



**CONSOLIDATED FINANCIAL STATEMENTS**

**WEST VAULT MINING INC.**  
**(Formerly West Kirkland Mining Inc.)**

**For the year ended December 31, 2021**  
*(Expressed in Canadian dollars)*

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## Independent Auditor's Report

To the Shareholders and the Board of Directors of  
West Vault Mining Inc. (formerly West Kirkland Mining Inc.)

### Opinion

We have audited the consolidated financial statements of West Vault Mining Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Tim Holwill.

***/s/ Deloitte LLP***

Chartered Professional Accountants  
Vancouver, British Columbia  
April 27, 2022

**West Vault Mining Inc.**  
**Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

	December 31, 2021	December 31, 2020
<b>Assets</b>		
<b>Current:</b>		
Cash	\$ 7,145,088	\$ 2,139,956
Accounts receivable	10,264	14,816
Prepaid expenses and deposits	65,122	53,502
<b>Total current assets</b>	<b>7,220,474</b>	<b>2,208,274</b>
Non-current assets:		
Reclamation bonds (Note 3)	239,931	232,781
Mineral properties (Note 4)	43,463,304	42,582,991
<b>Total assets</b>	<b>\$ 50,923,709</b>	<b>\$ 45,024,046</b>

**Liabilities and Equity**

<b>Current:</b>		
Accounts payable and accrued liabilities	\$ 185,465	\$ 457,388
<b>Total current liabilities</b>	<b>185,465</b>	<b>457,388</b>
Non-current liabilities:		
Deferred Revenue (Note 5)	8,293,757	-
Reclamation provision (Note 7)	70,138	70,437
<b>Total liabilities</b>	<b>\$ 8,549,360</b>	<b>\$ 527,825</b>
<b>Equity:</b>		
Share capital (Note 6)	\$ 74,729,995	\$ 74,559,615
Warrant reserve	310,748	311,323
Share based payment reserve (Note 6)	2,116,478	2,351,420
Foreign currency translation reserve	4,807,721	5,143,895
Deficit	(39,590,593)	(37,870,032)
<b>Total shareholders' equity</b>	<b>\$ 42,374,349</b>	<b>\$ 44,496,221</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 50,923,709</b>	<b>\$ 45,024,046</b>

Commitments and contingencies (Note 12)

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

Approved by the Board of Directors and authorized for issue on April 27, 2022.

/s/ Pierre Lebel  
Director

/s/ Kevin Falcon  
Director

**West Vault Mining Inc.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

	Year ended December 31, 2021	Year ended December 31, 2020
<b>Expenses</b>		
Fees associated with deferred revenue	\$ 410,535	\$ -
Salaries and benefits	284,540	261,756
Professional Fees	204,383	201,090
Consulting fees	176,000	66,000
Foreign exchange gain	(150,828)	-
Shareholder relations	105,982	127,918
Filing and transfer agent fees	90,827	63,273
Office and general	84,442	83,817
Travel	7,387	2,368
Share-based compensation expense	-	1,486,851
Accretion (Note 5)	679,209	-
Loss before finance and other income	\$ 1,892,477	\$ 2,293,073
<b>Finance and Other Income</b>		
Interest income	(6,074)	(10,652)
<b>Net loss</b>	<b>\$ 1,886,403</b>	<b>\$ 2,282,421</b>
<b>Item that may be subsequently reclassified to net loss</b>		
Exchange differences on translating foreign operations	336,174	901,846
<b>Comprehensive loss for the year</b>	<b>\$ 2,222,577</b>	<b>\$ 3,184,267</b>
Loss attributable to:		
Shareholders of West Vault Mining	\$ 1,886,403	\$ 2,280,236
Non-controlling interest	-	2,185
Net Loss	\$ 1,886,403	\$ 2,282,421
Comprehensive loss attributable to:		
Shareholders of West Vault Mining	\$ 2,222,577	\$ 3,163,267
Non-controlling interest	-	21,000
Comprehensive Loss	\$ 2,222,577	\$ 3,184,267
Basic and diluted loss per share	\$ 0.03	\$ 0.05
<b>Weighted average number of common shares outstanding:</b>		
Basic and diluted	58,062,263	48,361,775

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

**West Vault Mining Inc.**  
**Consolidated Statements of Changes in Equity**  
(Expressed in Canadian dollars)

	<u>Share Capital</u>		Warrant Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Deficit	Attributable to the Shareholders of the Parent Company	Non-Controlling Interest	Total
	Number	Amount							
Balance at December 31, 2019	40,867,297	\$ 56,629,650	\$ -	\$ 707,874	\$ 6,034,285	\$ (22,093,543)	\$ 41,278,266	\$ 1,151,658	\$ 42,429,924
Share issuance	16,042,333	17,531,650	-	-	-	-	17,531,650	-	17,531,650
Share issuance costs	-	(977,165)	-	-	-	-	(977,165)	-	(977,165)
Share compensation expense	-	-	-	1,671,026	-	-	1,671,026	-	1,671,026
Shares issued upon exercise of options	80,000	75,480	-	(27,480)	-	-	48,000	-	48,000
Warrants	-	-	311,323	-	-	-	311,323	-	311,323
Contributions for project costs	-	-	-	-	-	-	-	121,038	121,038
Purchase remaining 25% of Hasbrouck	1,000,000	1,300,000	-	-	(7,358)	(13,496,253)	(12,203,611)	(1,251,697)	(13,455,308)
Other comprehensive loss	-	-	-	-	(883,032)	-	(883,032)	(18,814)	(901,846)
Net loss	-	-	-	-	-	(2,280,236)	(2,280,236)	(2,185)	(2,282,421)
<b>Balance December 31, 2020</b>	<b>57,989,630</b>	<b>\$ 74,559,615</b>	<b>\$ 311,323</b>	<b>\$ 2,351,420</b>	<b>\$ 5,143,895</b>	<b>\$ (37,870,032)</b>	<b>\$ 44,496,221</b>	<b>\$ -</b>	<b>\$ 44,496,221</b>
Share issuance – warrants	612	1,280	(575)	-	-	-	705	-	705
Shares issued upon exercise of options	100,000	169,100	-	(69,100)	-	-	100,000	-	100,000
Expired stock options	-	-	-	(165,842)	-	165,842	-	-	-
Other comprehensive loss	-	-	-	-	(336,174)	-	(336,174)	-	(336,174)
Net Loss	-	-	-	-	-	(1,886,403)	(1,886,403)	-	(1,886,403)
<b>Balance December 31, 2021</b>	<b>58,090,242</b>	<b>\$ 74,729,995</b>	<b>\$ 310,748</b>	<b>\$ 2,116,478</b>	<b>\$ 4,807,721</b>	<b>\$ (39,590,593)</b>	<b>\$ 42,374,349</b>	<b>\$ -</b>	<b>\$ 42,374,349</b>

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

**West Vault Mining Inc.**  
**Consolidated Statements of Cash flows**  
(Expressed in Canadian dollars)

	Year ended December 31, 2021	Year ended December 31, 2020
Cash flows provided by (used in):		
<b>Operating activities</b>		
Net loss	\$ (1,886,403)	\$ (2,282,421)
Cash proceeds from stream sale	7,606,800	-
Items not involving cash:		
Accretion	679,209	-
Share-based compensation expense	-	1,486,851
Changes in non-cash working capital:		
Accounts receivable	7,501	17,137
Prepaid expenses and other	(11,645)	(38,435)
Accounts payable and accrued liabilities	(271,761)	240,545
<b>Net cash used in operating activities</b>	<b>\$ 6,123,701</b>	<b>\$ (576,323)</b>
<b>Investing activities</b>		
Expenditures on mineral properties (Note 4)	\$ (749,781)	\$ (871,647)
Acquisition of Hill of Gold (Note 4)	(314,087)	-
Additions to reclamation bonds	(8,135)	(23,632)
Repayment of reclamation bonds	-	6,372
<b>Net cash used in investing activities</b>	<b>\$ (1,072,003)</b>	<b>\$ (888,907)</b>
<b>Financing Activities</b>		
Issuance of share capital	\$ -	\$ 17,531,650
Purchase 25% Hasbrouck Project	-	(13,455,309)
Share issuance costs	-	(665,842)
Proceeds from warrant exercise	705	-
Proceeds from option exercise	100,000	48,000
Cash contributions from non-controlling interest	-	158,810
<b>Net cash received from financing activities</b>	<b>\$ 100,705</b>	<b>\$ 3,617,309</b>
Increase in cash	\$ 5,152,403	\$ 2,152,079
Effect of exchange rate changes on cash denominated in a foreign currency	(147,271)	(63,765)
Cash, beginning of year	\$ 2,139,956	\$ 51,642
<b>Cash, end of year</b>	<b>\$ 7,145,088</b>	<b>\$ 2,139,956</b>
<b>Supplemental disclosure of cash flow information</b>		
Non-cash activities:		
Depreciation capitalized to mineral properties	\$ -	\$ 7,992
(Increase) Decrease in trade and other payables related to mineral properties	2,949	(25,292)

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



**West Vault Mining Inc.**  
**Notes to the consolidated financial statements**  
**Year ended December 31, 2021 and 2020**  
(Audited - expressed in Canadian dollars)

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**1. Nature of Operations and Continuance of Operations**

The Company is an exploration and development company working on mineral properties it has staked or acquired in Nevada. The Company's flagship project consists of the 100% owned Hasbrouck & Three Hills gold properties (together the "Hasbrouck Project" and individually the "Hasbrouck Mine" and the "Three Hills Mine"). An updated pre-feasibility study and declaration of reserves was completed for the Hasbrouck Project in September 2016. The Company defers all acquisition, exploration and development costs related to the properties on which it is conducting exploration and advancing development. The recoverability of these amounts depends upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary permitting and financing, and future profitable production, or alternatively, upon the Company's ability to dispose of its interests on a profitable basis.

