



VISIONARY GOLD CORP.

Consolidated Financial Statements

For the years ended June 30, 2022 and 2021

Visionary Gold Corp.
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Visionary Gold Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Visionary Gold Corp.(the "Company"), which comprise the consolidated statements of financial position as at June 30, 2022 and 2021, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our 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 the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 William Nichols.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
October 28, 2022

VISIONARY GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	June 30, 2022	June 30, 2021
ASSETS			
Current			
Cash		\$ 676,889	\$ 3,191,190
Other receivable		16,002	11,785
Prepaid expenses and deposits	10	200,050	44,988
		<u>892,941</u>	<u>3,247,963</u>
Non-current			
Reclamation and environmental bonds	4	58,853	56,606
Exploration and evaluation assets	4	2,206,834	696,287
		<u>2,265,687</u>	<u>752,893</u>
		<u>\$ 3,158,628</u>	<u>\$ 4,000,856</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	5, 9	\$ 300,097	\$ 229,994
		<u>300,097</u>	<u>229,994</u>
Non-current			
Decommissioning obligation	6	67,860	60,155
Restoration provision	4	4,005	4,005
		<u>71,865</u>	<u>64,160</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	9,857,403	9,857,403
Shares subscribed	15	817,182	-
Contributed surplus	7	2,689,639	2,523,677
Accumulated other comprehensive income		64,525	(11,387)
Deficit		(10,642,083)	(8,662,991)
		<u>2,786,666</u>	<u>3,706,702</u>
		<u>\$ 3,158,628</u>	<u>\$ 4,000,856</u>

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 15)

These consolidated financial statements were authorized for issue by the board of Directors on October 28, 2022. They are signed on the Company's behalf by:

"John Kanderka"

John Kanderka, Director

"Wes Adams"

Wes Adams, Director

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

VISIONARY GOLD CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

		For the years ended June 30,	
	Note	2022	2021
Revenue			
Petroleum	6	\$ -	\$ 2,536
		-	2,536
Expenses			
General and administrative	8, 9	488,780	508,674
Geological consulting and data fees		-	31,845
Share-based payments	7	165,962	228,927
Resource operating expenses		-	2,091
		654,742	771,537
Other items			
Impairment		(1,286,009)	-
Foreign exchange gain (loss)		(30,636)	10,348
Change in estimated decommissioning obligation	6	(7,705)	8,692
		(1,324,350)	19,040
Net loss for the year		(1,979,092)	(749,961)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation adjustment		75,912	(11,387)
Total comprehensive loss for the period		\$ (1,903,180)	\$ (761,348)
Basic and diluted loss per share		\$ (0.03)	\$ (0.02)
Weighted average number of common shares outstanding		71,945,563	46,642,033

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

VISIONARY GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Number of shares	Share capital	Shares subscribed	Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity (deficiency)
Balance as at June 30, 2020	24,151,681	\$ 4,983,391	\$ -	\$ 2,236,421	\$ -	\$ (7,913,030)	\$ (693,218)
Shares issued:							
Private placements	36,750,576	4,405,104	-	-	-	-	4,405,104
Debt Settlement	10,493,306	524,665	-	-	-	-	524,665
Property acquisition	550,000	99,000	-	-	-	-	99,000
Share issue costs	-	(154,757)	-	58,329	-	-	(96,428)
Share-based compensation	-	-	-	228,927	-	-	228,927
Net loss and comprehensive loss	-	-	-	-	(11,387)	(749,961)	(761,348)
Balance as at June 30, 2021	71,945,563	9,857,403	-	2,523,677	(11,387)	(8,662,991)	3,706,702
Shares subscribed	-	-	831,604	-	-	-	831,604
Shares issue costs	-	-	(14,422)	-	-	-	(14,422)
Share-based compensation	-	-	-	165,962	-	-	165,962
Net loss and comprehensive income	-	-	-	-	75,912	(1,979,092)	(1,903,180)
Balance as at June 30, 2022	71,945,563	\$ 9,857,403	\$ 817,182	\$ 2,689,639	\$ 64,525	\$ (10,642,083)	\$ 2,786,666

