



**WARRIOR GOLD**

EXPERIENCE • EXPLORATION • RESULTS

**Condensed Consolidated Interim Financial Statements (Unaudited)**

**For The Nine Months Ended December 31, 2022**

**Notice of No Auditor Review of  
Condensed Consolidated Interim Financial Statements**

The accompanying unaudited condensed consolidated interim financial statements of Warrior Gold Inc. for the nine months ended December 31, 2022 have been prepared by and are the responsibility of the Company's management ("Management") and have been approved by the Company's audit committee.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

**WARRIOR GOLD INC.**  
**Condensed Consolidated Interim Statements of Financial Position**  
**Expressed in Canadian Dollars**

	Note	December 31 2022 \$	March 31 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		262,716	251,707
Receivables		20,611	16,838
Prepaid expenses and deposits		16,453	366,936
<b>Total current assets</b>		<b>299,780</b>	<b>635,481</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	6	5,282,010	5,254,260
Right-of-use assets	5	2,899	8,117
<b>Total non-current assets</b>		<b>5,284,909</b>	<b>5,262,377</b>
<b>Total assets</b>		<b>5,584,689</b>	<b>5,897,858</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10	165,067	166,677
Flow-through unit premium liabilities	4	211,336	197,373
Lease liability – short term	5	5,672	13,138
Loan payable		6,286	2,414
<b>Total current liabilities</b>		<b>388,361</b>	<b>379,602</b>
<b>Non-current</b>			
Lease liability – long term	5	-	2,243
<b>Total non-current liabilities</b>		<b>-</b>	<b>2,243</b>
<b>Total liabilities</b>		<b>388,361</b>	<b>381,345</b>
<b>EQUITY</b>			
Share capital	7	49,238,529	48,814,085
Reserves	7,8	4,941,911	4,891,971
Deficit		(48,984,112)	(48,190,043)
<b>Total equity</b>		<b>5,196,328</b>	<b>5,516,013</b>
<b>Total liabilities and equity</b>		<b>5,584,689</b>	<b>5,897,858</b>

Corporate information and going concern (Note 1)

**On behalf of the Board of Directors:**

*“Stephen Burleton”*

*“Peter Winnell”*

Stephen Burleton, Director

Peter Winnell, Director

See accompanying notes.

**WARRIOR GOLD INC.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
Expressed in Canadian Dollars**

		Three Months Ended December 31		Nine Months Ended December 31	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
<b>Operating expenses</b>					
Consulting fees	10	7,500	7,500	23,125	22,500
Depreciation	5	1,738	3,758	5,218	11,273
Exploration costs	6	55,512	538,496	578,776	715,248
Insurance		3,597	3,243	10,718	9,938
Investor relations		22,157	25,275	83,217	64,471
Management fees and salaries	10	57,000	57,000	172,323	172,012
Office and miscellaneous		7,837	22,923	38,914	36,548
Professional fees		27,661	18,600	53,862	44,283
Share-based compensation		-	-	44,000	90,400
Transfer agent and filing fees		3,700	24,205	27,292	33,714
Travel		10,532	29,386	21,799	41,011
<b>Income (loss) before other income (expense)</b>		<b>(197,234)</b>	<b>(730,386)</b>	<b>(1,059,244)</b>	<b>(1,241,398)</b>
<b>Other income (expense)</b>					
Foreign exchange gain (loss)		(8)	(4)	48	528
Interest expense	5	(826)	(1,556)	(1,954)	(3,010)
Other income	4	205,397	155,665	267,081	155,665
		204,563	154,105	265,175	153,183
<b>Income (loss) and total comprehensive income (loss) for the period</b>		<b>7,329</b>	<b>(576,282)</b>	<b>(794,069)</b>	<b>(1,088,216)</b>
<b>Basic and diluted income (loss) and comprehensive income (loss) per common share</b>		<b>0.00</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>		<b>119,099,149</b>	<b>108,233,653</b>	<b>114,575,169</b>	<b>97,582,975</b>

See accompanying notes.

