued)
March 10, 2021	20,000 (paid)	250,000 (issued)
March 10, 2022	30,000 (paid)	250,000 (issued)
	<b>60,000</b>	<b>750,000</b>

The Spruce Pond property is subject to a 1.0 % NSR of which 50% can be purchased for \$500,000.

On May 16, 2018, the Company entered into an option agreement to earn a 100% interest in the Inomin property consisting of certain mineral claims that extend the Green Bay property. On September 17, 2021, the Company paid the final payment comprised of cash consideration of \$125,000 and 500,000 common shares with a fair value of \$65,000 to



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exercise its option in full to acquire 100% interest in the Green Bay Inomin property. The Company paid aggregate cash consideration of \$300,000 and 2,000,000 shares with an aggregate fair value of \$235,000 over a period of four years. The Inomin property is subject to a 1.0 % NSR of which 100% can be purchased for \$500,000. The project also has an underlying NSR of 2.5% of which 1.5% can be purchased for \$1,000,000.

#### Whisker Valley

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada. On March 22, 2022, the Company completed the final payment to exercise its option in full, under the following terms:

	Cash \$	Common shares #
Upon approval	25,000 (paid)	100,000 (issued)
March 22, 2018	20,000 (paid)	150,000 (issued)
March 22, 2019	30,000 (paid)	200,000 (issued)
March 22, 2020	50,000 (paid)	250,000 (issued)
March 22, 2021	75,000 (paid)	300,000 (issued)
March 22, 2022	100,000 (paid)	500,000 (issued)
	<b>300,000</b>	<b>1,500,000</b>

The Company is required to make an additional payment to the optionors of \$50,000 on each of the first, second and third anniversary upon full exercise of its option, having issued all of the payments and shares and incurred all of the expenditures. The property is subject to a 2.5% NSR, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commencement of commercial production.

On December 27, 2020, the Company exercised its option in full to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), for aggregate cash consideration of \$30,000 and 100,000 shares with an aggregate fair value of \$11,350 over a period of three years. The Company has the option to buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.

On November 23, 2019, the Company exercised its option in full to acquire 100% interest in the El Strato property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), for aggregate cash consideration of \$40,000 and 750,000 shares with an aggregate fair value of \$61,250 over a period of two years. The Company has the option to buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.

The Strugglers Pond and El Strato properties are subject to separate 2% NSR royalties, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commercial production.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 (Unaudited, expressed in Canadian dollars)

#### Gull Ridge

In January 2019, the Company acquired the new Gull Ridge property claims by staking.

On December 21, 2021, the Company entered into an agreement to acquire a 100% interest in certain mineral property interests located on the Gull Ridge property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

	Cash \$	Common shares #
Upon signing/ approval	10,000 (paid)	50,000 (issued)
January 7, 2023	10,000	50,000
January 7, 2024	10,000	50,000
January 7, 2025	20,000	100,000
	<b>50,000</b>	<b>250,000</b>

#### Lac Pelletier

The Company acquired a 100% interest in the Lac Pelletier property from Rambler in April 2021, located southwest of Rouyn Noranda, Québec, Canada in the Abitibi Greenstone Belt (Note 4). Lac Pelletier is subject to a 1% NSR royalty to Glencore (formerly Xstrata and Falconbridge). Maritime allocated a value of \$1,764,869 to the Lac Pelletier exploration property upon acquisition.

#### Royalty Interests

The following exploration property royalty interests were acquired from Rambler in April 2021 and together were allocated a value of \$1,254,300 (Note 4). On January 21, 2022, Maritime completed an asset sale transaction with Nomad under which the Company sold a portion of its royalty portfolio in a number of Canadian exploration projects for 96,818 Nomad common shares, fair valued at \$832,634 based on the closing share price on the transaction date. As part of the asset sale process, a right of first refusal associated with one of the royalties was exercised and the applicable royalty was sold for \$375,300. Total net consideration in cash and shares for the royalty portfolio was valued at \$1,183,373 (net of transaction costs of \$24,562). The book value of the royalty portfolio on the date of disposition was \$1,254,300, resulting in a loss on sale of \$70,927.

