



**BURIN GOLD**

**BURIN GOLD CORP.**  
CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian dollars)  
For the three and six months ended June 30, 2022 and 2021

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Burin Gold 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 financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

**BURIN GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian dollars)  
As at

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,100,499	\$ 6,041,696
Taxes receivable	422,580	81,185
Prepaid expenses	101,078	22,430
Exploration advances	<u>23,035</u>	<u>300,485</u>
	2,647,192	6,445,796
Exploration and evaluation assets, net of recoveries (Note 3)	343,729	343,729
Deposits	57,302	-
Equipment and right-of-use asset (Note 4)	<u>216,735</u>	<u>55,568</u>
	<b>\$ 3,264,958</b>	<b>\$ 6,845,093</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 267,326	\$ 297,293
Lease liability (Note 5)	23,837	22,294
Flow-through liability (Note 8)	<u>-</u>	<u>293,740</u>
	291,163	613,327
Lease liability (Note 5)	<u>19,932</u>	<u>32,243</u>
	<u>311,095</u>	<u>645,570</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	9,841,796	9,841,796
Contributed surplus (Note 7)	1,522,118	658,403
Accumulated deficit	<u>(8,410,051)</u>	<u>(4,300,676)</u>
Total Shareholders' Equity	<u>2,953,863</u>	<u>6,199,523</u>
	<b>\$ 3,264,958</b>	<b>\$ 6,845,093</b>

Going concern (Note 1)

On behalf of the Board on August 26<sup>th</sup>, 2022

Perry Ing Director Phillip Walford Director

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

**BURIN GOLD CORP.****CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian dollars)

	<b>For the three months ended June 30, 2022</b>	<b>For the three months ended June 30, 2021</b>	<b>For the six months ended June 30, 2022</b>	<b>For the six months ended June 30, 2021</b>
<b>Expenses</b>				
Exploration and evaluation costs, net of recoveries (Note 3)	\$ 1,720,871	\$ 165,514	\$ 3,141,311	\$ 210,450
Consulting (Note 3 and 6)	18,000	27,000	21,600	54,000
Professional fees (Note 6)	79,464	98,318	168,068	153,618
Share-based payments (Notes 6 and 7)	-	61,026	863,715	115,188
Depreciation	16,708	5,701	27,854	5,701
Investor relations	30,000	2,250	60,000	4,500
Office and general	23,949	11,365	66,386	12,749
Marketing	28,683	1,650	52,021	3,580
Finance expense (Note 5)	<u>1,019</u>	<u>1,479</u>	<u>2,160</u>	<u>1,479</u>
	(1,918,694)	(374,303)	(4,403,115)	(561,265)
Recovery of flow-through premium (Note 8)	<u>142,701</u>	<u>-</u>	<u>293,740</u>	<u>-</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (1,775,993)</b>	<b>\$ (374,303)</b>	<b>\$ (4,109,375)</b>	<b>\$ (561,265)</b>
<b>Weighted average number of shares outstanding</b>	<b>38,350,155</b>	<b>26,649,251</b>	<b>38,350,155</b>	<b>26,532,637</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.05)</b>	<b>\$ (0.01)</b>	<b>\$ (0.11)</b>	<b>\$ (0.02)</b>

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

**BURIN GOLD CORP.****CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

	Share Capital		Contributed Surplus	Deficit	Total
	Number	Amount			
<b>Balance, December 31, 2020</b>	26,388,669	\$ 3,597,742	\$ 227,092	\$ (2,788,245)	\$ 1,036,589
Shares issued on Noel option	266,553	106,622	-	-	106,622
Share issuance costs	-	(5,687)	-	-	(5,687)
Share-based payments	-	-	115,188	-	115,188
Loss for the period	-	-	-	(561,265)	(561,265)
<b>Balance, June 30, 2021</b>	26,655,222	3,698,677	342,280	(3,349,510)	691,447
Private placement	7,781,815	4,669,089	-	-	4,669,089
Flow-through shares issued	3,263,776	2,252,005	-	-	2,252,005
Flow-through premium	-	(293,740)	-	-	(293,740)
Finders' warrants issued	-	(202,470)	202,470	-	-
Share issuance costs	41,666	(755,681)	-	-	(755,681)
Options exercised	601,600	471,486	(170,686)	-	300,800
Noel option exercised	6,076	2,430	-	-	2,430
Share-based payments	-	-	284,339	-	284,339
Loss for the period	-	-	-	(951,166)	(951,166)
<b>Balance, December 31, 2021</b>	38,350,155	9,841,796	658,403	(4,300,676)	6,199,523
Share-based payments	-	-	863,715	-	863,715
Loss for the period	-	-	-	(4,109,375)	(4,109,375)
<b>Balance, June 30, 2022</b>	38,350,155	\$ 9,841,796	\$ 1,522,118	\$ (8,410,051)	\$ 2,953,863