**WARRIOR GOLD INC.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
**Expressed in Canadian Dollars**

Nine months ended December 31	2022 \$	2021 \$
<b>Operating activities</b>		
Loss for the period	(794,069)	(1,088,216)
Adjustments for		
Depreciation	5,218	11,273
Share-based compensation	44,000	90,400
Interest expense on lease payments	986	2,054
Other income	(68,753)	(155,665)
Changes in non-cash operating working capital		
Accounts receivable	(3,773)	30,470
Prepaid expenses	350,483	(343,693)
Accounts payable and accrued liabilities	(4,420)	(71,896)
Cash used in operating activities	<u>(470,328)</u>	<u>(1,525,273)</u>
<b>Financing activities</b>		
Shares issued in private placements	536,900	1,646,250
Share issue costs	(23,800)	(27,120)
Loan advances	14,321	12,794
Loan repayments	(7,639)	(6,834)
Lease payments	(10,695)	(10,795)
Cash provided by investing activities	<u>509,087</u>	<u>1,614,295</u>
<b>Investing activities</b>		
Acquisition of exploration and evaluation assets	(27,750)	(25,250)
Cash used in investing activities	<u>(27,750)</u>	<u>(25,250)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	11,009	63,772
<b>Cash, beginning of period</b>	<u>251,707</u>	<u>409,534</u>
<b>Cash, end of period</b>	<u>262,716</u>	<u>473,306</u>

**Supplemental Cash Flow Information**

**Non-cash investing activities**

Shares issued on acquisition of exploration and evaluation assets	\$	-	\$	96,250
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See accompanying notes.

**WARRIOR GOLD INC.**  
**Condensed Consolidated Interim Statements of Changes in Equity**  
**Expressed in Canadian Dollars**

	Note	Common shares \$	Reserves \$	Deficit \$	Total equity \$
<b>Balance March 31, 2021</b>		47,394,755	4,648,108	(46,721,106)	5,321,757
Private placements		1,646,250	-	-	1,646,250
Share issuance costs		(27,120)	-	-	(27,120)
Share issuance costs – broker warrants		(4,400)	4,400	-	-
Flow-through premium		(256,250)	-	-	(256,250)
Shares issued on acquisition of exploration and evaluation assets		96,250	-	-	96,250
Share-based compensation		-	90,400	-	90,400
Loss for the period		-	-	(1,088,216)	(1,088,216)
<b>Balance December 31, 2021</b>		<b>48,849,485</b>	<b>4,742,908</b>	<b>(47,809,322)</b>	<b>5,783,071</b>
<b>Balance March 31, 2022</b>		48,814,085	4,891,971	(48,190,043)	5,516,013
Private placements		536,900	-	-	536,900
Share issuance costs		(23,800)	-	-	(23,800)
Share issuance costs – broker warrants		(5,940)	5,940	-	-
Flow-through premium		(82,716)	-	-	(82,716)
Share-based compensation		-	44,000	-	44,000
Loss for the period		-	-	(794,069)	(794,069)
<b>Balance December 31, 2022</b>		<b>49,238,529</b>	<b>4,941,911</b>	<b>(48,984,112)</b>	<b>5,196,328</b>

See accompanying notes.

## **WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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### **1. Corporate Information and Going Concern**

Warrior Gold Inc., formerly War Eagle Mining Company Inc. (the “Company” or “Warrior”) was incorporated under the laws of British Columbia on March 6, 1984. The Company is engaged in the acquisition and exploration of mineral resource properties. The Company is listed on the TSX Venture Exchange (the “TSX-V”), under the symbol “WAR”, as a Tier 2 mining issuer. The address of the Company’s corporate office and principal place of business is 25 Adelaide Street East, Suite 1400, Toronto, Ontario, Canada, M5C 3A1.

These condensed consolidated interim financial statements have been prepared on a going concern basis 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 not generated revenue from operations. The Company incurred a loss of \$794,069 during the nine months ended December 31, 2022 (December 31, 2021 – \$1,088,216) and, as of that date the Company’s deficit was \$48,984,112 (March 31, 2022 - \$48,190,043). The Company had cash of \$262,716 at December 31, 2022 (March 31, 2022 - \$251,707). 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. The Company will periodically have to raise funds to continue operations and pursue the acquisition and exploration of mineral resource properties. Although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared the outbreak of the novel coronavirus, COVID-19, a global pandemic. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economy in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares, the value of its portfolio and its ability to raise new capital.

