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**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**April 30, 2022 and 2021**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

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

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

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

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

**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Note	April 30, 2022	October 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 937,150	\$ 736,386
Receivables	4	11,517	7,385
Prepaid expenses		5,306	3,214
<b>Total current assets</b>		<u>953,973</u>	<u>746,985</u>
<b>Non-current assets</b>			
Reclamation deposits		36,589	45,789
Right-of-use asset	5	44,587	35,414
Exploration and evaluation assets	6	5,854,800	5,481,419
<b>Total non-current assets</b>		<u>5,935,976</u>	<u>5,562,622</u>
<b>TOTAL ASSETS</b>		<u>\$ 6,889,949</u>	<u>\$ 6,309,607</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 593	\$ 110,034
Lease liability	5	9,395	16,528
<b>Total current liabilities</b>		<u>9,988</u>	<u>126,562</u>
<b>Non-current liabilities</b>			
Lease liability	5	42,951	22,407
<b>Total non-current liabilities</b>		<u>42,951</u>	<u>22,407</u>
<b>Total liabilities</b>		<u>52,939</u>	<u>148,969</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	30,237,651	29,418,271
Equity reserves	8	4,877,578	4,746,550
Deficit		(28,278,219)	(28,004,183)
<b>Total shareholders' equity</b>		<u>6,837,010</u>	<u>6,160,638</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>\$ 6,889,949</u>	<u>\$ 6,309,607</u>

Nature of operations (Note 1)

\_\_\_\_\_  
"Michael S. Carr"  
Michael S. Carr, Director

\_\_\_\_\_  
"George W. Sanders"  
George W. Sanders, Director

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

**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**For the six months ended April 30, 2022**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

	Notes	Three months ended April 30,		Six months ended April 30,	
		2022	2021	2022	2021
<b>EXPENSES</b>					
Amortization	5	\$ 4,613	\$ 4,619	\$ 9,170	\$ 9,239
Foreign exchange		(14,701)	1,748	(45,146)	2,451
Interest expense	5	1,383	931	6,828	2,648
Management fees	10	30,000	30,000	60,000	60,000
Office and printing		9,723	15,757	19,995	21,265
Professional fees	10	28,860	25,330	40,082	58,483
Project investigation		-	4,671	-	4,671
Regulatory fees		-	8,451	-	8,451
Share-based compensation		128,608	-	128,608	303,599
Shareholder information		32,262	18,923	43,299	29,140
Transfer agent and filing fees		9,456	3,186	11,200	5,157
Write-down of exploration and evaluation assets, net of recoveries		-	-	-	6,598
<b>Loss and comprehensive loss for the period</b>		<b>\$ (230,204)</b>	<b>\$ (113,616)</b>	<b>\$ (274,036)</b>	<b>\$ (511,702)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>83,308,331</b>	<b>67,665,501</b>	<b>81,742,390</b>	<b>63,885,782</b>

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

**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
For the six months ended April 30,  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	2022	2021
<b>Cash flows used in operating activities</b>		
Loss for the period	\$ (274,036)	\$ (511,702)
Items not involving cash:		
Amortization	9,170	9,238
Interest expense	6,828	2,648
Share-based compensation	128,608	303,599
Write-down of exploration and evaluation assets	-	6,598
Changes in non-cash working capital items:		
Prepaid expenses	(2,092)	4,096
Receivables	(4,132)	(5,106)
Accounts payable and accrued liabilities	(15,268)	(98,788)
Due to related party	-	(30,136)
	(150,922)	(319,553)
<b>Cash flows used in investing activities</b>		
Exploration and evaluation asset expenditures	(778,143)	(404,731)
Cost recoveries for exploration and evaluation assets	320,089	-
Reclamation deposit	9,200	-
	(448,854)	(404,731)
<b>Cash flows from financing activities</b>		
Private placements	808,500	1,040,400
Share issuance costs	(11,900)	(29,655)
Shares subscribed	-	50,000
Stock options exercised	15,000	112,500
Warrants exercised	700	113,104
Lease payments	(11,760)	(11,204)
Loan from related party	-	(160,000)
	800,540	1,115,145
<b>Change in cash</b>	200,764	390,861
<b>Cash, beginning</b>	736,386	17,036
<b>Cash, ending</b>	\$ 937,150	\$ 407,897

Supplemental disclosure with respect to cash flows (Note 9).