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

**BURIN GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30,	2022	2021
<b>Cash Flows from Operating Activities</b>		
Net loss for the period	\$ (4,109,375)	\$ (561,265)
Items not involving cash:		
Depreciation	27,854	5,701
Share-based payments	863,715	115,188
Recovery of flow-through premium	(293,740)	-
Finance expense	2,160	1,479
Changes in non-cash working capital items:		
Deposits receivable	-	(1,400)
Government deposits	(57,302)	-
Taxes receivable	(341,395)	72,987
Prepaid expenses	(78,648)	8,947
Exploration advances	277,450	-
Accounts payable and accrued liabilities	(29,967)	(6,702)
<b>Net cash used in operating activities</b>	<u>(3,739,248)</u>	<u>(365,065)</u>
<b>Cash Flows from Investing Activities</b>		
Additions to exploration and evaluation assets	-	(102,600)
Project deposit recoveries	-	1,400
Acquisition of equipment	(189,021)	-
<b>Net cash used in investing activities</b>	<u>(189,021)</u>	<u>(101,200)</u>
<b>Cash Flows from Financing Activities</b>		
Share issuance costs	-	(5,687)
Lease payments	(12,928)	(5,302)
<b>Net cash used in financing activities</b>	<u>(12,928)</u>	<u>(10,989)</u>
<b>Increase (decrease) in cash during the period</b>	(3,941,197)	(477,254)
<b>Cash, beginning of period</b>	<u>6,041,696</u>	<u>892,781</u>
<b>Cash, end of period</b>	<u>\$ 2,100,499</u>	<u>\$ 415,527</u>
<b>Non-monetary transactions</b>		
Noel option cashless exercised	\$ -	\$ 6,550
Cash paid for interest and taxes	-	-

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

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

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**1. NATURE OF BUSINESS AND GOING CONCERN****Nature of Business**

Burin Gold Corp. (formerly Bonavista Resources Corp.) (the “Company” or “Burin Gold”) was incorporated as 2622579 Ontario Inc. in the Province of Ontario on February 27, 2018. The Company changed its name to Bonavista Resources Corp. in March 2018 then changed its name to Burin Gold Corp. in May 2021 and continued from the Province of Ontario into the Province of British Columbia under the Business Corporations Act (British Columbia). Burin Gold carries on business in one segment, being the identification, acquisition, and exploration of properties for mining of precious and base metals. The Company’s principal assets are mineral licenses located in Province of Newfoundland and Labrador. The Company’s registered and records office is located at 25<sup>th</sup> Floor, 700 West Georgia Street, Vancouver, BC, V7Y 1K8. The Company’s head office is located at 210-1820 Fir Street, Vancouver BC, V6J 3B1.

On November 22, 2021, the Company completed its Initial Public Offering (“Offering”) and its common shares commenced trading on the TSX Venture Exchange (“TSXV”) at the opening of business on November 24, 2021. The common shares of the Company trade under the symbol “BURG”.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

**Going Concern**

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of the Company’s ability to dispose of its interests on an advantageous basis, and the Company’s ability to obtain financing arrangements. Management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Company is unable to continue as a going concern, then this could have an impact on the Company’s ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

**2. BASIS OF PRESENTATION****Statement of Compliance**

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) has been omitted or condensed.

Accordingly, these unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended December 31, 2021.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

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**2. BASIS OF PRESENTATION (continued)****Basis of Measurement**

The financial statements are presented in Canadian dollars unless otherwise indicated and have been prepared on a historical cost basis except for certain financial instruments, which are carried at fair value.

**Critical Accounting Estimates and Judgments**

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

Information about critical judgments 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 discussed below:

*Deferred income tax*

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

*Share-based compensation*

The Company measures the cost of share-based compensations by reference to the fair value of the equity instruments granted. Estimating fair value for share-based compensations requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

The most significant judgments relate to the exploration and evaluation assets of the Company and impairment of exploration and evaluation assets, which are discussed below:

*Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available.

*Title to Mineral Property Interests*

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.



**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

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**2. BASIS OF PRESENTATION (continued)***Impairment of exploration and evaluation assets*

Assets including exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates the higher of fair value less costs to sell and value in use. Determining the recoverable amount of exploration and evaluation assets requires management to make assumptions about future events and circumstances and cash flows.