Currently, the Company is not generating revenue from the Hasbrouck Project, and does not generate sufficient cash flows to support its operations. This condition calls into question the Company's ability to continue as a going concern. In addition, should the Company decide to develop the Hasbrouck Project, the Company will need to raise additional financing. In response to the uncertainty caused by the lack of revenue and cash flows, the Company has taken several actions including actively monitoring cash flow forecasts and results, and what expenditures are required to maintain the Hasbrouck Project. At year end, the Company had \$7.1 million of cash.

The Company has sufficient cash to fund its operations, working capital requirements and capital program for more than the next 12 months. As a result, after considering all relevant information, including its actions completed to date and its future plans, management has concluded that there is no material uncertainty related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for a period of 12 months from the consolidated statement of financial position date. The estimates used by management in reaching this conclusion are based on information available as of the date these financial statements were authorized for issuance and include internally generated cash flow forecasts. Accordingly, actual results could differ from these estimates and resulting variances may be material to management's assessment.

The COVID-19 pandemic has had a material impact on the global economy, the scale and duration of which remain uncertain. The Company has implemented a range of safety measures and monitoring procedures, consistent with directives from the province of British Columbia and the state of Nevada. However, the impact of this pandemic could include significant COVID-19 specific costs, volatility in the prices for gold and other metals, project development and mining restrictions, delays or temporary closures, travel restraints, other supply chain disruptions and workforce and contractor interruptions, including possible loss of life. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations, including development at the Hasbrouck Project, cannot be reasonably estimated at this time. Depending on the duration and extent of any further impact of COVID-19, the Company's future financial performance, cash flows and financial position, could be materially impacted and could result in material impairment charges to the Company's assets.

**2. Significant Accounting Policies and Basis of Presentation**

*(a) Statement of Compliance*

These consolidated financial statements have been prepared in accordance with accounting policies in full compliance with IFRS and were approved by the Board of Directors for distribution on April 27, 2022.

*(b) Basis of Presentation*

These consolidated financial statements have been prepared on a historical cost basis.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Company and its subsidiaries.

**West Vault Mining Inc.**  
**Notes to the consolidated financial statements**  
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(Audited - expressed in Canadian dollars)

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*(c) Principles of Consolidation*

These consolidated financial statements include the accounts of the Company and its wholly owned legal subsidiaries, WKM Corp, WKM (USA) Ltd. and Hasbrouck LLC. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. All material intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

*(d) Foreign Currency*

Items included in the consolidated financial statements are measured in each entity's functional currency. Each entity's functional currency is determined by the primary environment the entity operates in. The functional currency of the Company's subsidiaries, WKM USA Ltd. and Hasbrouck LLC, is the United States Dollar ("USD") and the functional currency of WKM Corp. and the ultimate parent company is the Canadian Dollar ("CAD").

The presentation currency of the Company is the CAD. For the purpose of presenting the financial statements, assets and liabilities of the Company's foreign subsidiaries are expressed in Canadian dollars using the closing rates at the date of the statement of financial position being presented. Revenue and expense items are translated at average exchange rates of the reporting period. The exchange differences that arise on translation are recognized as a component of other comprehensive income or loss and recorded in equity as "foreign currency translation reserve". Accumulated amounts in the foreign currency translation reserve will be recognized in profit or loss in the period when the foreign operation is disposed of.

Transactions in currencies which are not the entity's functional currency are translated to the functional currency at exchange rates at the date of the transaction. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

The following exchange rates were used when preparing these consolidated financial statements:

CAD/USD

Year-end rate: 1.2678 (Dec 31, 2020 – 1.2732)

Year average rate: 1.2535 (Dec 31, 2020 – 1.3415)

*(e) Exploration and Evaluation Expenditures*

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims. Such costs include, but are not exclusive to, geological and geophysical studies, exploratory drilling and sampling. Capitalization of costs commences once the Company has obtained legal rights to explore a specific area. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

*(g) Development and Production Costs*

When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all exploration and evaluation costs attributable to that area are reclassified to construction in progress within property and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs

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**Notes to the consolidated financial statements**  
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of the related property will be amortized using the unit-of-production method following the commencement of production.

*(h) Impairment of Non-Financial Assets*

Non-financial assets are reviewed each reporting period for any indicators that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, any intangible asset with an indefinite useful life or any intangible asset not yet available for use is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset or cash-generating unit's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash inflows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and development activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in commodity prices and markets; and
- Adverse variations in the exchange rate for the currency of operation.

*(i) Share Capital*

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares and share options are recognized as a deduction from equity, net of any tax effects. The proceeds from the issuance of units are allocated between common shares and purchase warrants based on the relative fair value method. Under this method, the proceeds are allocated to the components in proportion to their relative fair values. The market price on the date of the issuance of the shares and the market price of the publicly traded warrants on their first day of trading are used to determine the relative fair values.

*(j) Share-based Payments*

The share option plan allows the Company's board of directors to grant options to Company employees and consultants to acquire shares of the Company. The fair value of options granted to employees is measured by the Black-Scholes formula options pricing model and is recognized as a share-based compensation expense and recognized over the length of the vesting period of each tranche, while the corresponding amount is recognized in the share-based payments reserve. At each financial reporting date, the number of options recognized as an expense is adjusted to reflect the number of options actually expected to vest going forward. Upon cancellation or expiry, the fair value of the applicable options is transferred to deficit. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

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**Notes to the consolidated financial statements**  
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(Audited - expressed in Canadian dollars)

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*(k) Loss Per Share*

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. During the years ended December 31, 2021 and 2020 all outstanding share options and warrants were anti-dilutive.

*(l) Income Taxes*

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxes are recorded using the liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to unused tax losses and unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Temporary differences are not provided for i) the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable loss and is not a business combination, and ii) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits and temporary differences can be utilized.

*(m) Restoration, Rehabilitation and Environmental Obligations*

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The capitalized costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of-production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

**West Vault Mining Inc.**  
**Notes to the consolidated financial statements**  
**Year ended December 31, 2021 and 2020**  
(Audited - expressed in Canadian dollars)

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*(n) Deferred Revenue*

The Company recognized deferred revenue when it received payments from customers in consideration for future commitments to deliver metals and before such sale meets the criteria for revenue recognition. The Company will recognize amounts in revenue as the metals are delivered to the customer. Specifically, for the metal agreement entered into with Sprott (see Note 5), the Company will determine the amortization of deferred revenue to the consolidated statement of income (loss) on a per unit basis using the estimated total quantity of metal expected to be delivered to Sprott over the term of the mine life of the Company's potential future production.

There is a significant financing component associated with the Sprott Stream as funds were received in advance of the delivery of concentrate. When a significant financing component is recognized, finance expense will be higher and revenues will be higher as the larger deferred revenue balance is amortized to revenue.

*(o) Measurement Uncertainties*

i) Resource estimates

The Company relies on appropriately qualified persons to estimate mineral resources. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. Changes in the indicated and inferred mineral resources estimates may impact the carrying value of the mining properties.

ii) Share-based payments

The Company follows accounting guidelines in determining the fair value of share-based compensation. The recognized fair value is derived based on subjective assumptions input into an option pricing model and is not based on historical cost. The model requires that management make forecasts as to future events, including estimates of the average future period of issued stock options before exercise, expiry or cancellation, future volatility of the Company's share price in the life of the options (using historical volatility as a reference), and the appropriate risk-free rate of interest. Share-based compensation also incorporates an expected forfeiture rate. The expected forfeiture rate is estimated annually based on historical forfeiture rates and expectations of future forfeiture rates.

The resulting fair value calculated is not necessarily the value that the holder of the options could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

iii) Impairment of mineral properties

The Company assesses its mineral properties quarterly to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

iv) Environmental reclamation

The Company must use judgement when it assesses environmental reclamation and closure costs. Costs have been estimated based on the Company's interpretation of current regulatory requirements, however changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

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*(p) Significant Accounting Judgments*

Critical judgments made by management in the process of applying the Company's accounting policies that have the most significant effect on amounts recognized in the Company's consolidated financial statements, apart from those involving estimations (see Note 2(n)), are those related to the economic recoverability of mineral property deferred costs, the determination of functional currency for the Company and its subsidiaries, and the assumption that the Company will continue as a going concern.

*(q) Adoption of new and revised Standards and Interpretations*

There were no new or amended accounting standards or interpretations that had a significant impact on the Company's consolidated financial statements during the year ended December 31, 2021.

**3. Reclamation Bonds**

The Company's US subsidiary, Hasbrouck LLC have posted total statewide bonds of \$233,065 (2020 - \$225,888) to the Bureau of Land Management ("the BLM"), while WKM USA Ltd has also posted a bond to the Division of Oil, Gas and Mining of Utah ("DOG M") for disturbance of ground required to complete exploration work on the formerly held TUG property for \$6,866 (2020 - \$6,893).

Bond amounts posted with DOGM are expected to be returned to the Company once reclaimed areas at TUG are inspected and approved.