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

**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Shares subscribed	Equity reserves	Deficit	Total
<b>Balance – October 31, 2020</b>	<b>47,456,985</b>	<b>\$ 26,938,050</b>	<b>\$ -</b>	<b>\$ 4,222,566</b>	<b>\$ (27,120,259)</b>	<b>\$ 4,040,357</b>
Private placements	17,340,000	1,040,400	-	-	-	1,040,400
Share issuance costs	-	(59,266)	-	29,611	-	(29,655)
Share subscriptions	-	-	50,000	-	-	50,000
Shares issued for warrants exercised	1,677,571	113,104	-	-	-	113,104
Shares issued for stock options exercised	1,250,000	151,021	-	(38,521)	-	112,500
Share issued for property payments	100,000	20,000	-	-	-	20,000
Share based payments	-	-	-	303,599	-	303,599
Loss for the period	-	-	-	-	(511,702)	(511,702)
<b>Balance – April 30, 2021</b>	<b>67,824,556</b>	<b>\$ 28,203,309</b>	<b>50,000</b>	<b>\$ 4,517,255</b>	<b>\$ (27,631,961)</b>	<b>\$ 5,138,603</b>
<b>Balance – October 31, 2021</b>	<b>80,184,556</b>	<b>\$ 29,418,271</b>	<b>\$ -</b>	<b>\$ 4,746,550</b>	<b>\$ (28,004,183)</b>	<b>\$ 6,160,638</b>
Private placements	8,085,000	808,500	-	-	-	808,500
Share issuance costs	-	(20,354)	-	8,454	-	(11,900)
Shares issued for warrants exercised	14,000	1,004	-	(304)	-	700
Shares issued for stock options exercised	150,000	20,730	-	(5,730)	-	15,000
Share issued for property payments	100,000	9,500	-	-	-	9,500
Share based payments	-	-	-	128,608	-	128,608
Loss for the period	-	-	-	-	(274,036)	(274,036)
<b>Balance – April 30, 2022</b>	<b>88,533,556</b>	<b>\$ 30,237,651</b>	<b>\$ -</b>	<b>\$ 4,877,578</b>	<b>\$ (28,278,219)</b>	<b>\$ 6,837,010</b>

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

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**BITTERROOT RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the six months ended April 30, 2022 and 2021**  
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**1. NATURE OF OPERATIONS**

Bitterroot Resources Ltd. (the “Company”) is in the exploration stage and its principal business activity is the sourcing and exploration of resource properties.

The Company was incorporated on March 13, 1951 under the Laws of British Columbia, Canada. The Company’s head office address is Suite 206-B – 1571 Bellevue Avenue, West Vancouver, BC, V7V 1A6, Canada and its registered office address is Suite 1130 – 400 Burrard Street, Vancouver, BC, V6C 3A6, Canada. The Company is listed on the TSX Venture Exchange (“Exchange”) under the symbol “BTT”.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. The Company had working capital of \$943,985 at April 30, 2022 (October 31, 2021 – \$620,423). As of April 30, 2022, the Company had accumulated deficit of \$28,278,219.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property. To date, the Company has not earned any revenues. The Company expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency, unless otherwise indicated.

**2. BASIS OF PREPARATION**

**Statement of compliance and basis of measurement**

These unaudited condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed consolidated interim financial statements were approved for issuance by the Board of Directors on June 29, 2022.

**Use of estimates and judgments**

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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**2. BASIS OF PREPARATION (cont'd)**

**Use of estimates and judgments (cont'd)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

*Share based payments*

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

*Exploration and evaluation assets*

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

(ii) Critical accounting judgments

There are currently no critical accounting judgements.