**3. EXPLORATION AND EVALUATION ASSETS****The Hickey's Pond - Paradise Gold Project**

The Hickey's Pond – Paradise Gold Project (“HPPP”) comprises several staked, optioned, and purchased mineral licences located in south-eastern Newfoundland on the Burin Peninsula and which are summarized as follows:

*Noel Option License ("Noel Option License")*

Pursuant to an option agreement dated May 3, 2018, the Company acquired a 100% interest, on completing the conditions outlined below, in 11 mineral licenses located on the Burin Peninsula, Newfoundland & Labrador, subject to a 2% net smelter royalty (NSR) subject to a 1% buyout provision for \$1,000,000.

Burin Gold paid a total of \$200,000 in cash payments over a period of three years and spent \$500,000 on exploration and development expenditures over a period of four years, which the Company completed and earned a 100% interest in the mineral claims in 2021.

Pursuant to the option agreement, as amended February 10, 2021, the Optionors of the Noel Option License shall be allowed to purchase common shares from Burin Gold at \$0.0001 per share in order for the optionors' to maintain an aggregate ownership equal to 1.0% of the issued and outstanding shares of the Company at the time of listing on a non-diluted basis. During the year ended December 31, 2021, this option was exercised, and 272,629 common shares were issued at a fair value of \$109,052 to the optionors.

*Chimney Falls License (026114M)*

Pursuant to a mineral property purchase agreement dated September 5, 2018, the Company has acquired 100% interest in a license, representing 4 claims, for \$6,000 in Chimney Falls, Newfoundland, subject to a 2% Net Smelter Royalty (NSR) subject to a 1% buyout provision for \$50,000.

**BURIN GOLD CORP.**

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

**3. EXPLORATION AND EVALUATION ASSETS (continued)****The Hickey's Pond - Paradise Gold Project (continued)***Staked Claims*

Burin Gold currently has several mineral licenses which have been staked by the Company. The current active licenses are:

- 025964M – 1 license representing 256 claims
- 025965M – 1 license representing 256 claims
- 030955M – 1 license representing 12 claims

The following is a summary of the carrying amount of exploration and evaluation assets:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Acquisition costs</b>		
Balance, beginning of period	\$ 343,729	\$ 133,477
Additions	-	211,652
Recoveries	-	(1,400)
Balance, end of period	\$ 343,729	\$ 343,729

During the six-month period ended June 30, 2022 and 2021, the Company incurred exploration costs as follows:

	<b>2022</b>	<b>2021</b>
<b>Exploration and evaluation costs</b>		
Assay and analytical	\$ 239,612	\$ 40,971
Camp costs	231,486	-
Core logging	48,320	-
Drilling	1,014,223	-
Equipment rentals	48,881	7,593
Field expenditures	132,703	55,464
Geological consulting	169,539	92,740
Labour	141,300	30,500
Recoveries	-	(76,500)
Road building and excavation	792,404	-
Survey	300,485	-
Transportation	22,358	59,682
<b>Total</b>	<b>\$ 3,141,311</b>	<b>\$ 210,450</b>

The recoveries consist of government grants received from the Government of Newfoundland and Labrador under the Junior Exploration Assistance (“JEA”) program. During the six-month period ended June 30, 2022 a grant received in the amount of \$nil (2021 - \$76,500) has been recognized under the JEA program related to exploration and evaluation expenditures incurred.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

**4. EQUIPMENT AND RIGHT-OF-USE ASSET**

The Company entered into an office space lease agreement for a three-year term commencing April 1, 2021.

	<b>Field</b>			
	<b>Equipment</b>	<b>Vehicles</b>	<b>ROU Asset</b>	<b>Total</b>
<b>Cost</b>				
Balance at December 31, 2020	\$ -	\$ -	\$ -	\$ -
Additions	-	-	71,912	71,912
Balance at December 31, 2021	-	-	71,912	71,912
Additions	141,021	48,000	-	189,021
Balance at June 30, 2022	\$ 141,021	\$ 48,000	\$ 71,912	\$ 260,933
<b>Accumulated Amortization</b>				
Balance at December 31, 2020	\$ -	\$ -	\$ -	\$ -
Amortization	-	-	16,344	16,344
Balance at December 31, 2021	-	-	16,344	16,344
Amortization	13,308	927	13,619	27,854
Balance at June 30, 2022	\$ 13,308	\$ 927	\$ 29,963	\$ 44,198
<b>Carrying Amounts</b>				
As at December 31, 2021	\$ -	\$ -	\$ 55,568	\$ 55,568
As at June 30, 2022	\$ 127,713	\$ 47,073	\$ 41,949	\$ 216,735