**4. Mineral Properties**

The Company's flagship project is the Hasbrouck Project. The Company purchased 75% of the Hasbrouck Project in April 2014, with the remaining 25% purchased August 13, 2020 (see details on both transactions below). Since acquiring 75% of the project in 2014 the Company has been the project operator. The project is held in the Hasbrouck LLC where the Company owns 100% of the issued shares. All costs incurred by all parties on the Hasbrouck Project are included in the table below:

<b>Balance December 31, 2019</b>	<b>\$ 42,379,795</b>
Permitting	360,335
Salaries and Wages	435,791
Land Holding Costs	178,766
Other	63,632
Foreign Exchange Movement	(835,328)
<b>Balance December 31, 2020</b>	<b>\$ 42,582,991</b>
Acquisition Hill of Gold (see below)	314,087
Permitting	184,189
Salaries and Wages	246,751
Land Holding Costs	271,633
Other	44,260
Foreign Exchange Movement	(180,607)
<b>Balance December 31, 2021</b>	<b>43,463,304</b>

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**Hasbrouck Project**

25% Acquisition – 2020

On August 13, 2020, the Company closed a sale and purchase agreement with Clover Nevada LLC, a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman LP (“Waterton”), whereby the Company consolidated 100% ownership of the Hasbrouck Project. To acquire Waterton’s 25% interest in the Hasbrouck Project, the Company paid Waterton US\$10 million in cash and issued 1.0 million common shares worth \$1.3 million based on the share price at the time of issuance. The transaction was subject to the completion of a concurrent financing by the Company (see Note 6).

In the event of a change of control of the Company, or if the Company had sold substantially all of the Hasbrouck Project within six, twelve or eighteen months from the closing of the transaction, Waterton would have been entitled to a cash payment (the “Trailing Payment”) calculated as a declining percentage of the consideration received in excess of US\$50 million at a rate of 25%, 12.5% or 6.25% respectively. For the six months subsequent to August 13, 2021, Waterton was entitled to a Trailing Payment calculated at 6.25% of any consideration received in excess of US\$50 million, after which time no further Trailing Payment would be due to Waterton.

As the Company controlled the Hasbrouck Project both before and after the 25% purchase, no gain or loss was recognized upon the acquisition of the remaining 25%. The \$13.5 million difference between the consideration paid and the \$1.25 million non-controlling interest that was eliminated was recognized directly in the equity of the Company, as parent.

75% Acquisition – 2014

On January 24, 2014, the Company signed a purchase agreement (the “Hasbrouck PA”) with Allied Nevada Gold Corp. (“ANV”) to acquire a 75% interest in ANV’s Hasbrouck Project. The Company made a non-refundable US\$500,000 cash deposit upon execution of the letter agreement and an additional US\$19.5 million payment on April 23, 2014 at which time the Company’s purchase was completed.

Sprott Stream Transaction

On March 1, 2021, the Company announced the closing of a gold and silver Purchase and Sale Agreement (the “Stream Agreement”) with Sprott Private Resource Streaming and Royalty Corp (“Sprott”) for 1.41% of all the refined gold and silver to be produced over the life of mine from the Hasbrouck Project.

In consideration of the Stream Agreement, Sprott has paid the Company an advance purchase deposit of US\$6.0 million (\$7.6 million at March 1, 2021 exchange rate) and is to advance an additional deposit of US\$1.0 million within 10 days of the Company announcing a Board approved construction decision for the Hasbrouck Project. Sprott may then elect to include the Hill of Gold property to the Stream Agreement by advancing a final deposit of US\$300,000 within 60 days following payment of the additional US\$1.0 million deposit.

A cash transfer price payable upon delivery of refined gold and silver to Sprott has been set at 20% of the market value per ounce of metal, as quoted by the London Bullion Market Association on the date of delivery. The balance of the market value per ounce will be applied as a credit against the advance cash deposits by Sprott until the advances are fully utilized. Thereafter the price paid to the Company for the metals delivered will be 20% of the market value thereof.

Activity on the Hasbrouck Project

The Hasbrouck Project consists of the Three Hills Mine and the Hasbrouck Mine. As per the 2016 pre-feasibility study on the Hasbrouck Project, the Three Hills Mine is scheduled to commence construction three years prior to the Hasbrouck Mine. Federal permits for the Three Hills Mine were obtained in 2015 and the Company’s main activity in 2020 was to obtain the federal mining permit to construct and operate the

**West Vault Mining Inc.**  
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Hasbrouck Mine, which was obtained on November 4, 2020. During 2021 the Company acquired the Hill of Gold property (described below) and has been working to incorporate this small project into the Three Hills mine plan and permitting.

The Hasbrouck Project is held in a limited liability corporation, Hasbrouck LLC, for ownership and operating purposes. Until August 13, 2020, Waterton owned a 25% interest in Hasbrouck LLC and was required to fund their 25% share of expenditures. Effective August 13, 2020 the Company purchased the remaining 25% of the Hasbrouck Project from Waterton and all amounts due from Waterton have been received by the Company.

**Other Properties related to the Hasbrouck Project**

The Company holds royalties over the Hasbrouck Project and the Hill of Gold property located between the Hasbrouck Mine and the Three Hills mine, which is held as a possible source of heap leach ore to augment planned production at the Three Hills Mine.

Hill of Gold Property

In November 2016, the Company signed a ten-year Mineral Lease and Option to Purchase Agreement (the "HOG Lease") for a 100% interest in the Hill of Gold property located midway between the Three Hills Mine and the Hasbrouck Mine. The HOG Lease covered 25 mining claims on approximately 500 acres of unpatented land. The HOG Lease terms allowed for mining and required annual pre-payments on a 2% NSR royalty of US\$25,000 for the first three years and thereafter US\$30,000 per year, with the option of buying the mining claims and royalty outright for US\$500,000 at any time during the lease term.

On February 2, 2021, the Company announced the purchase of the Hill of Gold property in exchange for a one-time payment of US\$250,000, thereby extinguishing the pre-existing HOG Lease and related advance 2% NSR royalty payments.

In December 2021, the Company announced the receipt of a federal permit which allows mineralized material to be mined at the Hill of Gold satellite project. Mineralized material is planned to be hauled 2.5 miles for processing at the Three Hills Mine.

Hasbrouck 1.1% NSR Royalty

In May 2017, the Company purchased an existing 1.1% NSR royalty (the "1.1% NSR Royalty") on the Hasbrouck Project from Newmont Corporation, and also acquired the rights to US\$1.0 million in payments due upon commercial production at the Hasbrouck Project. The Company traded its former TUG property for this royalty, which comprised a low-grade outcropping gold and silver deposit in the Long Canyon Trend, north-west Utah. The 1.1% NSR Royalty is a component of the approximate total 3.5% NSR royalty existing on the property.

**5. Deferred Revenue**

On February 22, 2021 the Company entered into a gold and silver stream with Sprott whereby Sprott has made an upfront cash payment of US\$6 million (C\$7.6 million) pursuant to which the Company will deliver to Sprott 1.41% of all the gold and silver produced for the life of mine from the Hasbrouck Project. Under the terms Sprott will also pay the Company a further US\$1 million within 10 days of the Company announcing a Board approved construction decision for the Hasbrouck Project.

The upfront payment for the stream has been accounted for as deferred revenue as the agreement will be satisfied through the delivery of non-financial items (i.e. gold and silver from the Company's production) rather than cash or financial assets. The drawdown of the deferred revenue will be credited to future sales in the corresponding period. The Company recognizes interest expense at each reporting period and will adjust the deferred revenue balance to recognize the financing element that is part of the streaming agreement.



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<b>Balance December 31, 2020</b>	<b>\$</b>	<b>-</b>
Deferred net revenue proceeds		7,606,800
Accretion		679,209
Foreign exchange		7,748
<b>Balance December 31, 2021</b>	<b>\$</b>	<b>8,293,757</b>

**6. Share Capital**

The authorized share capital consists of an unlimited number of common shares without par value. At December 31, 2021, the Company had 58,090,242 shares outstanding.

During the year ended December 31, 2021 the Company issued 612 shares upon the exercise of 612 warrants for gross proceeds of \$705 received by the Company.

During the year ended December 31, 2021 the Company issued 100,000 shares upon the exercise of 100,000 share options for gross proceeds of \$100,000 received by the Company.

On August 13, 2020, the Company closed both a brokered private placement and a non-brokered private placement, both at a subscription price of \$1.15 per common share, issuing 5,520,000 and 8,855,000 million shares for gross proceeds of \$6,348,000 and \$10,183,250 respectively. Total fees of \$942,122 (including warrants valued at \$311,323) were incurred on the offerings.

On August 13, 2020, the Company issued 1,000,000 common shares at a deemed price of C\$1.30 to Waterton as part of the acquisition of 25% of the Hasbrouck Project (see Note 4 for further details).

On June 29, 2020, the Company completed a consolidation of its common shares on the basis of one new share for ten old shares (1:10). All share numbers in these financial statements are presented on a post consolidation basis.

On January 21, 2020, the Company closed a non-brokered private placement of 1,667,333 shares at a price of \$0.60 per share for gross proceeds of \$1,000,400. Finders fees, legal and exchange fees totaled \$35,043.

During fiscal 2020, the Company issued 80,000 common shares upon the exercise of 80,000 share purchase options. Total proceeds of \$48,000 were received by the Company.

Warrant Reserve

In connection with the 2020 brokered private placement the Company issued 331,200 warrants to brokers connected with the financing. Each warrant is exercisable for one common share at a price of \$1.15 until August 14, 2022. A fair value of \$311,323 was attributed to these warrants by using the Black Scholes pricing model using the following weighted average assumptions:

Expected life	2.0 years
Risk-free interest rate	0.28%
Expected volatility	121%
Expected dividends	-
Weighted average fair value of warrant granted	\$0.94

	<b>Number</b>	<b>Value</b>
<b>December 31, 2019</b>	-	-
Granted	331,200	\$ 311,323
<b>December 31, 2020</b>	<b>331,200</b>	<b>\$ 311,323</b>
Exercised	(612)	(575)
<b>December 31, 2021</b>	<b>330,588</b>	<b>\$ 310,748</b>

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Share based payment reserve

The Company established a stock option plan (the "Plan") on May 1, 2007, whereby options can be granted to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted may not exceed 10% of the Company's total shares issued and outstanding.