**Going concern**

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of consolidation**

The condensed consolidated interim financial statements include the accounts of the Company, and its wholly owned subsidiaries Trans Superior Resources, Inc. and Voyageur Lands Corporation, both of which are holding companies incorporated in Michigan, USA. All significant inter-company balances and transactions have been eliminated upon consolidation.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at October 31, 2021. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2021.



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**4. RECEIVABLES**

The Company's receivables arise from goods and services tax ("GST") receivable due from the Canadian taxation authorities.

	<b>April 30, 2022</b>	<b>October 31, 2021</b>
GST receivable	\$ 11,517	\$ 7,385

**5. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

The Company has entered a contractual arrangement to lease an office for 4 years starting November 1, 2019. The terms of the lease call for minimum monthly lease payments of \$1,867. The Company adopted IFRS 16 on November 1, 2019. On initial adoption, the Company record a right-of use asset based on the corresponding lease obligation. A right-of use asset and lease obligation of \$72,369 were recorded as of November 1, 2019 with no impact on deficit. During the period ended April 30, 2022, the lease agreement was extended by one year. The right-of-use asset and lease obligation were increased by \$18,343 to accommodate the extension of the lease period without any impact on deficit. The new terms of the lease call for minimum monthly lease payments of \$1,960, starting from October 2021. When measuring the present value of lease obligations, the Company uses a discount rate of 10%.

The change in the right-of-use asset during the period ended April 30, 2022 was as follows:

<b>Balance – October 31, 2020</b>	\$ 53,891
Amortization	(18,477)
<b>Balance – October 31, 2021</b>	35,414
Additions	18,343
Amortization	(9,170)
<b>Balance – April 30, 2022</b>	\$ 44,587

The change in the lease liability during the period ended April 30, 2022 was as follows:

<b>Balance – October 31, 2020</b>	\$ 56,484
Lease payments made	(22,407)
Interest expense	4,858
<b>Balance – October 31, 2021</b>	38,935
Additions	18,343
Lease payments made	(11,760)
Interest expense	6,828
	52,346
Less: current portion	(9,395)
<b>Balance – April 30, 2022</b>	\$ 42,951

Future lease payments are as follows for the years ending October 31:

2022	\$17,701
2023	\$24,316
2024	\$23,104

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**6. EXPLORATION AND EVALUATION ASSETS**

	Michigan Lands, Michigan, USA	Coyote Sinter Property, Nevada, USA	Castle West, Nevada, USA	Total
<b>Balance – October 31, 2020</b>	\$ 4,240,687	\$ 42,045	\$ 67,804	\$ 4,350,536
Acquisition costs - cash	58,661	50,432	38,299	147,392
Acquisition costs - shares	20,000	13,000	-	33,000
Claims, leases and permits	10,594	9,323	7,581	27,498
Consulting and professional	122,661	18,825	5,132	146,618
Drilling	1,168,269	-	-	1,168,269
Field supplies	3,167	-	-	3,167
Geochemistry	1,710	706	-	2,416
Geophysics	23,036	92,532	-	115,568
Ground transportation	11,271	2,722	548	14,541
Other	2,441	1,046	30	3,517
Room and board	13,125	3,077	467	16,669
Travel and freight	6,623	-	583	7,206
<b>Expenditures during the year</b>	<b>1,441,558</b>	<b>191,663</b>	<b>52,640</b>	<b>1,685,861</b>
Recovery of costs	(554,978)	-	-	(554,978)
<b>Balance – October 31, 2021</b>	<b>5,127,267</b>	<b>233,708</b>	<b>120,444</b>	<b>5,481,419</b>
Acquisition costs - cash	25,244	-	69,609	94,853
Acquisition costs - shares	9,500	-	-	9,500
Claims, leases and permits	-	148	148	296
Consulting and professional	43,643	-	-	43,643
Drilling	522,737	-	-	522,737
Field supplies	501	158	66	725
Geochemistry	5,013	-	-	5,013
Geophysics	820	-	-	820
Ground transportation	3,670	228	-	3,898
Other	2,639	104	-	2,743
Room and board	3,606	799	-	4,405
Travel and freight	3,663	1,174	-	4,837
<b>Expenditures during the period</b>	<b>621,036</b>	<b>2,611</b>	<b>69,823</b>	<b>693,470</b>
Recovery of costs	(320,089)	-	-	(320,089)
<b>Balance – April 30, 2022</b>	<b>\$ 5,428,214</b>	<b>\$ 236,319</b>	<b>\$ 190,267</b>	<b>\$ 5,854,800</b>

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**BITTERROOT RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

Title to exploration and evaluation assets involves certain inherent risks due to difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge, title to its exploration and evaluation assets are in good standing.