Property	Location	Province	Stage	Royalty	Company/Owner
Cossette	Chibougamau	Québec	Exploration	1.5% NSR	David Malouf
Obalski	Chibougamau	Québec	Exploration	1.0% NSR	David Malouf
Ramsay	Chibougamau	Québec	Exploration	1.5% NSR	David Malouf
Red Cliff / Montrose	Stewart	British Columbia	Exploration	1.0% NSR	Mountain Boy Minerals
Valdora	Val-d'Or	Québec	Exploration	1.0% NSR	O3 Mining
Gold Hawk	Val-d'Or	Québec	Exploration	2.0% NSR	O3 Mining
Blue Quartz	Matheson	Ontario	Exploration	0.5% NSR	Orla Mining
Scott Lake	Chibougamau	Québec	Exploration	Advanced royalty	Yorbeau Resources

#### Other exploration properties

The following exploration properties were acquired from Rambler in April 2021 and were ascribed a nominal fair value.

*Owl Creek West* – The Company holds a 35% interest in the Owl Creek West joint venture with Newmont Canada who holds 65%. The property is located in Timmins, Ontario, Canada.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 (Unaudited, expressed in Canadian dollars)

*Rod-Linda-McKayseff (RLM)* – The Company 100% interest in the RLM property, located in Snow Lake, Manitoba, Canada.

*Daniel* – The Company 100% interest in the Daniel property, located in Matagami, Québec, Canada.

*Wright* – The Company 100% interest in the Wright property, located in Temiscaming, Québec, Canada.

#### Deposits related to exploration projects

As at March 31, 2022, the Company has provided deposits totaling \$16,195 (December 31, 2021 – \$18,192) to vendors as advance payments for services to be provided related to the Hammerdown feasibility study. A deposit of \$72,981 for reclamation purposes has been made to the Government of Newfoundland and Labrador on at the Hammerdown project as at March 31, 2022.

Expenditures incurred on the Company's exploration properties and mineral interests, follow:

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Lac Pelletier \$	Other ON QC & MB \$	Royalty Interests \$	Total \$
<b>Balance, December 31, 2020</b>	<b>15,939,129</b>	<b>2,621,402</b>	<b>71,001</b>	-	-	-	<b>18,631,532</b>
Acquisition costs	145,000	75,000	12,665	1,764,869	-	1,254,300	3,251,834
Acquisition costs – shares	95,000	43,500	-	-	-	-	138,500
Exploration expenses:							
Drilling and assaying	3,119,712	703,309	307,561	-	-	-	4,130,582
Geology	1,323,656	400,661	316,496	35,681	-	-	2,076,494
Geophysics	536,024	512,541	205,262	-	-	-	1,253,827
Property	127,445	525	-	9,855	-	-	137,825
Feasibility study	720,695	-	-	-	-	-	720,695
Early works site tree clearing	428,531	-	-	-	-	-	428,531
Environmental & permitting	507,024	33,137	-	-	-	-	540,161
	7,003,087	1,768,673	841,984	1,810,405	-	1,254,300	12,678,449
Less: Recoveries and grants	(76,500)	-	-	-	-	-	(76,500)
Net additions	6,926,587	1,768,673	841,984	1,810,405	-	1,254,300	12,601,949
<b>Balance, December 31, 2021</b>	<b>22,865,716</b>	<b>4,390,075</b>	<b>912,985</b>	<b>1,810,405</b>	-	<b>1,254,300</b>	<b>31,233,481</b>
Acquisition costs	30,000	100,000	-	-	-	-	130,000
Acquisition costs – shares	33,750	62,500	6,250	-	-	-	102,500
Exploration expenses:							
Drilling and assaying	301,575	23,565	24,079	-	-	-	349,219
Geology	286,516	63,326	20,082	63,015	-	-	432,939
Geophysics	3,011	4,289	1,825	-	-	-	9,125
Property	50	-	-	5,834	12,642	-	18,526
Feasibility study	451,932	-	-	-	-	-	451,932
Early works site tree clearing	55,250	-	-	-	-	-	55,250
Environmental & permitting	89,085	1,060	-	-	-	-	90,145
	1,251,169	254,740	52,236	68,849	12,642	-	1,639,636
Less: Disposals	-	-	-	-	-	(1,254,300)	(1,254,300)
Net additions/disposals	1,251,169	254,740	52,236	68,849	12,642	(1,254,300)	385,336
<b>Balance, March 31, 2022</b>	<b>24,116,885</b>	<b>4,644,815</b>	<b>965,221</b>	<b>1,879,254</b>	<b>12,642</b>	-	<b>31,618,817</b>