The following table summarizes the Company's outstanding share options:

<b>Exercise Price</b>	<b>Number Outstanding at December 31, 2021</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>	<b>Number Exercisable at December 31, 2021</b>
\$1.50	1,560,000	3.64	1,560,000
\$1.10	345,000	0.01	345,000
\$0.60	632,500	1.28	632,500
	<b>2,537,500</b>	<b>2.56</b>	<b>2,537,500</b>

The weighted average remaining contractual life of options outstanding at December 31, 2021 is 2.56 years.

The following table summarizes the Company's share-based payment reserve:

<b>Balance December 31, 2019</b>	<b>\$ 707,874</b>
Share options exercised	(27,480)
Share compensation expense	1,671,026
<b>Balance December 31, 2020</b>	<b>\$ 2,351,420</b>
Share options exercised	(69,100)
Share options expired	(165,842)
<b>Balance December 31, 2021</b>	<b>\$ 2,116,478</b>

For the year ended December 31, 2020, 1,560,000 share options were granted to various employees, consultants and directors associated with the Company. Each share option is exercisable at a price of \$1.50 for a period of five years and vests immediately. The Company expensed \$1,486,851 and capitalized \$184,175 to the Hasbrouck/Three Hills property related to these options. At the grant dates the Black Scholes model was used to value these options using the following weighted average assumptions:

Expected life	5 years
Risk-free interest rate	0.30%
Expected volatility	101%
Expected dividends	-

	<b>Number</b>	<b>Weighted average exercise price</b>
<b>December 31, 2019</b>	<b>1,397,500</b>	<b>\$0.80</b>
Exercised	(80,000)	\$0.60
Granted	1,560,000	\$1.50
<b>December 31, 2020</b>	<b>2,877,500</b>	<b>\$1.20</b>
Exercised	(100,000)	\$1.00
Cancelled	(240,000)	\$1.00
<b>December 31, 2021</b>	<b>2,537,500</b>	<b>\$1.22</b>

The weighted average exercise price for the outstanding and exercisable share purchase options at December 31, 2021 is \$1.22.

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**7. Reclamation Provision**

The reclamation provision represents the estimated costs required to provide adequate restoration and rehabilitation of drilling activities in Nevada and Utah. The Company measures the reclamation costs at fair value, which is based on the net present value of future cash expenditures upon reclamation of drilling sites and related lands. Reclamation costs are capitalized to mineral properties and will be amortized over the life of the related mine once the mine commences commercial production.

At December 31, 2021 the provision of \$70,138 (2020 - \$70,437) for reclamation cost obligations has been adjusted to reflect risk and foreign exchange. The estimate has been discounted at its present value at a rate of approximately 1.26% per annum (2020 – 0.36%) being an estimate of the long-term, risk-free, pre-tax cost of borrowing. The undiscounted balance of the reclamation provision is \$57,051 (2020 - \$58,843) and is expected to be incurred between 2026 and 2030.

**8. Capital Risk Management**

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and to provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued share capital, reserves and accumulated deficit.

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 new debt and acquire or dispose of mineral rights.

As at December 31, 2021, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

**9. Financial Risk Management**

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

**(a) Fair Value**

As at December 31, 2021, the Company's financial instruments consist of cash, accounts receivable, reclamation bonds, accounts payable and accrued liabilities. The fair values of accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments and the fair value of the reclamation bonds approximates their fair value due to the fact they earn interest at rates approximating market rates.

**(b) 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 exposed to the short-term interest rates through the interest earned on cash balances; however, management does not believe this exposure is significant.

**(c) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company is exposed to credit risk through its cash, which is held in large Canadian financial institutions and accounts receivable. The Company believes this credit risk is insignificant.

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**(d) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company operates in Canada and the United States and is therefore exposed to foreign currency risk arising from transactions denominated in U.S. dollars. Certain amounts of the Company's accounts payable and accrued liabilities are denominated in U.S. dollars. A 10% change in the exchange rate between the Canadian and United States dollar would influence the loss before income taxes as at December 31, 2021 of approximately \$89,511 (December 31, 2020, \$385). The Company monitors its net exposure to foreign currency fluctuations and adjusts its cash held in U.S. dollars accordingly. The following table lists the Canadian dollar equivalent of financial instruments and other current assets denominated in U.S. dollars as of December 31, 2021:

	December 31, 2021	December 31, 2020
Cash	\$ 7,146,358	\$ 55,492
Prepaid expenses and other	31,315	4,202
Reclamation bond	239,931	232,781
Accounts payable and accrued liabilities	18,957	38,215

**(e) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operation period.

**10. Segmented Information**

The Company operates in one segment being the exploration and development of mineral properties in Nevada. The Company operates in two geographical areas being Nevada and Canada. All of the Company's non-current assets are held in Nevada.

<b>As at December 31, 2021</b>	Canada	United States	Total
Current Assets	\$ 7,161,172	\$ 59,302	\$ 7,220,474
Mineral Properties	-	43,463,304	43,463,304
Other Assets	-	239,931	239,931
Total Assets	7,161,172	43,762,537	50,923,709
Accounts Payable and accrued liabilities	166,512	18,953	185,465
Net loss	1,445,642	440,460	1,886,403

<b>As at December 31, 2020</b>	Canada	United States	Total
Current Assets	\$ 2,148,730	\$ 59,544	\$ 2,208,274
Mineral Properties	-	42,582,991	42,582,991
Other Assets	-	232,781	232,781
Total Assets	2,148,730	42,875,316	45,024,046
Accounts Payable and accrued liabilities	419,169	38,219	457,388
Net loss	2,193,623	88,798	2,282,421

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**11. Related Party Transactions**

The Company paid remuneration for the following items with companies related by way of directors in common:

	Year ended December 31, 2021	Year ended December 31, 2020
General Administration	\$ 24,000	\$ 24,000
Accounting fees	48,000	48,000
Rent	25,128	25,128
Directors Fees	87,068	94,250
<b>Total Related Party Transactions</b>	<b>\$ 184,196</b>	<b>\$ 191,378</b>

For the year ended December 31, 2021, the Company accrued and paid Platinum Group Metals Ltd., a company related by virtue of a common director and common officer, i) \$24,000 (December 31, 2020 - \$24,000) for day-to-day administration, reception and secretarial services, ii) \$48,000 (December 31, 2020 - \$48,000) for accounting services, and iii) \$25,128 (December 31, 2020 - \$25,128) for rent. Amounts payable at period end include an amount of \$9,188 payable to Platinum Group Metals Ltd. (December 31, 2020 - \$23,208).

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties.

Compensation of Key Management Personnel

	12 months ended December 31, 2021	12 months ended December 31, 2020
Salaries and management fees	\$ 465,275 <sup>1</sup>	\$ 387,400
Directors fees	87,068	94,250
Share-based payments	-	1,397,878
<b>Total Related Party Transactions</b>	<b>\$ 552,343</b>	<b>\$ 1,879,528</b>

<sup>1</sup>Includes \$132,000 severance paid to the former CEO and President of the Company.

**12. Commitments and Contingencies**

For details of the Company's mineral property acquisitions and optional expenditure commitments prior to the acquisition of the Hill of Gold property in February, 2021, see Note 4. Apart from ongoing annual mineral property and permit maintenance fees, the Company currently has no other identified mineral property optional commitments or contingencies.

**13. Deferred Taxes**

Income tax expense reported differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to West Vault Mining Inc., to the loss before the tax provision due to the following:

	2021	2020
Net loss before income taxes	\$ (1,886,403)	\$ (2,282,421)
Canadian federal and provincial income tax rates	27%	27%

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	2021	2020
Income tax expense based on Canadian federal and provincial income tax rates	(509,329)	(616,254)
Increase (decrease) attributable to:		
Non-deductible expenses	183,334	88
Non-deductible share-based payments	-	401,450
Changes in unrecognized deferred tax assets	290,183	175,853
Effects of different statutory tax rates on earnings of subsidiaries	26,446	96
Effect of foreign currency exchange rate change	8,794	48,327
Other	572	(9,560)
Income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2021	December 31, 2020
Deferred tax assets		
Non-capital and net operating loss carry forwards	\$ 3,051,148	\$ 2,909,538
Total deferred tax assets	3,051,148	2,909,538
Deferred tax liabilities		
Mineral properties	\$ (3,051,148)	\$ (2,909,538)
Total deferred tax liabilities	(3,051,148)	(2,909,538)
Net deferred taxes	\$ -	\$ -

Unrecognized deductible temporary differences, unused tax losses, and unused tax credits are attributable to the following:

	2021	2020
Non-capital and net operating loss carry forwards <sup>1</sup>	\$ 32,537,560	\$ 38,240,743
Share issuance costs	613,537	839,885
Mineral properties	1,771,919	1,771,919
Pre-production investment tax credits	86,537	86,537
Tax value of property and equipment in excess of book	150,484	150,484
Other temporary differences	184,985	184,985
	\$ 35,435,022	\$ 41,274,553

<sup>1</sup>The unrecognized tax losses and investment tax credits will begin to expire in 2029.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WEST VAULT MINING INC.**

**(Formerly West Kirkland Mining Inc.)**

**For the year ended December 31, 2021**

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# **West Vault Mining Inc.**

## **Management's Discussion and Analysis**

**For the year ended December 31, 2021**

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### **1. Overview**

West Vault Mining Inc., formerly West Kirkland Mining Inc. ("West Vault" or the "Company"), is a mineral exploration and development company focused on the development of the Hasbrouck heap-leach gold project, consisting of the Hasbrouck Mine and Three Hills Mine (together the "Hasbrouck Gold Project") in Nevada. The Company is based in Vancouver, British Columbia, Canada and its common shares trade on the TSX Venture Exchange ("TSXV") under the symbol, "WVM" and on the USA OTC as OTCQX:WVMDF. The Company is a reporting issuer in each of the provinces of Canada except Quebec.