**Michigan Lands, Michigan, U.S.A.**

During the year ended October 31, 2015, a subsidiary of Altius Minerals Corporation acquired a 50.1% interest in the Company's Michigan Lands by funding \$600,000 of exploration expenditures. Altius had the right to acquire an additional 19.9% of the properties by completing \$2.5 million in exploration spending by September 29, 2021, plus the right to acquire an additional 10% of the properties by completing exploration spending of a further \$5,000,000 or completing an NI 43-101 compliant pre-feasibility study on a mineral resource on the properties, before September 29, 2025. Altius failed to complete the additional expenditures required prior to September 29, 2021 and both options have expired. The Company (49.9%) and Altius (50.1%) are effectively joint venture partners, although a formal joint venture agreement has not yet been entered into. The Company also granted to Altius a 2% net smelter returns royalty ("NSR") on the Voyageur Lands (covering approximately 250 square miles of mineral rights) and assigned to Altius its right to repurchase a 1% NSR held by a third party on the Copper Range Lands by paying \$1,000,000 U.S. to the third party before December 31, 2048.

*Mineral Rights Leased from the State of Michigan*

During the year ended October 31, 2016, the Company (49.9%) and Altius (50.1%) acquired State of Michigan metallic minerals leases covering 3,051 acres. A cash bond of US\$30,000 has been posted by a subsidiary of Altius.

*LM Property*

The Company's Michigan subsidiary, Trans Superior Resources, Inc., leases 40 acres of minerals rights in Baraga County, Michigan, known as the LM Property. The lessors have granted the Company the option to reduce the current 3% NSR to a 2% NSR by paying US\$1,000,000 prior to December 31, 2064. The 2021 advance royalty payment is US\$160/acre (paid). The advance royalty payments increase by \$10/acre/year. The LM Property is not subject to the joint venture with Altius.

During the year ended October 31, 2020, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into an option/joint venture agreement whereby Below Exploration, Inc., ("Below") a private Michigan corporation, could earn a 49% joint venture interest in the Company's 100%-leased LM nickel-copper-platinum-palladium property in Baraga County, Michigan. During the year ended October 31, 2020, Below funded \$370,061 (US\$285,000) of exploration expenditures prior to the first anniversary of the agreement and earned a 49% joint venture interest. The Company is the project operator, regardless of its ownership level, and retains a right of first refusal over Below's property interest. Following vesting of its 49% interest, Below had a 90-day option to convert its interest in the project into the Company's shares. Below did not exercise the share conversion option and the joint venture is continuing.

In February 2021, the Company entered into a minerals lease and purchase option with a privately-held corporation ("MPC") covering 80 acres of mineral rights adjacent to the LM Property. MPC leases the mineral rights exclusively to the Company for a term of forty years. Under the term of the agreement the Company is required to make the following payments and share issuances:

- (i) US\$15,000 (paid) and issuance of 100,000 common shares within 10 days of the TSX-V approval date, February 25, 2021 (the "Approval Date") (issued);
- (ii) US\$15,000 (paid) and issuance of 100,000 (issued) common shares on the first anniversary of the Approval Date;
- (iii) US\$16,000 and issuance of 100,000 common shares on the second anniversary of the Approval Date;
- (iv) an amount equal to the rental payment of the preceding year, plus an additional \$20,000 per acre of the mineral rights, on or before each anniversary of the Approval Date commencing on the third anniversary and continuing so long as the agreement is in effect.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

At any time while the agreement remains in effect, the Company has the exclusive right and option to purchase the mineral rights from MPC for US\$1,000/acre for the first five years of the agreement, US\$2,500/acre in years 6 through 10, and then escalating US\$2,500/acre for each subsequent five years for the first 20 years. MPC will retain a 2% net smelter royalty ("NSR") for products from the mineral rights generated from underground mining and a 3% NSR for products from the mineral rights generated from open-pit mining. The Company will have the option to purchase 1% of each of the NSRs from US\$1,000,000 and a further option to purchase an additional 1% of the NSR from open-pit mining for an additional US\$1,000,000.