The Company’s financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

### **2. Basis of Presentation**

#### *a) Statement of compliance*

These condensed consolidated interim financial statements for the nine months ended December 31, 2022 have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the consolidated financial statements for the year ended March 31, 2022.

The Company’s board of directors approved the release of these condensed consolidated interim financial statements on March 1, 2023.

## WARRIOR GOLD INC.

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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### 2. Basis of Presentation (continued)

#### b) *Basis of measurement*

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of these financial statements is cost, net realizable value, fair value or recoverable amount. These financial statements, except for the statement of cash flows, are based on the accrual basis. The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 3.

#### c) *Principles of consolidation*

These condensed consolidated interim financial statements include the accounts of Warrior and its wholly-owned subsidiaries. The principal subsidiaries are:

	<u>Incorporation</u>	<u>Percentage of Ownership</u>	
		2022	2021
Champagne Resources Limited ("Champagne")	Canada	N/A	100%
RD Minerals S.A. de C.V.	Mexico	100%	100%

In August 2022, pursuant to an amalgamation agreement, Champagne was amalgamated into Warrior.

All significant intercompany transactions have been eliminated.

### 3. Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are the same as those applied to the Company's March 31, 2022 annual financial statements.

The Company makes critical judgements in the determination of going concern of operations, capitalized value of evaluation and exploration assets and title to mineral property interests.

#### Estimates

The Company did not have any significant estimates in applying accounting policies that would have significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year.



**WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

**4. Flow-through share premium liabilities**

	December 31, 2022 \$	March 31, 2022 \$
Balance, beginning of period	197,373	85,362
Premium liabilities recognized on flow-through units issued	82,716	293,750
Settlement of flow-through unit premium liabilities	(68,753)	(181,739)
Balance, end of period	211,336	197,373

In July 2022, the Company closed a private placement with the issuance of 5,455,713 flow-through common shares for gross proceeds of \$381,900. These flow-through units were issued in a non-brokered private placement at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be \$82,716. As of December 31, 2022, the Company is committed to incurring approximately \$333,000 of qualifying expenditures by December 2023.

In December 2021, the Company closed a private placement with the issuance of 2,500,000 flow-through common shares for gross proceeds of \$200,000. These flow-through and charity flow-through units were issued in a non-brokered private placement at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be \$37,500. As of December 31, 2022, the Company is committed to incurring approximately \$200,000 of qualifying expenditures by December 2023.

In September 2021, the Company issued 5,000,000 flow-through units and 6,250,000 charity flow-through units for gross proceeds of \$1,156,250. These flow-through and charity flow-through units were issued in a non-brokered private placement at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be \$256,250. The flow-through premium is derecognized through income as the qualifying expenditures are incurred. During the year ended March 31, 2022, the Company satisfied some of the commitment by incurring qualifying expenditures of \$722,000. During the nine months ended December 31, 2022, the Company satisfied some of the commitment by incurring qualifying expenditures of \$397,000. As of December 31, 2022, the Company is committed to incurring additional approximately \$37,000 of qualifying expenditures by December 2023.

**WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

**5. Right of use assets and lease liabilities**

As at December 31, 2022, the Company had one operating lease for office premises. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate applied to the lease liability. The weighted average incremental borrowing rate applied to the lease liability in the nine months ended December 31, 2022 was 11.71% per annum. The lease term remaining as at December 31, 2022 is approximately 0.41 years.

The following is the continuity of the cost and accumulated depreciation of right-of-use assets (office premises) as at and for the six months ended December 31, 2022:

<b>Cost</b>	<b>\$</b>
Balance, March 31, 2022 and December 31, 2022	45,092
<b>Accumulated depreciation</b>	
Balance, March 31, 2021	30,018
Depreciation	6,957
Balance, March 31, 2022	36,975
Depreciation	5,218
Balance, December 31, 2022	42,193
Carrying amount as at December 31, 2022	2,899
Carrying amount as at March 31, 2022	8,117

**Lease liabilities**

The following is the continuity of lease liabilities as at and for the nine months ended December 31, 2022:

<b>Cost</b>	<b>\$</b>
Balance, March 31, 2021	27,174
Lease payments	(14,360)
Interest expense on lease payments	2,567
Balance, March 31, 2022	15,381
Lease payments	(10,695)
Interest expense on lease payments	986
Balance, December 31, 2022	5,672
Less: current portion	(5,672)
Lease liabilities – non current	-

## **WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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### **6. Exploration and Evaluation Assets**

The Goodfish-Kirana Project (“Goodfish” or the “Property”)

On February 9, 2018, the Company completed the amalgamation with Champagne, through a “three-cornered amalgamation” whereby Champagne merged with Andromeda Resources Inc. and became a subsidiary of Warrior. In that amalgamation, the Company acquired the Goodfish property. The Company wholly owns the property subject to various net smelter royalty (“NSR”) arrangements.

During the year ended March 31, 2019, the Company acquired eight additional patented claims contiguous to the Goodfish property for \$161,728. There is a 1.5% NSR on the claims, 1% of which can be purchased by the Company for \$1,000,000.

During the year ended March 31, 2019, the Company acquired a 24-claim package (the “Sutton claims”) (304.04 hectares) adjacent to the northeast portion of the Company’s Goodfish property, together with three contiguous new claims (50.64 hectares) staked by the Company. The claims were acquired in exchange for a 1.5% NSR. The Company has the right to buy-back two-thirds of the NSR (or 1%) for \$1,000,000.

In April 2020, the Company acquired an additional 16 contiguous claims (263 hectares) transferred from Danièle Spethmann, the Company’s Chief Executive Officer (“CEO”), for acquisition costs of \$800 (map staking costs of \$50/claim).

In September 2020, the Company acquired a private property on Airport Road within the Goodfish property boundary and on the Goodfish patented claims. The property is four acres and includes installed hydro, a portable schoolroom building, a shipping container and the infrastructure for a septic system. The costs were \$65,000 payable in cash, of which, \$35,000 was paid at the time of acquisition and the balance of \$30,000 was paid in December 2020. The Company also incurred \$6,131 in legal costs relating to the acquisition.

#### *The Arnold Property*

In July 2021, the Company acquired the Arnold Claims, comprised of 25 operational cells (538 hectares) (the “Arnold Property”). As consideration for the purchase, the Company issued 350,000 common shares of Warrior, with the Vendor holding a 1.5% NSR and the Company having the right to purchase two-thirds of the NSR (or 1%) for \$1,000,000.

#### *The KL West and KL Central Land Packages*

In August 2021, the Company entered into an option agreement with an arm’s length party to acquire a 100% interest in the KL West (“KLW”) and KL Central (“KLC”) land packages. The KLW land package comprises 107 mining claims (11,792 hectares) and the KLC land package comprises eight mining claims (2,302 hectares) for an aggregate of 115 claims (14,094 hectares). Under the terms of the option agreement, the Company paid \$10,000 in cash and issued 1,000,000 common shares, and has agreed to pay cash of \$15,000 on the first anniversary (paid in July 2022), \$20,000 on the second anniversary, and \$25,000 on the third anniversary. The option agreement is also subject to the issuance of 1,000,000 common shares upon the delivery of a Pre-Feasibility Study as defined in accordance with a National Instrument 43-101 technical report prepared by Warrior and a 1.5% NSR. The Company has the right to purchase two-thirds of the NSR (or 1%) for \$1,000,000.

In March 2022, the Company staked 29 new claims (approximately 588 ha) in Melba township. These claims are contiguous to the northern part of the KLW land package and are immediately west of the Barnet Creek Fault Zone, a prominent north-south-trending fault that is considered to be the structural control on nearby gold occurrences as documented in Ontario government archives.

**WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

**6. Exploration and Evaluation Assets (continued)**

In September 2022, the Company staked a “bridge” of claims connecting the KLW and the KLC land packages so that assessment credits accumulated anywhere on the Company’s project areas can be transferred easily avoiding administrative hurdles. The “bridge” is comprised of 60 cell claims (1,718 ha).

On November 14, 2022, the Company acquire via staking additional 66 cell claims contiguous to the KLC land package.

The KLW land package is contiguous to and west of the Company’s Goodfish Project and the KLC land package is contiguous to the Company’s Arnold Property.

As of December 31, 2022, Warrior’s land position was 617 claims and 29 patented claims, totaling 24,881 hectares.