The following Management's Discussion and Analysis ("MD&A") focuses on the financial condition and results of operations of the Company for the year ended December 31, 2021. The MD&A is prepared as of April 27, 2022 and should be read in conjunction with the Company's consolidated financial statements and related notes thereto for the year ended December 31, 2021.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

### **2. Forward-Looking Information**

Certain statements made and information contained herein may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation (collectively, "Forward-Looking Statements"). Forward-Looking Statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. Forward-Looking Statements in this MD&A include, but are not limited to, statements regarding:

- The Company's ability to obtain additional financing on satisfactory terms;
- Planned exploration activity including both expected drilling and geological and geophysical related activities;
- Impact of increasing competition;
- Future foreign currency exchange rates; and
- Future sources of liquidity, cash flows and their uses;

Forward-Looking Statements are necessarily based on several estimates and assumptions that, while considered reasonable by the Company based on the information available to it, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions investors that any Forward-Looking Statements provided by the Company are not a guarantee of future results or performance, and that actual results may differ materially from those in Forward-Looking Statements as a result of various estimates, assumptions, risks, and uncertainties, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the market for gold or other minerals that may be produced generally, recent market volatility; variations in the nature, quality and quantity of any mineral deposits that may be located, consents or authorizations required for its activities, to raise the necessary capital or to be fully able to implement its business strategies and other risks associated with the exploration and development of mineral properties.

Although the Company has attempted to identify risks and uncertainties that may cause actual actions, events or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. As actual results and future events could differ materially from those anticipated in Forward-Looking Statements, readers should not place undue reliance on such statements. Except as may be required by law, the Company undertakes no obligation to publicly update or revise any Forward-Looking Statements, whether because of new information, future events or otherwise.



**West Vault Mining Inc.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2021**

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**3. Recent Activities in the Company**

***Gold and Silver Stream Transaction with Sprott***

On March 1, 2021, the Company announced a gold and silver Purchase and Sale Agreement (the "Stream Agreement") with Sprott Private Resource Streaming and Royalty Corp. ("Sprott") for 1.41% of all refined gold and silver (the "1.41% Stream") to be produced for the life of mine from the Hasbrouck Gold Project. Under the terms of the Stream Agreement, Sprott paid the Company an advance purchase deposit of US \$6.0 million. An additional purchase deposit of US \$1.0 million (the "Additional Deposit") is to be paid to the Company within 10 days of the announcement of a Board-approved construction decision for the Hasbrouck Gold Project. Sprott may elect to add the Hill of Gold Property (defined below) to the Stream Agreement by paying a final purchase deposit of US \$300,000 within 60 days of paying the Additional Deposit. In addition to the amortization of aggregate purchase deposits received by the Company, a cash transfer price payable upon delivery of refined gold and silver to Sprott has been set at 20% of the market value per ounce of metal, as quoted by the London Bullion Market Association on the date of delivery.

***Acquisition of Hill of Gold Property***

On February 1, 2021, the Company completed a 100% buyout of the Hill of Gold Property (the "Hill of Gold Property") in exchange for a one-time payment of US \$250,000, which represented a 50% discount to the buyout price agreed pursuant to the original HOG Lease (defined below). The Company agreed to the one-time buyout price based on its assessment of value and to extinguish future lease and royalty payments due to the property lessor. The Hill of Gold Property, comprised of 25 mining claims on approximately 500 acres of unpatented land, is located approximately 3.5 miles southwest of Tonopah, Nevada, midway between the Three Hills Mine and Hasbrouck Mine. The Company finalized permitting of the Hill of Gold open pit in November 2021, for mineralized material to be hauled 2 miles to the already-permitted Three Hills Mine heap leach facility. The Hill of Gold Property hosts a non-current historical inferred resource estimate. See more details below.

***Federal Permit to Construct and Operate the Hasbrouck Mine***

On November 5, 2020, the Company announced receipt from the Bureau of Land Management ("BLM") of a Decision Record ("DR") and Finding of No Significant Impact ("FONSI") based on the analysis in an Environmental Assessment ("EA") for the Hasbrouck Mine. The DR signifies completion of requirements under the National Environmental Policy Act ("NEPA") and EA process and is the final major permitting step to allow construction. The Hasbrouck Mine is planned as phase two of the Hasbrouck Gold Project, with phase one being the already fully permitted Three Hills Mine and Hill of Gold pit, located one mile west of the town of Tonopah. The Company believes the completion of BLM federal permitting for the phase two Hasbrouck Mine reduces overall project execution risk considerably.

***Consolidation of the Hasbrouck Gold Project***

On August 13, 2020, the Company acquired the 25% interest in the Hasbrouck Gold Project that was held by Clover Nevada LLC, a wholly owned USA subsidiary of Waterton Precious Metals Fund II Cayman, LP ("Waterton"), thus consolidating 100% ownership of the Hasbrouck Gold Project. In consideration the Company paid Waterton US\$10 million in cash and issued 1.0 million common shares worth C\$1.3 million based on the share price at the time the formal agreements were executed and announced on July 22, 2020.

In the event of a change of control of the Company, or if the Company sold substantially all of the Hasbrouck Project within six, twelve or eighteen months from the closing of the transaction, Waterton would have been entitled to a cash payment (the "Trailing Payment") calculated as a declining percentage of the consideration received in excess of US\$50 million at a rate of 25% or 12.5% respectively. Rights to the Trailing Payment expired February 13, 2022 and after this date no amounts on any sale price are due to Waterton.

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On August 12 and August 13, 2020, the Company closed a non-brokered private placement and a brokered private placement, both priced at \$1.15 per common share, and both first announced on July 22, 2020. The non-brokered private placement, completed with two major shareholders of the Company, closed first for 8,855,000 common shares and gross proceeds of \$10,183,250. The brokered private placement for 5,520,000 common shares and gross proceeds of \$6,348,000 closed August 13, 2020. Total commissions of \$380,880 were paid on the brokered private placement.

#### ***Name Change and Share Consolidation***

At the Annual General and Special Meeting of Shareholders of the Company held on June 25, 2020 (the "2020 AGM"), West Vault's shareholders approved the Company's change of name to "**West Vault Mining Inc.**" with immediate effect. The Company's common shares began trading on the TSXV under the new symbol '**WVM**' on July 2, 2020, and on the USA OTC as OTCQX:WVMDF

At the Company's 2020 AGM, shareholders also approved a reverse split of the Company's common shares and on June 29, 2020, the Company announced it had consolidated its issued and outstanding common shares based on one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. The share consolidation reduced the number of common shares from 425,346,309 to 42,534,631. All share numbers in this MD&A are presented on a post-consolidation basis.

#### ***Company Objectives***

On August 12, 2019, the Company announced a revised strategic plan to amplify the Company's strengths while reducing holding costs and dilution risks for shareholders. Key objectives of the Company's revised strategic plan include:

- Holding permitted gold reserves in Nevada;
- Minimizing holding and overhead costs;
- Protecting and enhancing shareholder value;
- Developing the Hasbrouck Gold Project when market conditions are compelling and financial risks are low; and
- Returning capital to shareholders.

## **4. Discussion of Operations and Financial Results**

### ***Results of Operations***

#### ***For the twelve months ended December 31, 2021***

For the year ended December 31, 2021, the Company incurred a net loss of \$1,886,403 (December 31, 2020 - \$2,282,421). In the current year the Company incurred fees associated with deferred revenue (\$410,535) and accretion (\$679,209), both of which were not incurred in the previous comparable period. In the previous comparable period, \$1,486,851 of share-based compensation expense was recognized while in the current period, no share-based compensation was incurred. Consulting fees of \$176,000 paid to the Company's former President and CEO were recorded in the current year (December 31, 2020 - \$66,000), including a one-time severance payment of \$132,000. During the current year a loss of \$336,174 was recognized on the exchange differences on translating foreign operations due to an increase in the value of the Canadian Dollar relative to the U.S. Dollar (December 31, 2020 \$901,846). Expenditures on mineral properties in the current year (including the acquisition of the Hill of Gold for \$314,087) totaled \$1,060,920 (December 31, 2020 - \$1,038,544).

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**For the three months ended December 31, 2021**

For the three-month period ended December 31, 2021, the Company incurred a net loss of \$279,948 (December 31, 2020 - \$111,407). During the current period accretion expense of \$210,608 was incurred on the Company's deferred revenue (December 31, 2020 - \$Nil). During the current period a gain of \$1,270,281 was recognized on the exchange differences on translating foreign operations due to an increase in the value of the U.S. Dollar relative to the Canadian Dollar (December 31, 2020 \$2,167,941 loss).