**Coyote Sinter Property, Nevada, U.S.A.**

During the year ended October 31, 2020, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into a mining lease, with an option to purchase, with Geological Services, Inc on the 13- claim Coyote Sinter gold/silver project in Elko County, Nevada. In the year ended October 31, 2021, and prior to sale of Geologic Services, Inc. to a third party, the vendor's claims were transferred to a new company, GoldPlay LLC ("GoldPlay"), which is controlled by the original vendor. The Company is required to make the following advance minimum royalty ("AMR") payments and share issuances to GoldPlay:

(i) US\$10,000 (paid) and the issuance of 100,000 common shares within 10 days of the TSX-V approval date, August 4, 2020 (the "Approval Date") (issued).

(ii) US\$10,000 (paid) on the 6-month anniversary of the Approval Date;

(iii) US\$30,000 (paid) and the issuance of 100,000 common shares (issued) in the capital of the Company on or before the first annual anniversary of the Approval Date;

(iv) US\$40,000 and the issuance of 50,000 common shares in the capital of the Company on or before the second annual anniversary of the Approval Date;

(v) US\$60,000 and the issuance of 50,000 common shares in the capital of the Company on or before the third annual anniversary of the Approval Date;

(vi) US\$100,000 on or before the fourth annual anniversary of the Approval Date;

(vii) US\$125,000 on or before the fifth annual anniversary of the Approval Date;

(viii) US\$125,000 on or before each annual anniversary of the Approval Date after the fifth anniversary as long as the agreement remains in effect, adjusted for inflation from that date.

At any time while the agreement remains in effect, the Company has the exclusive right and option to purchase the Coyote Sinter property from GoldPlay by paying US \$2,000,000, less the sum of all AMR payments already paid to GoldPlay, up to the date of exercise. GoldPlay will retain a 2% NSR, less previous AMR payments, on the Coyote Sinter property and on any Company-located federal mining claims within a 1 mile area of interest ("AOI"). The Company has the option to purchase 1% of the NSR for US\$2,000,000. GoldPlay will also retain a 1% NSR on any mineral rights acquired from 3rd parties within the AOI. The Company has the option to purchase 0.5% of this 1% NSR for US\$500,000. The royalty purchase options are exercisable at any time prior to commercial production.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

**Castle West Property, Nevada, U.S.A.**

During the year ended October 31, 2019, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into an option agreement with Ely Gold Royalties Inc. and its subsidiary Nevada Select Royalty Inc. ("Ely Gold"), to purchase a 100% interest in the Castle West gold/silver property in Esmeralda County, Nevada. The Castle West property is comprised of 34 unpatented mining claims and three leased unpatented claims. Under the terms of the agreement, the Company has paid Ely Gold US\$1,000. During the year ended October 31, 2020, the terms of the option agreement were changed due to the Company's inability to access and explore the Castle West property due to the State of Nevada's COVID-19 related legislation. Under the amended option terms, the Company paid Ely Gold US\$15,000 on December 11, 2020. On, or prior to each of the second, third and fourth anniversaries of December 11, 2020 the Company will pay US\$40,000 (the second payment was made on December 10, 2021 at a Canadian equivalent of \$50,829). A final payment of US\$105,000 will be made on the fifth anniversary for the conveyance of the 100% interest in the property. Following exercise of the option agreement with Ely Gold, the Company will make minimum advance royalty payments of US\$5,000 on the first and second anniversaries of exercising the option and US\$10,000 on subsequent anniversaries. Ely Gold will retain a 3% NSR on the 34 claims it staked. The Company has the right to buy down 1% of this NSR for a payment of US\$1,000,000. The Company also makes annual payments of US\$15,000 to the lessor of the three unpatented claims (annual payment made on January 12, 2022 at a Canadian equivalent of \$18,780). Upon the exercise of the option, the Company will be assigned the three-claim lease and Ely Gold will retain a 1% NSR on these claims.