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

VISIONARY GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

		For the years ended June 30,	
	Note	2022	2021
Cash provided by (used in):			
Operating activities			
Net loss and comprehensive loss		\$ (1,979,092)	\$ (761,348)
Items not involving cash:			
Share-based payments	7	165,962	228,927
Changes in estimated decommissioning obligation	6	7,705	(8,692)
Foreign exchange (gain) / loss		45,182	(27,573)
Security bond premium		-	1,211
Impairment		1,286,009	-
Changes in non-cash working capital related to operating activities		(176,152)	19,407
Cash used in operating activities		(650,386)	(548,068)
Investing activities			
Additions to exploration and evaluation assets		(2,724,002)	(546,716)
Reclamation and environmental bonds		-	(42,337)
Restoration payments		-	(11,354)
Decommissioning payments		-	(17,166)
Cash used in investing activities		(2,724,002)	(617,573)
Financing activities			
Cash from issuance of shares	7	-	4,405,104
Cash from shares subscription	7, 15	831,604	-
Share issue costs		-	(96,428)
Cash provided by financing activities		831,604	4,308,676
Net increase (decrease) in cash		(2,542,784)	3,143,035
Effect of exchange rate changes on cash		28,483	29,619
Cash - beginning of the year		3,191,190	18,536
Cash - end of the year		\$ 676,889	\$ 3,191,190
Supplemental Cash Flow information			
Non-cash investing and financing activities:			
Exploration and evaluation assets in accounts payable		\$ 68,549	\$ 50,571
Share issue costs in accounts payable		14,422	-
Shareholder loans settled by issuance of common shares		-	182,192
Accounts payable settled by issuance of common shares		-	342,473
Exploration and evaluation assets acquired by issuance of shares		-	99,000

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

VISIONARY GOLD CORP.

Notes to the Consolidated Financial Statements
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Visionary Gold Corp. (the "Company" or "Visionary") was incorporated on August 14, 2000 under the Business Corporations Act of the Province of British Columbia and trades on the TSX Venture Exchange ("TSX-V") under the symbol "VIZ". Its registered office is 4th Floor, Unit #407, 325 Howe Street, Vancouver, BC V6C 1Z7. The name change was effective on November 25, 2020.

The Company is a junior exploration company and is focused on acquiring and developing projects.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of \$1,979,092 for the year ended June 30, 2022 (2021 – \$749,961). To date, the Company has not earned significant revenues and has accumulated losses of \$10,642,083. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity or other financing to continue operations, and/or to attain sufficient profitable operations.

There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption. The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing, but anticipates that the current market conditions may impact the ability to source such funds. The outcome of these matters cannot be predicted at the present time. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Due to the unfolding crisis in the Ukraine the Company may be exposed to new risks and uncertainties. In our case this is mainly a capital markets risk relating to financing and to lesser extent potential higher energy related costs.

These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. If the going concern basis was not appropriate for these consolidated financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used.

VISIONARY GOLD CORP.

Notes to the Consolidated Financial Statements
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(Expressed in Canadian dollars)

2. BASIS OF PREPARATION

(a) Statement of compliance with IFRS

These consolidated financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation and measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of the consolidated financial statements is cost, net realizable value, fair value or recoverable amount. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Functional and presentation currency

The Company assesses functional currency on an entity by entity basis based on the related fact pattern; however, the presentation currency used in these consolidated financial statements is determined at management's discretion.

The currency of the parent company, and the presentation currency applicable to these consolidated financial statements, is the Canadian dollar.

The Company has determined that the functional currency of its wholly-owned subsidiary, Lost Creek Corporation, in the United States is the US dollar. Exchange differences arising from the translation of the subsidiaries' functional currencies into the Company's presentation currency are taken directly to the accumulated other comprehensive income.

b) Reporting entity

The consolidated financial statements as at and for the years ended June 30, 2022 and 2021 include the accounts of the Company and its inactive wholly owned subsidiary Portal Resources US Inc. and its active subsidiary Lost Creek Corporation from the date of incorporation. All significant inter-company transactions and balances have been eliminated. On July 1, 2020, Lost Creek Corporation ("LCC") was incorporated in the state of Wyoming, USA. Pursuant to LCC's Bylaws, one million common shares were authorized to be issued, all of which are held by the Company.

c) Revenue

The Company follows a five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. The five steps are to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied.

Revenue is recognized at the point in time when the customer obtains control of the product. Control is achieved when a product is delivered to the customer, the Company has a present right to payment for the product, significant risks and rewards of ownership have transferred to the customer according to contract terms and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

The Company's revenue is generated from the sale of petroleum. On a monthly basis, the Company receives a joint interest billing from the operator for its 25% share of revenue earned and operating expenses incurred, if any.

VISIONARY GOLD CORP.

Notes to the Consolidated Financial Statements
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(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) Ownership interest

Pursuant to a Farmout and Participation Agreement, the Company had a 25% working interest in six licenses, relating to six oil and gas wells. On February 11, 2021, three of these interests were disposed of (see Note 6). Accordingly, the accounts of the Company reflect its 25% share of revenues, expenses and estimated abandonment and reclamation costs for the three remaining wells and any annual rental obligations.

e) Exploration and evaluation

Pre-exploration costs are recognized as an expense in the period incurred. Pre-exploration activities are expenditures incurred prior to obtaining the legal rights or licenses to explore a mineral resource.