**Selected Information**

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Interest Income	\$ 6,074	\$ 10,652	\$ 16,899
Comprehensive Loss (Income)	\$ 2,222,577	\$ 3,184,267	\$ 3,623,863
Basic and Diluted Loss per Share	\$ 0.03	\$ 0.05	\$ 0.00
Total Assets	\$ 50,923,709	\$ 45,024,046	\$ 42,719,571
Long Term Debt	\$ Nil	\$ Nil	\$ Nil
Dividends	\$ Nil	\$ Nil	\$ Nil

**5. Summary of Quarterly Results**

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters:

Quarter Ending	Interest & Other Income	Net Loss <sup>(a)</sup>	Comprehensive Loss (Gain) <sup>(b)</sup>	Net Basic Loss per Share
December 31, 2021	\$ 463	\$ 279,948	\$ 602,204	\$ 0.00
September 30, 2021	\$ 641	\$ 500,284	\$ (634,979)	\$ 0.01
June 30, 2021	\$ 1,784	\$ 519,294	\$ 1,133,176	\$ 0.01
March 31, 2021	\$ 3,186	\$ 586,877	\$ 1,122,921	\$ 0.01
December 31, 2020	\$ 4,184	\$ 111,407	\$ 2,380,523	\$ 0.00
September 30, 2020	\$ 2,383	\$ 1,900,068	\$ 2,837,544	\$ 0.04
June 30, 2020	\$ 1,696	\$ 169,771	\$ 1,902,469	\$ 0.00
March 31, 2020	\$ 2,388	\$ 101,175	\$ (3,936,269)	\$ 0.00

**Notes:**

- a) Quarterly Net Loss is often materially affected by the timing and recognition of large non-cash expenses.  
b) Comprehensive (gain) loss by quarter is often materially affected by changes in foreign exchange rates.

**6. Mineral Properties, Exploration Programs and Expenditures**

**Hasbrouck Gold Project**

On January 24, 2014, the Company entered into a purchase agreement to acquire 75% of the Hasbrouck and Three Hills properties (together the Hasbrouck Gold Project as defined above) in southwestern Nevada for consideration of US\$20 million from Allied Nevada Gold Corp. ("ANV").

On March 10, 2015, ANV announced that it had filed for Chapter 11 bankruptcy protection in the U.S. and was implementing a financial restructuring of its debt. On June 19, 2015, Waterton acquired all ANV's exploration properties and related assets (excluding the Hycroft operation) for US\$17.5 million, including the remaining 25% interest in the Hasbrouck Gold Project.

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As outlined in the purchase agreement, 100% title to the mineral rights underlying the Hasbrouck Gold Project was transferred into an LLC (WK Allied Hasbrouck LLC) on September 1, 2016, with the Company retaining its 75% interest in the LLC, and Waterton its 25% interest in the LLC for ownership and operating purposes.

On August 13, 2020, the Company purchased Waterton’s 25% interest in the LLC for US\$10 million (\$13.46 million) and one million shares of the Company to consolidate 100% of the Hasbrouck Gold Project.

The Hasbrouck Gold Project has been advanced to a pre-feasibility study level and now has achieved federal permitting. Further details of the pre-feasibility study and permitting can be found below.

***Other Properties***

***Hill of Gold***

On November 29, 2016, the Company announced the execution of a ten-year Mineral Lease and Option to Purchase Agreement (the “HOG Lease”) for a 100% interest in the Hill of Gold Property near Tonopah, Nevada. The Hill of Gold Property is located midway between the Three Hills Mine and the Hasbrouck Mine. The terms of the HOG Lease allowed for mining and required annual lease payments as pre-payments on a 2% NSR royalty of US\$25,000 for the first three years and thereafter US\$30,000 per year, with the option of buying the mining claims and royalty for US\$500,000 at any time during the lease term. The Hill of Gold Property covers 25 mining claims on approximately 500 acres of unpatented land.

On February 1, 2021, the Company completed a 100% buyout of the Hill of Gold Property in exchange for a one-time payment of US \$250,000 (see details above). Permitting work was completed in December 2021 which allows mineralized material mined at the Hill of Gold Project to be hauled 2.5 miles for processing at the Three Hills Mine.

Hill of Gold has a non-current historical pit-constrained resource of 42,350 gold ounces (pit-constrained at 0.01 ounce per ton cut-off grade) which was developed in 1969 by Scott Hardy P.E and Steven Ristorcelli, P. Geo, both of Mine Development Associates in Reno, Nevada (“MDA”). This historical resource is based on 29,926 feet of drilling from 83 reverse circulation holes and 6 core holes. The Hill of Gold host rocks and geological setting are similar to those found at the Three Hills deposit.

A qualified person has not done sufficient work to classify this historical resource as a current mineral resource, and the Company is not treating this historical estimate as a current mineral resource.

<b>Hill of Gold Kriged Resource</b>			
<b>Inferred</b>			
<b><i>Cutoff (opt)</i></b>	<b><i>Tons</i></b>	<b><i>Oz Au/ton</i></b>	<b><i>Gold (ounces)</i></b>
0.000	1,699,000	0.025	42,480
0.010	1,629,000	0.026	42,350
0.015	1,438,000	0.027	38,830
0.020	985,000	0.032	31,520
0.030	403,000	0.044	17,730

Three metallurgical studies have been performed which indicate a gold recovery from a heap leach of between 67% and 74%:

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- Phelps Dodge, pre-1996, bottle-rolls on RC chips
- Chemex Labs, pre-1996, shaker tables on RC chips
- McClelland Labs, 1996, two composited core samples

MDA estimate that 1.3 million tons of this material is mineable at a grade of 0.026 opt (0.9 g/t) in an open pit, with a stripping ratio of 3:1. Conservative pit slopes were used in making this estimate, which might be steepened should a rigorous geotechnical analysis be performed, which would include drilling one or more geotechnical boreholes. Should this be the case, it would have the effect of reducing the stripping ratio for the estimated mineable material.

<b>Hill of Gold Floating Cone Results</b>				
<b>Au Price</b>	<b>Ore Tons</b>	<b>Ore Grade</b>	<b>Waste Tons</b>	<b>Strip Ratio</b>
\$450	1,269,000	0.026	3,790,000	2.99
\$400	1,214,000	0.026	3,722,000	3.02
\$385	1,204,000	0.026	3,676,000	3.05
\$350	278,000	0.032	605,000	2.18
\$300	217,000	0.032	369,000	1.70

1. This estimate of historical resources was made before the Company acquired an interest in Hill of Gold
2. The source of this historic estimate is a technical report entitled "Hill of Gold Project, Resource Evaluation, November 11, 1996", which is not compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), and was written for Eastfield Resources (USA) Inc. and Prism Resources (U.S.) by Scott Hardy P.E. and Steven Ristorcelli, P.Geo., of MDA.
3. This historical estimate is relevant due to its proximity to and thus the potential economic impact it might have on the Three Hills Mine.
4. Regarding the reliability of this historical resource, MDA stated in their 1969 report that although the exercise to develop this historical resource has not been entirely rigorous, they believe it is a reasonable estimate of the in-situ Hill of Gold historical resource and potential open pit volumes, and that while additional analysis and new data may change this estimate it should not do so significantly. MDA consider density of drilling to be adequate for a 43-101 resource and assays have been performed by industry-standard labs.
5. Key assumptions used to develop the historical resource include modeling using Medsystem software using geological interpretations provided by Eastfield-Prism. The assay database was composited in 10 ft bench composites which were then coded with the appropriate zone number. A block model was constructed, and block grades were estimated using ordinary kriging. Blocks within a zone were estimated using only the composites within the zone.
6. The historical estimates are categorized as inferred. No other categories are used.
7. Work to upgrade the historical estimate to a current mineral resource would involve twinning a percentage of historical boreholes to confirm historical results, drilling to define the limits of mineralization and provide better control on grade variability and identify geologic characteristics of high-grade intervals, and performing test work to better characterize the metallurgical aspects of the deposit.

*Royalty on Hasbrouck Gold Project*

In May 2017, the Company purchased an approximate 1.1% NSR royalty (the "1.1% NSR Royalty") on the Hasbrouck Gold Project from Newmont Corporation ("Newmont"), plus the rights to US\$1.0 million in payments due upon commercial production at the Hasbrouck Gold Project and the extinguishment of

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US\$194,000 in existing land fees due to Newmont. In consideration the Company assigned all its TUG property rights and interests to Newmont (see below for further details). The Company now owns for its own account the 1.1% NSR Royalty, or approximately 31.4% of the existing 3.5% NSR royalties on the Hasbrouck Gold Project. The existing NSR royalties are over claims hosting the Proven and Probable Reserves at the Hasbrouck Gold Project and were not altered by way of this transaction.

#### **Gold and Silver Stream Transaction with Sprott**

On February 26, 2021, the Company completed the Stream Agreement with Sprott (see details above). Under the terms of the Stream Agreement, Sprott paid the Company an advance purchase deposit of US \$6.0 million. Additional purchase deposits of up to an aggregate US \$1.3 million are payable to the Company pursuant to the Stream Agreement. In addition to the amortization of aggregate purchase deposits received by the Company, a cash transfer price payable upon delivery of refined gold and silver to Sprott has been set at 20% of the market value per ounce of metal, as quoted by the London Bullion Market Association on the date of delivery.

The 2016 PFS (details below) assumed the 1.1% NSR Royalty was owned by a third party, resulting in an expense to the project and a reduction to the project's estimated NPV. The 1.41% Stream is calculated to approximately offset the cost to the project as if the 1.1% NSR Royalty was sold to a third party. As a result, the 2016 PFS modelled NPV has not materially changed and the 1.41% Stream proceeds to be received by the Company are effectively an addition to the project's NPV as estimated in the 2016 PFS.

#### ***Permitting***

##### **Hasbrouck Mine Permitting Update**

The Company focused its recent efforts on obtaining federal permits at the Hasbrouck Mine as a method of adding to the project value and reducing schedule risk.

Federal permitting by the BLM for the Hasbrouck Mine, as outlined in the 2016 PFS, was processed under an Environmental Assessment ("EA"), which categorization was decided upon by the BLM in March of 2020. On August 4, 2020, the Company announced the 30-day public comment period for the Hasbrouck Mine EA had closed. The BLM received and assessed comment letters at the end of the comment period as part of the NEPA process. On November 4, 2020 the Company received the final Decision Record ("DR") and Finding of No Significant Impact ("FONSI") for the Hasbrouck Mine, completing requirements under National Environmental Policy Act ("NEPA") and granting the final significant permit to allow construction.