**7. LOAN PAYABLE TO RELATED PARTY**

During the year ended October 31, 2021, the Company repaid loans of \$160,000 from a non-arm's length party.

**8. SHARE CAPITAL AND EQUITY RESERVES**

The authorized share capital consists of an unlimited number of common shares without par value.

As at April 30, 2022, the Company had 88,533,556 shares issued and outstanding.

During the period ended April 30, 2022, the Company:

- (i) closed a private placement of 8,085,000 units priced at \$0.10 per unit for gross proceeds of \$808,500. Each unit consists of one common share and one-half share purchase warrant, exercisable at \$0.20 for two years from the date of issuance. Finder's fees paid in conjunction with the private placement consisted of \$11,900 cash and the issuance of 119,000 finders' warrants at a fair value of \$8,454;
- (ii) issued 14,000 shares for brokers' warrants exercised for total proceeds of \$700;
- (iii) issued 150,000 shares for stock options exercised for total proceeds of \$15,000; and
- (iv) issued 100,000 shares for a property option payment and recorded at a fair value of \$9,500

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**8. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)**

During the year ended October 31, 2021, the Company:

- (i) closed a private placement of 17,340,000 units priced at \$0.06 per unit for gross proceeds of \$1,040,400. Each unit consists of one common share and one-half share purchase warrant, exercisable at \$0.12 for two years from the date of issuance. Finder's fees and other share issuance costs paid in conjunction with the private placement consisted of \$29,655 and the issuance of 329,400 finders' warrants at a fair value of \$29,611, exercisable at \$0.12 for two years from the date of issuance.
- (ii) closed a private placement of 11,195,000 units priced at \$0.10 per unit for gross proceeds of \$1,119,500. Each unit consists of one common share and one-half share purchase warrant, exercisable at \$0.20 for two years from the date of issuance. Finder's fees and other share issuance costs paid in conjunction with the private placement consisted of \$24,095 and the issuance of 124,000 finders' warrants at a fair value of \$12,093, exercisable at \$0.20 for two years from the date of issuance.
- (iii) issued 2,742,571 shares for warrants exercised for total proceeds of \$231,754;
- (iv) issued 1,250,000 shares for stock options exercised for total proceeds of \$112,500 and
- (v) issued 200,000 shares for a property option payment and recorded at a fair value of \$33,000.

**Warrants**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance – October 31, 2020</b>	2,613,171	\$ 0.08
Issued	14,721,100	0.15
Exercised	(2,742,571)	0.08
Expired	(6,600)	0.11
<b>Balance – October 31, 2021</b>	14,585,100	0.15
Issued	4,161,500	0.20
Exercised	(14,000)	0.05
<b>Balance – April 30, 2022</b>	18,732,600	\$ 0.16

As at April 30, 2022, the following share purchase warrants were issued and outstanding:

Expiry Date	Number of Warrants	Exercise Price
December 3, 2022	8,849,400	\$ 0.12
May 4, 2023	5,721,700	0.20
March 29, 2024	4,161,500	0.20
	18,732,600	\$ 0.16

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**8. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)**

**Warrants (cont'd...)**

The weighted average fair value of each finders' warrant issued during the period ended April 30, 2022 was \$0.19 (year ended October 31, 2021 - \$0.14), calculated using the Black-Scholes option-pricing model on the issue date using the following weighted average assumptions:

	<b>Six months ended April 30, 2022</b>	<b>Year ended October 31, 2021</b>
Volatility	154.83%	183.34%
Risk-free interest rate	2.34%	0.27%
Expected life	2 years	2 years