Subsequent to March 31, 2022 and during the year ended December 31, 2021, the Company received \$60,000 and \$76,500, respectively, pursuant to an application made with the Government of Newfoundland and Labrador in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (JEAP) grant for exploration conducted during the calendar years 2021 and 2020, respectively.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 (Unaudited, expressed in Canadian dollars)

#### 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022	December 31, 2021
	\$	\$
Accounts payable	800,351	724,197
Accrued liabilities	99,215	70,321
Due to related parties (Note 15)	25,178	26,719
	<b>924,744</b>	<b>821,237</b>

#### 12. LEASE LIABILITY

	Lease liability
	\$
<b>Balance – December 31, 2020</b>	<b>43,152</b>
Lease liability recognized during the year	408,630
Lease payments during the period	(40,898)
Interest expense on lease liability	6,767
<b>Balance – December 31, 2021</b>	<b>417,651</b>
Lease liability recognized during the period	65,611
Lease payments during the period	(32,813)
Interest expense on lease liability	9,998
<b>Balance – March 31, 2022</b>	<b>460,447</b>
<b>Current portion</b>	<b>90,445</b>
<b>Long term portion</b>	<b>370,002</b>

Lease obligations as at March 31, 2022 relate to exploration equipment, a vehicle and a site exploration office. As at March 31, 2022, the Company is required to pay \$128,517 (December 31, 2021 – \$123,796) in undiscounted lease payments within the next twelve months and \$404,260 (December 31, 2021 – \$399,380) over the remaining term of the leases for a total of \$532,777 (December 31, 2021 – \$523,176).

During the period ended March 31, 2022, the Company incurred operating lease costs of \$19,919 (2021 – \$17,438) for an office lease not included in lease liabilities.

#### 13. RECLAMATION LIABILITY

The Company's estimates of future decommissioning and restoration for reclamation and closure costs for its gold plant milling assets are based on reclamation standards that meet Canadian regulatory requirements. Elements of uncertainty in estimating these amounts include potential changes in regulatory requirements, reclamation plans and cost estimates, discount rates and timing of expected expenditures.

The undiscounted amount of estimated cash flows required to settle the decommissioning and reclamation costs, related to the Nugget Pond gold circuit assets acquired on April 12, 2021, is estimated at \$718,750. Accretion on the liability, at this time, is nominal due to the low and offsetting inflation and risk-free interest rates. The Company has recorded the undiscounted amount of estimated reclamation costs and will re-evaluate the estimated timing and value of outflows annually and will revise its estimate if necessary.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 *(Unaudited, expressed in Canadian dollars)*

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#### 14. SHARE CAPITAL

##### Authorized

Unlimited number of common shares without par value.

##### Issued

##### ***During the three month period ended March 31, 2022***

##### Exploration and evaluation assets (Note 10)

- The Company issued 50,000 common shares valued at \$6,250 in connection with the Gull Ridge property.
- The Company issued 250,000 common shares valued at \$33,750 in connection with the Spruce Pond property.
- The Company issued 500,000 common shares valued at \$62,500 in connection with the Whisker Valley property.

##### ***During the year ended December 31, 2021***

##### Private Placements

- On April 12, 2021, the Company completed a non-brokered private placement with Tembo Capital of 30,770,000 common shares at a price of \$0.13 per common share for total proceeds of \$4,000,100 and 1,846,200 common share purchase warrants with each warrant being exercisable into one common share at a price of \$0.1794 per common share until April 12, 2023. Legal, regulatory and other cash costs associated with the private placement totalled \$70,488.
- On March 22, 2021, the Company completed a brokered private placement of 38,500,000 common shares on a flow-through basis at a price of \$0.1794 per flow-through common share for gross proceeds of \$6,906,900. In connection with the closing of the private placement, the Company paid a cash fee of \$414,414 and issued an aggregate of 2,310,000 non-transferable compensation warrants with each compensation warrant being exercisable into one common share at a price of \$0.1794 per common share until March 22, 2023 with a fair value of \$131,670. The flow-through shares were issued at a premium of \$1,324,400 and require the Company to incur eligible Canadian exploration expenditures of \$6,906,900 before December 31, 2022. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability was reduced to \$98,856 and \$124,463 was recognized into income during the three month period ended March 31, 2022. Legal, regulatory and other cash costs associated with the private placement totalled \$212,134.