Intangible exploration and evaluation expenditures are capitalized and may include costs of license acquisition, geological and geophysical evaluations, technical studies, exploration drilling and testing and other directly attributable costs. Tangible assets acquired which are consumed in developing an intangible exploration asset are recorded as part of the cost of the exploration asset. The costs are accumulated in cost centers by exploration area pending determination of technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource in an exploration area is considered to be determinable when economical quantities of reserves are determined to exist. A review of each exploration project by area is carried out at each reporting date to ascertain whether reserves have been discovered. Upon determination of commercial reserves, associated exploration costs are transferred from exploration and evaluation to mine development as reported on the consolidated statements of financial position. Exploration and evaluation assets are reviewed for impairment prior to any such transfer.

Assets classified as exploration and evaluation are not amortized. If technical feasibility and commercial viability has determined not to be achieved, the capitalized exploration costs and relevant costs are charged to the consolidated statements of comprehensive loss as an impairment expense.

f) Petroleum and natural gas properties

Recognition and measurement

Petroleum and natural gas properties consist of the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it was located.

Depletion

The carrying value of petroleum and natural gas properties, net of estimated residual value, is depleted on a geographic or geotechnical area basis using the unit of production method.

Petroleum and natural gas properties are measured at cost less accumulated depletion and accumulated impairment losses.

Impairment

For impairment losses recognized in prior periods, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. Previously recognized impairment loss reversals are limited to the carrying amount that would have been determined, net of depletion and depreciation, had no impairment loss been recognized for the asset in prior periods. Impairment reversals are recognized as an impairment recovery in the consolidated statements of

VISIONARY GOLD CORP.

Notes to the Consolidated Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

comprehensive loss. The carrying value of petroleum and natural gas properties before impairment losses was approximately \$1,512,000.

g) Provisions and decommissioning obligations

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

The Company's activities give rise to dismantling, restoration and site disturbance remediation activities. Costs related to abandonment and reclamation activities are estimated by management in consultation with operators of the oil and gas licenses.

Decommissioning obligations are measured at the present value of the best estimate of expenditures required to settle the present obligations at the reporting date. When the fair value of the liability is initially measured, the estimated cost, discounted using a risk-free discount rate, is capitalized by increasing the carrying amount of the related petroleum and natural gas properties. The increase in the provision due to the passage of time ("accretion") is recognized as an expense whereas increases and decreases due to revisions in the estimated future cash flows are recorded as adjustments to the carrying amount of the related petroleum and natural gas properties. Where the carrying value of the asset that generated a decommissioning obligation no longer exists, there is no longer any future benefit related to the costs and, as such, the amounts are expensed through profit or loss. Actual costs incurred upon settlement of the liability are charged against the obligation to the extent that the obligation was previously established. The Company reviews the obligation at each reporting date and revisions to the estimated timing of cash flows, discount rates and estimated costs will result in an increase or decrease to the obligations. Any difference between the actual costs incurred upon settlement of the obligation and the recorded liability is recognized as a gain or loss in the consolidated statements of comprehensive loss.

h) Share capital

Proceeds from the issuance of common shares are classified as equity on the consolidated statement of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. The proceeds from the issue of units are allocated between common shares and contributed surplus based on the residual value method. Under this method, the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants..

i) Foreign Currency Translation

Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalent using foreign exchange rates at the statement of financial position dates. Non-monetary items are translated at historical exchange rates. Revenues and expenses are translated using average rates of exchange during the year. Exchange gains or losses arising from currency translation are included in the determination of net loss.

VISIONARY GOLD CORP.

Notes to the Consolidated Financial Statements
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(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Foreign Currency Translation *(continued)*

Subsidiaries

The results and financial position of the Company's subsidiaries that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Equity is translated using historical rates; and
- All resulting exchange differences are recognised in other comprehensive income as foreign currency translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign currency translation reserve (a component of accumulated other comprehensive loss). When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive loss as part of the gain or loss on sale.

j) Share based payment transactions

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

k) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost.

The following financial assets are classified as measured at amortized cost – cash and reclamation and environmental bonds.

The following financial liabilities are classified as measured at amortized cost – accounts payable and accrued liabilities and shareholders' loans.