**Stock options**

The Company, in accordance with the policies of the Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees, and consultants, to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Pursuant to the stock option plan, vesting restrictions may be applied to certain other options grants, at the discretion of the directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	<b>Number Of Options</b>	<b>Weighted Average Exercise Price</b>
<b>Balance – October 31, 2020</b>	4,270,000	\$ 0.11
Expired	(200,000)	0.10
Exercised	(1,250,000)	0.09
Granted	3,350,000	0.16
<b>Balance – October 31, 2021</b>	6,170,000	0.15
Expired	(670,000)	0.32
Exercised	(150,000)	0.10
Granted	1,250,000	0.10
<b>Balance – April 30, 2022</b>	6,600,000	\$ 0.12

As at April 30, 2022, the following stock options were outstanding and exercisable:

<b>Number of Options</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
900,000	0.08	March 1, 2023
1,100,000	0.05	May 19, 2025
2,000,000	0.16	January 4, 2026
1,350,000	0.17	June 1, 2026
1,250,000	0.10	April 21, 2027
<b>6,600,000</b>		

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**8. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)**

**Stock options (cont'd...)**

The weighted average fair value of each stock option granted during the period was \$0.09 (year ended October 31, 2021 - \$0.16), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>April 30, 2022</b>	<b>October 31, 2021</b>
Volatility	160.52%	173.90%
Risk-free interest rate	2.74%	0.42%
Expected life	5	5 years

**Share based compensation**

Total share-based payments recognized for stock options granted during the period ended April 30, 2022, was \$128,608 (2021 - \$303,599).

**9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions during the period ended April 30, 2022 included:

- (a) Included in exploration and evaluation assets of \$443 which relates to accounts payable and accrued liabilities.
- (b) Transferred \$304 to share capital from reserves for 14,000 brokers' warrants exercised.
- (c) Transferred \$5,730 to share capital from reserves for 150,000 stock options exercised.
- (d) Issued 119,000 brokers' warrants with a fair value of \$8,454.
- (e) Issued 100,000 shares for a property option payment, recorded at a fair value of \$9,500.

Significant non-cash transactions during the year ended October 31, 2021 included:

- (a) Included in exploration and evaluation assets is \$94,616 which relates to accounts payable and accrued liabilities.
- (b) Issued 453,400 brokers' warrants with a fair value of \$41,704.
- (c) Issued 200,000 shares for a property option payment, recorded at a fair value of \$33,000.
- (d) Transferred \$38,521 to share capital from reserves for 1,250,000 stock options exercised.



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**10. RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following is a summary of related party transactions and balances during the six months ended April 30, 2022, not disclosed elsewhere in the condensed consolidated interim financial statements:

- (a) Management fees of \$60,000 (2021 - \$60,000) and professional fees of \$1,325 (2021 - \$3,250) were incurred from a company controlled by a director of the Company.
- (b) Share based compensation include stock options granted to directors and officers recorded at a fair value of \$92,598 (2021 - \$220,109).

**11. SEGMENTED INFORMATION**

**Industry information**

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets.

**Geographic information**

The Company operated in both Canada and the United States. The Company's reclamation deposits and exploration and evaluation assets are located in Canada and the United States.

**12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT**

**Capital management**

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses and private placements or return capital to shareholders. As at April 30, 2022, the Company is not subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

**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 is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

**Credit risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, receivables and reclamation deposits. The Company limits exposure to credit risk by maintaining its cash and reclamation deposits with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The receivables balance consists mainly of GST recoverable. There is ongoing review to evaluate the credit worthiness of these counterparties. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, receivables and reclamation deposits

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**12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd...)**

**Currency risk**

The Company's operations are in Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in a foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A strengthening (weakening) of the Canadian dollar against the US dollar of 10% would not have a significant effect on net loss.

**Interest rate risk**

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. The Company does not have any variable interest-bearing debt.

**Price risk**

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

**Fair value**

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

*Level 1* – Unadjusted quoted prices in active markets for identical assets or liabilities;

*Level 2* – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;  
and

*Level 3* – Inputs that are not based on observable market data.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy. The estimated fair value of accounts payable and accrued liabilities, due to related party and loan payable to related party is equal to their carrying values due to the short-term nature of these instruments.