**5. LEASE LIABILITY**

<b>Lease liability</b>	
Balance, December 31, 2020	\$ -
Additions	67,334
Finance expense	4,103
Lease payments	(16,900)
Balance, December 31, 2021	54,537
Finance expense	2,160
Lease payments	(12,928)
<b>Balance, June 30, 2022</b>	<b>\$ 43,769</b>
Current	\$ 23,837
Long term	\$ 19,932

The Company has applied an incremental borrowing rate of 9%.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

**5. LEASE LIABILITY (continued)**

	<b>June 30, 2022</b>
<b>Maturity analysis – contractual undiscounted cash flows</b>	
2022	\$ 13,182
2023	27,125
2024	<u>6,844</u>
<b>Total undiscounted lease liability</b>	<b>\$ 47,151</b>

**6. RELATED PARTY TRANSACTIONS**

The remuneration of key management personnel, which includes directors, officers and a consulting company of which an officer is an employee, included amounts disclosed below, during the three and six months period ended June 30, 2022 and 2021 were as follows:

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
<b>Payments to key management personnel</b>				
Consulting fees	\$ -	\$ 3,000	\$ -	\$ 12,000
Geological consulting	46,250	73,902	92,500	136,381
Professional fees	15,000	22,400	41,600	22,400
Share-based payments	-	52,162	720,312	95,491
	<u>\$ 61,250</u>	<u>\$ 151,464</u>	<u>\$ 854,412</u>	<u>\$ 266,272</u>

As at June 30, 2022, \$37,625 (December 31, 2021 - \$45,934) is included in accounts payable and accrued liabilities that is due to directors, officers, and companies with a director in common. Amounts due to related parties are non-interest bearing, with no fixed terms of repayments.

**7. SHARE CAPITAL****Authorized Share Capital**

The Company is authorized to issue an unlimited number of common shares with no par value. The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

**Transactions**

During the six months ended June 30, 2022, the Company did not issue any common shares.

During the year ended December 31, 2021, the Company issued:

- A total of 272,629 common shares valued at \$109,052 upon the cashless exercise of the Noel Option License on March 22, May 10, and July 23, 2021 (Note 4).
- 551,600 common shares for stock options exercised for gross proceeds of \$275,800 on July 20, 2021.
- 50,000 common shares for stock options exercised for gross proceeds of \$25,000 on July 23, 2021

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

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7. **SHARE CAPITAL** (continued)**Transactions** (continued)

- 7,781,815 units (the "Units") at a price of \$0.60 and 3,263,776 flow-through shares (the "FT Shares") at a price of \$0.69 on November 22, 2021 upon completion of an initial public offering (the "Offering") resulting in aggregate gross proceeds of \$6,921,094. The Offering was pursuant to the final prospectus of the Company dated November 10, 2021.

Each Unit comprises one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.85 per common share for a period of two years.

Commissions, legal fees, and corporate finance fees in the amount of \$561,814 were paid in connection with the Offering. In addition, the Company issued as corporate finance fees, 41,666 common shares, valued at \$24,006, and 642,187 broker warrants, valued at \$202,470 using the Black-Scholes Options Pricing model. The Company used the following assumptions when valuing the brokers warrants: dividend yield of 0%, expected volatility of 100%, risk free interest between of 1.04% and an expected life of 2 years. Each broker warrant entitles the holder to purchase one common share at a price of \$0.60 for a period of two years from the listing date.

**Escrowed shares**

As at June 30, 2022, the Company had 15,626,143 common shares subject to escrow release restrictions. 3,125,229 shares will be released on November 22, 2022, then, every six months thereafter as follows:

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November 22, 2022	3,125,229
May 22, 2023	3,125,229
November 22, 2023	3,125,229
May 22, 2024	3,125,229
November 22, 2024	<u>3,125,227</u>
	<u>15,626,143</u>

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**Stock options**

The Company has issued stock options as approved by the Board of Directors who determine the vesting terms and conditions at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

For options issued to employees, directors, officers, and technical consultants, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

During the six months ended June 30, 2022, the Company granted 2,386,600 (2021 – 500,000) stock options with a weighted average fair value of \$0.36 per option (2021 - \$0.28).

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

**7. SHARE CAPITAL (continued)****Stock options (continued)**

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted.