Various state permits and a federal Eagle Take Permit are also required for construction and operation at the phase two Hasbrouck Mine. These permits will conform to the BLM permitted project and are planned to be acquired during the initial construction and mining at the phase one Three Hills Mine.

##### **Three Hills Mine Permitting Update**

On November 27, 2015, the Company announced the receipt of a positive DR and FONSI for the federal EA of the Three Hills Mine. The receipt of the positive DR signified completion of the NEPA process and EA process and was the final major permitting step necessary for construction at the Three Hills Mine to begin. The last key state permit necessary for construction and operation at the Three Hills Mine was issued in June 2016.

In December 2021, the Company announced the receipt of a federal permit which allows mineralized material to be mined at the Hill of Gold satellite deposit. Mineralized material is planned to be hauled 2.5 miles for processing at the Three Hills Mine.

West Vault plans to operate the Three Hills Mine for at least two years, during which time the Hasbrouck Mine would be constructed and commissioned. Hasbrouck Mine's capital costs are projected at a gold

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price of \$1,275 to be largely if not entirely funded by cash flow from the Three Hills Mine. The possibility exists that the ore bodies at the Three Hills Mine and the Hasbrouck Mine can be extended through exploration performed while both are under construction and in operation. Additional ore discovered at Three Hills, and additional ore from the Hill of Gold Property, may generate additional cash flow over and above that required for construction of the Hasbrouck Mine. Drilling completed to date has not confirmed further economically recoverable ore.

#### ***Hasbrouck Gold Project Updated Pre-Feasibility Study***

The Hasbrouck Gold Project's base case, as reported in the 2016 PFS, has an after-tax IRR of 43% and a US\$120 million after-tax Net present Value ("NPV") at a 5% discount rate (NPV 5%) at a US\$1,275/oz gold price and a US\$18.21/oz silver price. Sensitivity analysis in the 2016 PFS indicated that a gold price of US\$1,800 resulted in an estimated after-tax IRR of 92% and a US\$295 Million NPV(5%).

Processing at the Hasbrouck Gold Project is planned at an average 6.1 million ore tons per year for an average of 74,000 ounces annual gold-equivalent production for eight years. In the 2016 PFS base case a Carbon-In-Columns ("CIC") plant is to be installed at the Three Hills Mine. Gold loaded on carbon at the Three Hills Mine would be stripped by an off-site contractor, regenerated and returned. In contrast an Adsorption-Desorption-Recovery plant (ADR) complete with CIC is to be installed at the Hasbrouck Mine, necessary due to the greater amount of silver and mercury in that deposit which effectively eliminates the option of shipping loaded carbon off-site for stripping.

Initial capital to construct the Three Hills Mine is estimated in the 2016 PFS at US\$47 million. Further capital expenditures of \$83 million to construct the larger Hasbrouck Mine are modelled to come from free cashflow from operations at the Three Hills Mine.

The 2016 PFS includes a timeline which shows the Three Hills Mine operating for approximately two years followed by six years of operations at the Hasbrouck Mine to produce 594,000 equivalent gold ounces over eight years. The life of mine stripping ratio is estimated at 1:1. Adjusted Operating Costs net of by-products as defined by the World Gold Council are estimated in the 2016 PFS at US\$661 per ounce of gold, with All-in Sustaining Costs net of by-products estimated at US\$709 per ounce of gold.

Three Hills Mine is planned as a run-of-mine heap-leach operation using conventional open pit, truck-and-shovel mining. Run-of-mine ore is to be placed on the leach pad at 15,000 tons per day. In addition to four earlier bench-scale metallurgical test programs, the Company performed a large-scale metallurgical test using a 20-ton sample of un-crushed ore in a 20 ft high, 4 ft diameter column to represent run-of-mine size material. This large-scale test predicted 81.5% gold recovery from run-of-mine material at the Three Hills Mine.

The Hasbrouck Mine is designed as a 17,500 ton-per-day heap-leach operation. Crushing will be by a primary jaw crusher, two secondary cone-crushers, and a tertiary high-pressure grinding roll ("HPGR"). Crushed product is to be agglomerated with cement in a pug mill and conveyed to a leach pad. Metallurgical tests on Hasbrouck Mine ore in a lab-scale HPGR predict that using an HPGR for tertiary crushing will result in a gold recovery of 74% and silver recovery of 11%. Gold and silver will be leached using an industry-standard dilute cyanide solution which will then be passed through carbon columns to extract the dissolved precious metals.

The 2016 PFS technical report was written in compliance with NI 43-101 and was filed on SEDAR on September 15, 2016. The filed report is entitled "Technical Report and Updated Preliminary Feasibility Study: Hasbrouck and Three Hills Gold-Silver Project, Esmeralda County, Nevada," is dated September 14, 2016 and was prepared by Thomas L. Dyer, P.E. and Paul Tietz, C.P.G. of MDA, who are WVM's Independent Qualified Persons as defined under NI 43-101. A copy of the report can be found at [www.sedar.com](http://www.sedar.com) and on the Company's website. This latest technical report is an update to the earlier 2015 PFS technical report dated effective June 19, 2015, which was prepared by the same Qualified Persons as the 2016 PFS. Mineral Resource and Reserve estimates have not changed since June 19, 2015.

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**Water**

Water for the phase one Three Hills Mine will be obtained from two wells to be sunk on the mine property just north of the Three Hills Mine open pit. Historic reports of strong water inflows into several underground mines at the location and depth of the intended wells provide good hydrogeological evidence that such wells will be sufficiently productive.

To allow the legal appropriation of groundwater, the Company leased a Water Right (“Lease”) from Liberty Moly LLC (“Liberty Moly”) on February 21, 2017 for a term of up to ten years, which allows the Company to appropriate groundwater at the Three Hills Mine. Liberty Moly holds certain water rights which allow it to appropriate groundwater within Hydrographic Basin 137a for use at their Liberty Moly project, located 30 km north of WVM’s Hasbrouck Gold Project. The lease allows WVM to appropriate 800-acre feet annually (AFA) of groundwater at a diversion rate of 1.522 cubic feet per second (500 gallons per minute). The quantity of water leased by WVM is a small portion of Liberty Moly’s aggregated water rights of 6,200-AFA and is sufficient for WVM’s water needs at both the Three Hills Mine and Hasbrouck Mine.

As initial compensation for the leased Water Right, WVM issued to Liberty Moly US\$100,000 worth of WVM common shares (145,478 post share consolidation common shares) at a price of \$0.90 per share calculated on the last closing price of one WVM common share on the TSXV on February 13, 2017, converted into U.S. dollars based on the noon buying rate reported by the Bank of Canada on February 14, 2017. On each anniversary date during the term of the Lease, WVM is to pay Liberty Moly either US\$10,000 in cash or the equivalent value in common shares calculated by dividing US\$10,000 by the last closing price of one WVM common share on the TSXV immediately preceding the anniversary date, converted into U.S. dollars based on the foreign exchange rate reported by the Bank of Canada on the applicable payment anniversary. US\$10,000 was paid to Liberty Moly during February 2022 to maintain the water rights. Liberty Moly was acquired by Pathfinder Minerals Plc in late 2020.

Water for the Hasbrouck Mine will come from the aforementioned wells to be installed at the Three Hills Mine, and will be piped from Three Hills Mine to the Hasbrouck Mine via a 5-mile, 12-inch diameter pipeline, to be installed on public land. Pumping costs will be minimal as Hasbrouck Mine is at approximately 700 ft lower elevation than Three Hills Mine.

The Three Hills and Hasbrouck Mines are located in different hydrographic basins. Approval to transfer water from one basin to another is required under Nevada regulations; such approval was obtained from Nevada’s state engineer in early 2019. Approval to pipe water from the Three Hills Mine to the Hasbrouck Mine eight km to the south finalizes the Company’s water supply plans for the project as a whole.

**Hasbrouck Gold Project Resources & Reserves**

No change to Mineral Resources or Reserves has occurred since the 2015 PFS. Resources reported below are as of November 3, 2014 and are inclusive of Reserves and are based on 100% of the project.

<b>Hasbrouck Deposit Reported Mineral Resources* November 3, 2014, Mine Development Associates (0.006oz AuEq/ton Cutoff)</b>					
<b>Class</b>	<b>Tons</b>	<b>oz Au/ton</b>	<b>oz Au</b>	<b>oz Ag/ton</b>	<b>oz Ag</b>
Measured	8,261,000	0.017	143,000	0.357	2,949,000
Indicated	45,924,000	0.013	595,000	0.243	11,147,000
M+I	54,185,000	0.014	738,000	0.260	14,096,000
Inferred	11,772,000	0.009	104,000	0.191	2,249,000
Notes: oz AuEq/ton = oz Au/ton + (oz Ag/ton x 0.000417)					



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**Three Hills Reported Mineral Resources\* August 4, 2014,  
Mine Development Associates (0.005oz Au/ton Cutoff)**

Class	Tons	oz Au/ton	oz Au
Indicated	10,897,000	0.017	189,000
Inferred	2,568,000	0.013	32,000

**Notes:**

- CIM definitions are followed for classification of Mineral Resources.
- Mineral Resources are estimated using a gold price of US\$1,300 per oz and a silver price of US\$22 per oz.
- Totals may not represent the sum of the parts due to rounding.
- The Mineral Resources have been prepared by Paul Tietz, C.P.G of Mine Development Associates in conformity with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with Canadian Securities Administrators' requirements and NI43-101. Mineral resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all Mineral Resource will be converted into Mineral Reserve.