	Goodfish- Kirana Project	Arnold Property	KLW and KLC Land Package s	Total
March 31, 2021	5,132,261	-	-	5,132,261
Core shack and site construction costs	13,999			13,999
Acquisition of Arnold property	-	28,000	-	28,000
Acquisition of KLW and KLC land	-	-	107,750	107,750
December 31 and March 31, 2022	\$ 5,146,260	\$ 28,000	\$ 107,750	5,282,010

During the nine months ended December 31, 2022 and 2021, the Company incurred exploration expenses as follows:

	December 31, 2022 \$	December 31, 2021 \$
Drilling	-	290,458
Geophysics	381,455	3,142
Geology	24,993	83,896
Assays	21,246	135,145
Technical reports	35,141	57,667
Camp costs	6,782	18,957
Geotechnical	28,040	39,667
Core sampling	-	21,877
Logistics	11,286	15,407
Other	9,908	2,796
Claims management	24,996	21,366
Demobilization	34,934	24,870
	578,781	715,248

**WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

**7. Share Capital and Reserves***Authorized capital*

Unlimited common shares, without par value.

*Issued capital*

	Number of Shares	Common Shares \$
March 31, 2021	91,818,436	47,394,755
Shares issued in private placements	17,375,000	1,646,250
Flow-through premium	-	(293,750)
Share issuance costs	-	(25,020)
Share issuance costs – broker warrants	-	(4,400)
Shares issued for acquisition of exploration and evaluation assets	1,350,000	96,250
March 31, 2022	110,543,436	48,814,085
Shares issued in private placements	8,555,713	536,900
Flow-through premium	-	(82,716)
Share issuance costs	-	(23,800)
Share issuance costs – broker warrants	-	(5,940)
December 31, 2022	119,099,149	49,238,529

**Share Issuances**

In July 2022, the Company closed a private placement with the issuance of 8,555,713 common share units (“July 2022 Units”) for gross proceeds of \$536,900 (the “July 2022 Private Placement”).

The July 2022 Units were issued as to 3,100,000 common share units priced at \$0.05 per unit and 5,455,713 flow-through units priced at \$0.07 per unit. Each July 2022 Unit comprised one common share and one-half common share purchase warrant (each whole common share purchase warrant, a “July 2022 Warrant”) of the Company. Each July 2022 Warrant entitles the holder, on exercise, to purchase one additional share of the Company (a “July 2022 Warrant Share”), at a price of \$0.10 until July 12, 2023, subject to an accelerated expiry date. If at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX-V is greater than \$0.20 for 20 or more consecutive trading days, the Company may give notice to the holders of the July 2022 Warrants that the expiry date of the warrants will be accelerated and the July 2022 Warrants will expire on the 30th business day following the date of such notice. All securities issued under the private placement were subject to a four month and one day “hold period” under applicable Canadian securities legislation.

In connection with the July 2022 Private Placement, the Company paid finders’ fees of \$23,800 in cash and issued 396,000 broker warrants exercisable into common shares of the Company at \$0.05 per share for a period of 12 months. The fair value assigned to the broker warrants was \$5,940.

In December 2021, the Company closed a private placement with the issuance of 2,500,000 flow-through common shares for gross proceeds of \$200,000.

In September 2021, the Company closed a private placement with the issuance of 14,875,000 common share units (“September 2021 Units”) for gross proceeds of \$1,446,250.

## **WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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### **7. Share Capital and Reserves (continued)**

#### ***Share issuances (continued)***

The 14,875,000 September 2021 Units were issued as to 3,625,000 common share units priced at \$0.08 per unit, 5,000,000 flow-through units priced at \$0.10 per unit and 6,250,000 charity flow-through units priced at \$0.105 per unit. Each September 2021 Unit comprised one common share and one-half common share purchase warrant (each whole common share purchase warrant, a "September 2021 Warrant") of the Company. Each September 2021 Warrant entitles the holder, on exercise, to purchase one additional share of the Company (a "September 2021 Warrant Share"), at a price of \$0.15 until March 7, 2023, subject to an accelerated expiry date. If at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX-V is greater than \$0.20 for 20 or more consecutive trading days, the Company may give notice to the holders of September 2021 Warrants that the expiry date of the Warrants will be accelerated and the September 2021 Warrants will expire on the 30<sup>th</sup> business day following the date of such notice.