	June 30, 2022	June 30, 2021
Risk-free interest rate	1.64 %	0.94 %
Expected life of options	5 years	5 years
Expected annualized volatility	100 %	100 %
Forfeiture	-	-
Dividend	-	-

Stock option transactions are summarized as follows:

	Number of Options	Weighted average exercise price
Balance, December 31, 2020	1,250,000	\$ 0.50
Granted	500,000	0.50
Exercised	<u>(601,600)</u>	<u>(0.50)</u>
Balance, December 31, 2021	1,148,400	0.50
Granted	<u>2,386,600</u>	<u>0.54</u>
Balance, outstanding and exercisable, June 30, 2022	3,535,000	\$ 0.53

The following stock options were outstanding as at June 30, 2022:

Date of grant	Options Outstanding	Exercise Price	Expiry date	Remaining Life in Years
April 27, 2020	250,000	\$ 0.50	April 27, 2025	2.83
May 21, 2020	250,000	\$ 0.50	May 21, 2025	2.89
October 28, 2020	200,000	\$ 0.50	October 28, 2025	3.33
March 24, 2021	238,400	\$ 0.50	March 24, 2026	3.73
May 17, 2021	210,000	\$ 0.50	May 17, 2026	3.88
January 31, 2022	2,286,600	\$ 0.55	January 25, 2027	4.58
March 1, 2022	<u>100,000</u>	\$ 0.45	March 1, 2027	<u>4.67</u>
	3,535,000			4.17

**Anti-dilution pooling agreements**

On February 27, 2018 and March 20, 2018, the Company entered into anti-dilution pooling agreements with Daniel James and David Clark and issued 1,500,000 and 3,000,000 common shares to them, respectively. These shares are subject to share adjustment. If the shares issued exceed 5% and 10% of the issued and outstanding common shares of the Company on a fully-diluted basis on the date of a liquidity event, the Company shall purchase the excess shares for cancellation at a price of \$0.001 per share. Liability related to the required share adjustment is not recorded as it does not have material effect.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

**7. SHARE CAPITAL (continued)****Anti-dilution pooling agreements (continued)**

On May 28, 2021, the Company entered into Termination Agreements with David Clark and Daniel James to terminate the anti-dilution pooling agreements.

**Anti-dilution option agreements**

On April 4, 2018, the Company entered into anti-dilution option agreements with Daniel James and David Clark which allows them to purchase shares from the company at \$0.0001 per share in order to maintain ownership equal to 5.0% and 10.0% respectively of the issued and outstanding shares on a non-diluted basis. No amount is recognized as the vesting condition for these options are not expected to be satisfied.

On May 28, 2021, the Company entered into Termination Agreements with David Clark and Daniel James to terminate the anti-dilution option agreements.

**Warrants**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted average exercise price
Balance, December 31, 2020	267,460	\$ 0.40
Granted	<u>4,533,095</u>	<u>0.81</u>
Balance, December 31, 2021 and June 30, 2022	4,800,555	\$ 0.79

The following warrants were outstanding as at June 30, 2022:

Date of grant	Warrants Outstanding	Exercise Price	Expiry date	Remaining Life in Years
February 13, 2020	194,688	\$ 0.40	November 22, 2023	1.40
July 27, 2020	72,772	\$ 0.40	November 22, 2023	1.40
November 22, 2021	3,890,908	\$ 0.85	November 22, 2023	1.40
November 22, 2021	<u>642,187</u>	\$ 0.60	November 22, 2023	<u>1.40</u>
	4,800,555			1.40

**8. FLOW-THROUGH SHARES**

Pursuant to the terms of the flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. Expenditures related to the use of flow-through share proceeds are included in exploration and evaluation expenditures but are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors.

On June 29, 2021, Bill C-30 received Royal Assent and became law. Bill C-30 resulted in the temporary extension of timelines for spending the capital raised through the issuance of flow-through shares by 12 months, for flow-through share agreements entered in 2019 or 2020. This extended the Company's timeline in respect of its obligations with respect to its 2020 flow-through financing from December 31, 2021 to December 31, 2022.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

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**8. FLOW-THROUGH SHARES (continued)**

The Company also indemnifies subscribers of the flow-through shares for taxable amounts that may become due if the Company does not complete its contractual obligations related to the flow-through shares.

As at June 30, 2022, the Company had \$nil (December 31, 2021 - \$2,379,289) in unspent flow-through funds and had a remaining flow-through liability of \$nil (December 31, 2021 - \$293,740).

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT****Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

**Risk management**

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous year unless otherwise stated in the note.

**General Objectives, Policies and Processes:**

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

The Company is exposed through its operations to the following financial risks:



**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2022 and 2021

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**9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)****Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year, and a lease liability (Note 5).

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash as the entire amount is held at a single major Canadian financial institution. Credit risk on cash is minimized by depositing with only reputable financial institutions.

**10. SEGMENT INFORMATION**

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties in Canada, refer to Note 3.