##### Exploration and evaluation assets (Note 10)

- The Company issued 250,000 common shares valued at \$30,000 in connection with the Spruce Pond property.
- The Company issued 300,000 common shares valued at \$43,500 in connection with the Whisker Valley property.
- The Company issued 500,000 common shares valued at \$65,000 in connection with the Inomin property.

##### **Other share issuances**

During the year ended December 31, 2021, 13,165,940 common shares were issued upon the exercise of warrants for gross cash proceeds of \$1,974,891. The value of the exercised warrants of \$51,901 was transferred from reserves to share capital.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 (Unaudited, expressed in Canadian dollars)

Pursuant to the Acquisition on April 12, 2021, 3,571,428 common shares of the Company were issued to Rambler for partial consideration for the purchase of the Assets with a fair value of \$660,714 and on June 3, 2021, 400,000 common shares were issued for advisor services with a fair value of \$82,000 (Note 4).

<i>Flow-through premium liability</i>	\$
<b>Balance – December 31, 2020</b>	<b>203,613</b>
Flow-through premium liability additions	1,324,400
Settlement of flow-through premium to income	(1,304,694)
<b>Balance – December 31, 2021</b>	<b>223,319</b>
Settlement of flow-through premium to income	(124,463)
<b>Balance – March 31, 2022</b>	<b>98,856</b>

### Royalty units

During fiscal 2016 the Company issued Royalty Units with a price of \$0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of \$210,700 received in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project ("Project"). The likelihood of the Project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at \$3,440,500 being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

### Stock options

The Company has a "rolling" stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options, subject to receipt of annual shareholder approval. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX-V, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over the vesting period of the options. Vesting terms are determined by the Board of Directors.

A summary of the Company's stock options follows:

	March 31, 2022		December 31, 2021	
	Options Outstanding #	Weighted Average Exercise Price \$	Options Outstanding #	Weighted Average Exercise Price \$
<b>Balance, beginning of period</b>	<b>25,830,000</b>	<b>0.12</b>	21,230,000	0.12
Granted	-	-	7,300,000	0.18
Expired/cancelled	-	-	(2,700,000)	0.23
<b>Balance, end of period</b>	<b>25,830,000</b>	<b>0.12</b>	25,830,000	0.12





## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 (Unaudited, expressed in Canadian dollars)

During the three month period ended March 31, 2022, the Company granted nil (year ended December 31, 2021 – 7,300,000) stock options to directors, officers, consultants and employees of the Company. As at March 31, 2022, 7,225,000 of the 7,300,000 stock options granted during 2021 have vested and the remaining 75,000 unvested stock options will vest within three months. The total fair value of unvested options that will be recognized in profit or loss in future periods amounts to \$1,875 at March 31, 2022.

During the three month period ended March 31, 2022, nil (year ended December 31, 2021 – 2,700,000) stock options were forfeited, cancelled or expired resulting in a reversal of \$nil (year ended December 31, 2021 – \$293,902) from reserves to deficit. The Company has estimated the forfeiture rate to be nil%. Expected volatility was determined based on the historical movements in the closing price of the Company's shares for a length of time to the expected life of each option.

During the three month period ended March 31, 2022, the Company recorded share based compensation expenses of \$4,522 (2021 – \$2,911).

The following table sets out the details of the weighted-average assumptions used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2021.

Date of Grant	Risk-free interest rate	Volatility	Expected Life
24-Jun-21	0.85%	88.7%	5 years
29-Jul-21	0.73%	88.0%	5 years

As at March 31, 2022, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Options Outstanding #	Options Exercisable #	Exercise Price \$	Remaining Contractual Life years	Expiry
200,000	200,000	0.15	0.07	26-Apr-22
500,000	500,000	0.10	0.68	04-Dec-22
2,075,000	2,075,000	0.10	0.71	15-Dec-22
4,805,000	4,805,000	0.11	1.68	6-Dec-23
4,450,000	4,450,000	0.10	2.22	18-Jun-24
5,550,000	5,550,000	0.085	3.14	20-May-25
350,000	350,000	0.095	3.21	16-Jun-25
600,000	600,000	0.17	3.45	10-Sep-25
5,300,000	5,225,000	0.18	4.24	24-Jun-26
2,000,000	2,000,000	0.18	4.33	29-Jul-26
<b>25,830,000</b>	<b>25,755,000</b>	<b>0.12</b>	<b>2.81</b>	