In connection with the September 2021 private placement, the Company paid finders' fees of \$25,020 in cash and issued 295,500 broker warrants exercisable into common shares of the Company at \$0.15 per share for a period of 18 months. The fair value assigned to the broker warrants was \$4,400.

In August 2021, the Company issued 1,000,000 shares for the acquisition of the KLW and KLC land packages. The fair value of the shares was recorded as \$70,000.

In July 2021, the Company issued 350,000 shares for the acquisition of the Arnold Property. The fair value of the shares was recorded as \$26,250.

#### ***Reserves***

The reserves recorded in equity on the Company's statement of financial position comprise the fair value of share-based compensation and warrants prior to exercise, and obligations to issue shares in accordance with debt settlement agreements.

**WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

**8. Share-Based Compensation**

In September 2021, the shareholders of the Company re-approved the Company's incentive stock option plan (the "Stock Option Plan") which provides that the aggregate number of common shares of the Company's capital issuable pursuant to options granted may not exceed 10% of the issued and outstanding shares. If the aggregate number of options granted exceeds the maximum allowed under the Stock Option Plan, exercise of the options will require Warrior shareholder approval. Options granted under the Plan may have a maximum term of ten years and the exercise price of options granted will not be less than the discounted market price of the common shares as of the award date. The board of directors has the authority to set the vesting terms of options granted, subject to the rules of the TSX-V regarding options granted for investor relations services.

The weighted average grant-date fair value of options awarded in the nine months ended December 31, 2022 was \$nil (December 31, 2021 - \$0.05). The Company employed the Black-Scholes option-pricing model using the following weighted average assumptions:

Nine months ended September 30	2022	2021
Share price	-	\$0.07
Exercise price	-	\$0.07
Annualized stock price volatility	-	109.60%
Risk-free interest rate	-	1.26%
Expected option life (years)	-	5 years
Dividend yield	-	0.0%

A summary of stock option activity to December 31, 2022 is as follows:

	Number of options	Weighted average exercise price \$
March 31, 2021	6,403,255	0.15
Expired	(3,128,255)	0.21
Granted	5,770,000	0.07
March 31, 2022	9,045,000	0.08
Expired	(1,125,000)	0.08
December 31, 2022	7,920,000	0.08

The Company's outstanding and exercisable stock options at December 31, 2022 are:

Expiry Date	Outstanding and Exercisable Options	Weighted Average Remaining Life (Yrs.)	Weighted Average Exercise Price \$
December 16, 2024	2,500,000	1.96	0.10
May 6, 2025	400,000	2.35	0.10
September 23, 2026	4,770,000	3.73	0.07
March 28, 2027	250,000	4.24	0.07
	7,920,000	3.12	0.08

**WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

**9. Warrants**

The Company's outstanding warrants, at December 31, 2022, are:

	Number of Financing Warrants	Weighted Average Exercise Price \$	Number of Broker Warrants	Weighted Average Exercise Price \$
March 31, 2021	12,629,240	0.13	959,892	0.12
Issued	7,437,500	0.15	295,500	0.15
Expired	(6,997,833)	0.11	(501,664)	0.11
March 31, 2022	13,068,907	0.15	753,728	0.15
Issued	4,277,856	0.10	396,000	0.05
Expired	(5,631,407)	0.15	(458,228)	0.15
December 31, 2022	11,715,356	0.13	691,500	0.09

The Company's outstanding warrants at December 31, 2022 are:

Number of Financing Warrants	Exercise Price \$	Number of Broker Warrants	Exercise Price \$	Expiry Date
7,437,500	0.15	295,500	0.15	March 7, 2023
4,277,856	0.10	396,000	0.05	July 12, 2023

The Company employed Black-Scholes option-pricing model to determine the fair value of the warrants using the following weighted average assumptions:

Nine months ended December 31	2022	2021
Share price	\$0.05	\$0.08
Exercise price	\$0.05	\$0.15
Annualized stock price volatility	75.96%	78.72%
Risk-free interest rate	3.18%	0.39%
Expected warrant life (years)	1.00	1.50
Dividend yield	0%	0%

The Company assigned a fair value of \$5,940 for the 396,000 broker warrants (December 31, 2021 - \$4,400 for the 295,500 broker warrants) issued during the nine months ended December 31, 2022.