**Hasbrouck Gold Project Reserves**

The 2015 PFS, Mineral Resource and Mineral Reserves Estimates were prepared in conformance with NI 43-101 by MDA. Proven and Probable Reserves (based on 100% of the project) are 45.3 million tons containing 762,000 ounces gold and 10.6 million ounces silver and are detailed below:

<b>Hasbrouck Gold Project Reserves* June 3, 2015, Mine Development Associates<sup>(1, 2)</sup></b>						
<b>Three Hills</b>		<b>K tons</b>	<b>Grade (oz Au/ ton)</b>	<b>K oz Au</b>	<b>oz Ag/ton</b>	<b>K oz Ag</b>
0.005 opt Au cutoff	Proven	-	-	-	-	-
	Probable	9,653	0.018	175	-	-
	P&P	9,653	0.018	175	-	-
<b>Hasbrouck</b>						
Variable <sup>(3)</sup>	Proven	6,242	0.020	127	0.410	2,562
	Probable	29,374	0.016	461	0.273	8,007
	P&P	35,617	0.017	588	0.297	10,569
<b>Total Hasbrouck Gold Project</b>						
Variable <sup>(3)</sup>	Proven	6,242	0.020	127	0.410	2,562
	Probable	39,028	0.016	635	0.205	8,007
	P&P	45,270	0.017	762	0.233	10,569

**Notes:**

- The estimation and classification of Proven and Probable Reserves have been prepared by Thomas L. Dyer, P.E., of Mine Development Associates following CIM standards.
- Reserves are estimated based on \$1,225/oz gold and \$17.50/oz silver.
- Cutoff grades used for reserves are: Three Hills 0.005 oz Au/ton, Hasbrouck Upper Siebert 0.008 oz Au/ton, and Hasbrouck Lower Siebert 0.007 oz Au/ton.
- It is MDA's opinion that the sampling, assaying, and security procedures used at Three Hills and Hasbrouck follow industry standard procedures and are adequate for the estimation of the current Mineral Reserves.

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5. MDA completed audits of the database, performed a site visit, reviewed QAQC data and confirmed historic assays. After performing their review, they consider the assay data to be adequate for the estimation of the current Mineral Reserves.
6. MDA has reviewed and verified the data disclosed in the above table to be in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines in accordance with NI 43-101.

**7. Liquidity and Capital Resources**

On February 26, 2021, the Company received an advance deposit of US \$6.0 million (\$7.6 million) from Sprott Royalty pursuant to the Stream Agreement. The Company currently has approximately \$7.1 million in cash.

The Company has no sources of operating income at present. The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or through obtaining alternative financing, in which it has been successful in the past. In addition, if the Company is to begin construction of the Hasbrouck Gold Project, it will be necessary to obtain additional financing. If the Company is unable to obtain this additional financing, management may be required to curtail development at the Hasbrouck Gold Project.

The financial statements are prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. If the Company was unable to continue as a going concern, there would be changes in the carrying amounts of assets and liabilities and the statement of financial position classifications used.

**8. Off Balance Sheet Arrangements**

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

**9. Transactions with Related Parties**

The Company paid remuneration for the following items with companies related by way of directors in common:

	<b>Year ended December 31, 2021</b>	<b>Year ended December 31, 2020</b>
General Administration	\$ 24,000	\$ 24,000
Accounting fees	48,000	48,000
Rent	25,128	25,128
Directors Fees	87,068	94,250
<b>Total Related Party Transactions</b>	<b>\$ 184,196</b>	<b>\$ 191,378</b>

For the year ended December 31, 2021, the Company accrued and paid Platinum Group Metals Ltd., a company related by virtue of a common director and common officer, i) \$24,000 (December 31, 2020 - \$24,000) for day-to-day administration, reception and secretarial services, ii) \$48,000 (December 31, 2020 - \$48,000) for accounting services, and iii) \$25,128 (December 31, 2020 - \$25,128) for rent. Amounts payable at period end include an amount of \$9,188 payable to Platinum Group Metals Ltd. (December 31, 2020 - \$23,208).

During the period, the Company recorded \$176,000 in consulting fees paid to the Company's former President and CEO, including a one-time severance amount of \$132,000 resulting from his resignation.

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These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties.

#### **10. Proposed Transactions**

As is typical of the mineral exploration and development industry, the Company periodically reviews potential merger, acquisition, investment, joint venture and other opportunities that could enhance shareholder value.

#### **11. Critical Accounting Estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified (i) resource estimates, (ii) share-based payments, (iii) impairment of mineral properties (iv) provision for environmental reclamation and closure costs as the main estimates for the following discussion. Please refer to Note 2 of the Company's 2021 audited annual consolidated financial statements for a description of the significant accounting policies and critical accounting estimates.

##### **(i) Resource estimates**

The Company relies on appropriately qualified persons to estimate mineral resources. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. Changes in the indicated and inferred mineral resources estimates may impact the carrying value of the mining properties.

##### **(ii) Share-based payments**

The Company follows accounting guidelines in determining the fair value of share-based compensation. The recognized fair value is derived based on subjective assumptions input into an option pricing model and is not based on historical cost. The model requires that management make forecasts as to future events, including estimates of the average future period of issued stock options before exercise, expiry or cancellation, future volatility of the Company's share price in the life of the options (using historical volatility as a reference), and the appropriate risk-free rate of interest. Share-based compensation also incorporates an expected forfeiture rate. The expected forfeiture rate is estimated annually based on historical forfeiture rates and expectations of future forfeiture rates.

The resulting fair value calculated is not necessarily the value that the holder of the options could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

##### **(iii) Impairment of mineral properties**

The Company assesses its mineral properties quarterly to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

##### **(iv) Environmental reclamation**

The Company must use judgement when it assesses environmental reclamation and closure costs. Costs have been estimated based on the Company's interpretation of current regulatory requirements, however

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changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

#### **12. Financial Instruments and Other Instruments**

The Company has designated its cash, accounts receivable and reclamation bonds as fair value through profit and loss, all of which are adjusted for current exchange rates as applicable. Trades payable and other liabilities are recorded and measured at amortized cost. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their capacity for prompt liquidation.

#### **13. Risks and Uncertainties**

##### ***Impact of COVID-19***

The COVID-19 pandemic has had a material impact on the global economy. The Company has implemented a range of safety measures and monitoring procedures, consistent with directives from the province of British Columbia and the state of Nevada. However, the impact of this pandemic could include significant COVID-19 specific costs, volatility in the prices for gold and other metals, project development and mining restrictions, delays or temporary closures, travel restraints, other supply chain disruptions and workforce and contractor interruptions, including possible loss of life. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations, including development at the Hasbrouck Project, cannot be reasonably estimated at this time. Depending on the duration and extent of any further impact of COVID-19, the Company's future financial performance, cash flows and financial position, could be materially impacted and could result in material impairment charges to the Company's assets.

##### ***Other Risks and Uncertainties***

The Company's securities should be considered a highly speculative investment and investors should carefully consider all the information disclosed in the Company's Canadian regulatory filings prior to making an investment in the Company. For a discussion of risk factors applicable to the Company, see the section entitled "Risk Factors" in the Company's most recent annual information form filed with the Canadian provincial securities regulators.

Without limiting the foregoing, the most significant risks and uncertainties faced by the Company are: the inherent risk associated with mineral exploration and development activities; the uncertainty of mineral resources and their development into mineable reserves; uncertainty as to potential project delays from circumstances beyond the Company's control; as well as title risks; political risks; risks associated with fluctuations in foreign exchange rates; risks associated with fluctuations in metal prices; risks associated with the possible failure to obtain mining licenses and/or obtain the capital required for project and mine development.

#### **14. Disclosure on Internal Controls**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

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In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of: i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

#### **15. Outstanding Share Data**

The Company has an unlimited number of common shares authorized for issuance without par value. On June 29, 2020, the Company completed a consolidation of its common shares based on one new share for ten old shares (1:10). At December 31, 2021, and currently there are 58,090,242 common shares outstanding and 2,537,500 incentive share options outstanding.

#### **16. Outlook**

Now that the Company has consolidated 100% ownership of the Hasbrouck Gold Project the Company plans to continue following a focused strategy to add project value while maintaining a low risk profile. Federal permits issued by the BLM are now in place for both the phase one Three Hills Mine and phase two Hasbrouck Mine. State permits are in place for the Three Hills Mine and will be applied for at the time a construction decision is made on the Hasbrouck Gold Project.

The Company now owns the Hill of Gold Property, as described above. In November 2021, the Company amended the existing Three Hills Mine permits to allow ore mined at the Hill of Gold property to be placed and processed on the planned heap leach pad at the Three Hills Mine. The Company's internal studies show a favourable financial upside to such mining at the Hill of Gold, which was not included in the financial model or NPV in the 2016 PFS.

An opportunity exists whereby additional economic resources may be delineated adjacent to the known deposit areas by further exploration drilling during construction and operation.

The price of gold has shown considerable improvement from the US\$1,275 per ounce level of the baseline assumptions of the 2016 PFS. Now that all federal permits are in place, and with 100% of the Hasbrouck Gold Project owned by the Company, the Company is reviewing its operational readiness plans, contractor contacts and project cost components. The Company also plans to continue work on market outreach activities to attract new investor interest concurrent with the favourable market for gold. A fully federally permitted open-pit heap leach mine in Nevada, such as the Hasbrouck Gold Project, with good margins and a low strip ratio, is a rare and valuable asset in the Company's opinion.

In response to the COVID-19 pandemic, the Company will continue to follow government health directives in the months ahead and continue to make the health and safety of employees and contractors its first priority.

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**17. Approval**

The Board of Directors of West Vault Mining Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

**18. List of Directors and Officers:**

Directors: Pierre Lebel  
Kevin Falcon  
Peter Palmedo

Officers: Sandy McVey (Interim CEO, and COO)  
Frank Hallam (CFO and Corporate Secretary)