#### Warrants

As at March 31, 2022, the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	Exercise Price	Expiry Date
3,087,873	\$0.15	August 21, 2022
2,310,000	\$0.18	March 22, 2023
1,846,200	\$0.18	April 12, 2023
<b>7,244,073</b>		



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 (Unaudited, expressed in Canadian dollars)

Share purchase warrant transactions were as follows:

	March 31, 2022		December 31, 2021	
	Warrants Outstanding #	Weighted Average Exercise Price \$	Warrants Outstanding #	Weighted Average Exercise Price \$
<b>Balance, beginning of period</b>	<b>7,244,073</b>	<b>0.17</b>	35,399,500	0.15
Granted	-	-	4,156,200	0.18
Exercised	-	-	(13,165,940)	0.15
Expired/cancelled	-	-	(19,145,687)	0.15
<b>Balance, end of period</b>	<b>7,244,073</b>	<b>0.17</b>	<b>7,244,073</b>	<b>0.17</b>

During the year ended December 31, 2021, 19,145,687 warrants expired unexercised, including the reversal of 1,584,273 finder warrants resulting in the reversal of \$74,661 to share capital and 13,165,940 warrants were exercised for aggregate gross proceeds of \$1,974,891.

#### 15. RELATED PARTY TRANSACTIONS

(a) Services

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related by virtue of having certain directors and officers in common.

For the three month periods ended March 31, the Company was charged the following:

	2022 \$	2021 \$
Rent	<b>19,919</b>	17,438
Office administration	<b>1,319</b>	1,319
	<b>21,238</b>	18,757

(b) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. Compensation to key management personnel for services rendered were as follows for the three month periods ended March 31:

	2022 \$	2021 \$
Salaries	<b>223,642</b>	199,420
Directors' fees	<b>22,500</b>	17,500
	<b>246,142</b>	216,920

At March 31, 2022, the Company included in accounts payable and accrued liabilities \$25,178 (2021 – \$22,013), comprised of \$22,500 (2021 – \$17,500) of directors' fees and expenses payable to the members of board of directors of the Company and \$2,678 (2021 – \$4,513) payable to the Chief Executive Officer for travel and related expenses. Amounts due to related parties are non-interest bearing with no specific terms of repayment.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2022 and 2021 (*Unaudited, expressed in Canadian dollars*)

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#### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, deposits and accounts payable and accrued liabilities. Cash and marketable securities are measured at fair value based on Level 1 of the fair value hierarchy. The fair values of receivables and accounts payable and accrued liabilities approximate their book carrying values because of the short-term nature of these instruments.

- (a) *Credit risk* - Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and receivables. The maximum exposure to loss arising from receivables is equal to their carrying amounts. The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution. Receivables are due from a government agency.
- (b) *Liquidity risk* - Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.
- (c) *Market risk* - Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.
- (d) *Interest rate risk* - Interest rate risk consists of two components:
  - i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and
  - ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

- (e) *Foreign currency risk* - Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.
- (f) *Other price risk* - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company monitors metal prices in determining its long-term business plans.

There were no changes in the Company's approach to managing the above risks.

#### 17. 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, exploration and development of mineral properties. 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 Company defines capital that it manages as equity, consisting of common shares, stock options and warrants.

The Company is dependent upon external financings to fund activities. In order to carry out any exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The



## **MARITIME RESOURCES**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three month periods ended March 31, 2022 and 2021 *(Unaudited, expressed in Canadian dollars)*

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Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes 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 capital management strategy during the three month period ended March 31, 2022 compared to the previous period. The Company is not subject to externally imposed capital requirements.

As at March 31, 2022, the Company is obligated to incur \$512,517 of qualifying flow-through expenditures prior to December 31, 2022 and will be subject to Part XII.6 taxes on any unspent flow-through expenditures after February 1, 2022.

#### **18. SUBSEQUENT EVENT**

Subsequent to March 31, 2022, the Company sold a portion of its Nomad marketable securities for gross proceeds of \$871,562.