## WARRIOR GOLD INC.

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

### 10. Related-Party Transactions

The Company entered into the following transactions with related parties not disclosed elsewhere in these condensed consolidated interim financial statements:

#### Key management personnel compensation

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Management fees	57,000	57,000	172,323	172,012
Consulting fee	-	-	2,000	-
Share-based compensation	-	-	28,292	61,455
	57,000	57,000	202,615	233,467

The short-term management and consulting fees were paid or accrued to officers and directors or personal companies owned by officers and directors of the Company.

As at December 31, 2022, \$30,860 (March 31, 2022 - \$101,711) is due to related parties, which amount is included in accounts payable and accrued liabilities.

Related-party balances bear no interest and are unsecured. Transactions with related parties are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 11. Capital Management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs, to provide sufficient working capital to meet its ongoing obligations and to pursue other potential investments. The Company prepares expenditure budgets, which are updated as necessary depending on varying factors including current and forecast prices, successful capital deployment and general industry conditions.

The Company considers its capital to include equity and working capital. In order to maintain financial flexibility, the Company may from time to time issue shares and adjust its spending to manage current and projected capital levels. To assess capital and operating efficiency and financial strength, the Company regularly monitors its working capital which is calculated as follows:

	December 31	March 31
	2022	2022
	\$	\$
Current assets	299,780	635,481
Current liabilities	(388,361)	379,602
Working capital (deficiency)	(88,581)	255,879

The Company is not subject to external capital restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes to the Company's approach to capital management during the nine months ended December 31, 2022.

## **WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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### **12. Financial Instruments**

#### *Fair Value*

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities. Fair value amounts disclosed in these condensed consolidated interim financial statements represent the Company's estimate of the price at which a financial instrument could be exchanged in a market in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. These estimates may change in subsequent reporting periods due to market conditions or other factors.

A fair value hierarchy is used to categorize the inputs used to measure fair value. 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 as follows:

Level 1 - include financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market at the measurement date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Cash is classified under this category.

Level 2 - include financial assets and liabilities using valuation techniques based on assumptions that are supported by prices from observable current market transactions. The Company has no assets or liabilities in this category.

Level 3 - include financial assets and liabilities measured using valuation techniques based on nonmarket observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The Company has no assets or liabilities in this category.

#### **Classification of financial assets**

##### *Amortized cost:*

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method. Interest income is recognized in Investment (loss) income in profit or loss.

The Company's financial assets at amortized cost primarily include cash, and receivables in the Consolidated Statement of Financial Position.

The carrying value of cash, accounts payable and accrued liabilities and lease liability approximate their fair value due to the short-term nature and limited credit risk of these assets and liabilities.

## **WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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### **12. Financial Instruments (continued)**

#### *Financial Instruments Risk Management*

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, and the Company's objectives, policies and processes for measuring and managing such risks. The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### *Market risk*

The Company's profitability and long-term viability will depend, in large part, on the market price of base metals. The market prices for metals can be volatile and are affected by numerous factors beyond the Company's control, including: global or regional consumption patterns; the supply of, and demand for, these metals; speculative activities; the availability and costs of metal substitutes; expectations for inflation; and political and economic conditions, including interest rates and currency values. The Company cannot predict the effect of these factors on metal prices.

The market price of these minerals and metals may not remain at current levels. In particular, an increase in worldwide supply and consequent downward pressure on prices may result over the longer term from increased base metal production from mines developed or expanded as a result of current metal price levels.

#### *Foreign currency exchange rate risk*

The Company's exposure to foreign currency fluctuations is negligible from the cash on hand denominated in US dollars. There are no exchange rate contracts in place. A 10% change in the US dollar would have an immaterial effect on profit/loss.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it did not hold any funds in interest bearing accounts.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in paying obligations as they come due. The Company's financial liabilities consist of accounts payable and accrued liabilities. Accounts payable consists of invoices payable to trade suppliers for capital expenditures, field operating activities, and general corporate expenses. Substantially, all of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

As at December 31, 2022, the Company has a working capital deficiency of \$88,581.

#### *Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of receivables.

### **13. Segment Reporting**

The Company's activities are in one industry segment - mineral property acquisition and exploration. Substantially all administrative expenses are incurred in Canada.

## WARRIOR GOLD INC.

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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### 14. Contingencies and Commitments

#### *Compensation Agreements*

The Company has a compensation agreement with the president and chief executive officer for \$15,000 per month, which is automatically renewable for successive one-year terms.

### 15. Subsequent Events

1. In February 2023 the Company entered into a purchase agreement with Golden Fire Minerals Inc. to acquire three separate blocks of claims that are contiguous to the KLV and the KLC ground. The properties acquired include the Winnie Lake claims, Teck-Bernhardt and the Kennedy Lake Property. The Winnie Lake claims were transferred in exchange for payment of the staking and extension costs of \$2,520. The company agreed to pay \$50,000 in total for the other claims, \$5,000 upon signing, \$15,000 due in April and \$30,000 by December 31, 2023.
2. In February 2023, the Company announced that it had entered into an asset purchase agreement with New Found Gold Corp. ("NFG") pursuant to which Warrior has agreed to acquire from NFG all of the properties comprising its Lucky Strike project (the "Lucky Strike Property") located in the Kirkland Lake gold camp in Ontario, Canada (the "Transaction").

The Lucky Strike Property, located immediately to the east of Warrior's land package, in Kirkland Lake, Ontario, consists of 653 unpatented mining claims covering approximately 11,367 hectares (114 km<sup>2</sup>). The consolidated land package is 53 kilometres in length, hosts ~ 60 kilometres of major, first and second order mineralized structures, four past-producing operations, some with underground workings, numerous pits and many mineral showings of gold, copper, silver and other precious metals.

The combined property lies to the north of Agnico Eagle's Macassa Mine on the Main Break and the Upper Beaver deposit currently under development. The Upper Beaver deposit is hosted in the same Blake River rock formation within the Abitibi greenstone belt. The consolidation of the properties represents property acquisitions from 18 prospectors and owners of patented claims.

The completion of the Transaction is subject to regulatory approval and certain other conditions as described below.

As February 22, 2023, Warrior has 119,099,149 common shares issued and outstanding. Prior to the closing of the Transaction, Warrior plans to consolidate the outstanding Warrior shares on the basis of one post-consolidation Warrior share for each four Warrior shares as constituted immediately before the consolidation (the "Consolidation") and change its name (the "Name Change") to "Kirkland Lake Discoveries Inc."

The completion of the Transaction is subject to the approval of shareholders of Warrior ("Warrior Gold Shareholders") of certain matters related to the Transaction as detailed below, and is expected to close no later than May 15, 2023. Matters to be approved by Warrior Gold Shareholders will be described in further detail in a management information circular (the "Circular") of Warrior relating to an annual and special meeting of Warrior Gold Shareholders, to be held April 17, 2023. Warrior and NFG are arm's length parties.

Pursuant to the purchase agreement, Warrior will acquire the Lucky Strike Property by issuing to NFG 28,612,500 Warrior shares, issued on a post-consolidation basis at the time of closing, and granting to NFG, on the closing date, a 1.0% net smelter return royalty on the Lucky Strike Property.

The purchase agreement contains customary representations, warranties, covenants, conditions precedent and other terms and conditions. Following the completion of the Transaction and subject to receiving shareholder approval, NFG intends to distribute 100% of the Warrior shares that it receives in connection with the Transaction to its shareholders.

**WARRIOR GOLD INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended December 31, 2022

Expressed in Canadian Dollars

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**15. Subsequent Events (continued)**

Conditions to the completion of the Transaction include, but are not limited to:

- the approval of Warrior Gold Shareholders of certain related matters in connection with the Transaction;
- the approval of the TSX Venture Exchange (“TSXV”) for the listing of Warrior Gold Shares to be issued in connection with the Transaction on the TSXV;
- no order having been issued that would prevent the Transaction or the trading of the Warrior Shares;
- the reconstitution of Warrior’s board of directors and management; and
- the completion of a private placement for gross proceeds of not less than \$10,000,0000.

There can be no assurance that the Transaction will be completed as proposed, or at all.