The classification of financial assets is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Transaction costs with respect to financial instruments classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments. The Company's financial assets are classified into one of the following two measurement categories:

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Notes to the Consolidated Financial Statements
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(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) Financial instruments *(continued)*

Financial assets held within a business model for the purpose of collecting contractual cash flows (“held to collect”) that represent solely payments of principal and interest (“SPPI”) are measured at amortized cost. Financial assets held within a business model where assets are both held for the purpose of collecting contractual cash flows or sold prior to maturity and the contractual cash flows represent SPPI are measured at FVTPL.

l) Tax expense

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

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

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

m) Loss per share

Loss per share has been calculated using the weighted-average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that proceeds received from the exercise of “in-the-money” stock options and warrants would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

n) Significant accounting judgments and estimates

The timely preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and going concern assumption. Accordingly, actual amounts may differ from these estimates. Estimates and underlying assumptions are viewed 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. By their nature, these estimates and assumptions are subject to measurement uncertainty and may impact the carrying value of the Company’s assets in future periods. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below.

VISIONARY GOLD CORP.

Notes to the Consolidated Financial Statements
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) Significant accounting judgments and estimates *(continued)*

Reserves

Oil reserve and resource estimates are based on various assumptions relating to operating matters as set forth in National Instrument ("NI") 51-101, Standards of Disclosure for Oil and Gas Activities. Estimation of reported recoverable quantities of proved and probable reserves include judgmental assumptions regarding production profile, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economical, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact the assessment of impairment or impairment reversal of the carrying values of the Company's petroleum and natural gas properties, the calculation of depletion, the provision for decommissioning obligations, and the recognition of deferred tax assets due to changes in expected future cash flows. The recoverable quantities of reserves and estimated cash flows from the Company's petroleum and natural gas interests are independently evaluated by reserve engineers at least annually.

Share based payments

All equity-settled, share-based awards issued by the Company are fair valued using the Black-Scholes option-pricing model. In assessing the fair value of equity based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

Decommissioning obligation

The Company estimates future remediation costs of wells at different stages of development and construction of assets. In most instances, removal of assets occurs many years into the future. This requires judgment regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

Impairment of petroleum and natural gas assets

For the purposes of determining whether impairment of petroleum and natural gas assets has occurred, and the extent of any impairment or its reversal, the key assumptions the Company uses in estimating future cash flows are future petroleum and natural gas prices, expected production volumes and anticipated recoverable quantities of proved and probable reserves. These assumptions are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates. Changes in the aforementioned assumptions could affect the carrying amounts of assets, and impairment charges and reversal will affect profit or loss.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The carrying amount of the Company's exploration and evaluation assets is reviewed for indicators of impairment at each reporting date. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists.

Judgement is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there

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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) Significant accounting judgments and estimates *(continued)*

is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required.

Taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Going concern

The determination that the Company will continue as a going concern for the next year.

Judgement is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required.

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4. EXPLORATION AND EVALUATION ASSETS

Majuba Hill

On September 20, 2020, the Company signed a Debt Settlement Agreement (the “DSA”) with regards to its 2017 lease agreement on the Majuba Hill property in Pershing County, North Central Nevada. Pursuant to the DSA, the parties agreed and the Company paid US\$50,000 as full and final settlement.

As a result of ceasing activities on the Majuba Hill property, the Company is required to restore the site. The Company has recorded a provision for disposal costs of \$4,005 (June 30, 2021 - \$4,005).

As of June 30, 2022, the Company had a reclamation bond of \$6,020 (US\$4,672) with the Bureau of Land Management (June 30, 2021 - \$5,970 (US\$4,672)). On September 23, 2020, the Company engaged a consultant to commence reclamation work at Majuba Hills in October 2020 and the reclamation work has been completed at a cost of US\$8,500. Further work is being undertaken to establish vegetation at the site, which is estimated to take 2 to 3 years.

Wolf Gold Project

On September 4, 2020 (the “Effective Date”), the Company, through its wholly-owned subsidiary Lost Creek Corporation (“LCC”), entered into a lease assignment agreement (the “LAA”) with a private company (“GLM”) located in the state of Wyoming, whereby GLM agreed to assign to LCC and LCC agreed to assume from GLM all of GLM's rights, title, interests, obligations and liabilities in and under two leases, dated June 12, 2020 and July 6, 2020, with the lessors. Pursuant to the LAA and a subsequent amendment:

- LCC will pay GLM annual payments of US\$30,000 on execution of the LAA (paid) and US\$40,000 (paid) on each anniversary of the Effective Date through termination, expiration or reassignment of the leases. These annual payments will be credited against royalty payment obligations and toward the royalty buy-out. LCC is under no obligation to make the annual payments from and after the date LCC ceases production, exploration or development of the property and its activities on the property are for reclamation only or upon LCC's exercise of the option, upon reassignment or upon expiration or termination of the underlying lease(s).
- LCC will pay to GLM a 2% Net Smelter Returns (“NSR”) royalty on the production and sale of minerals from the property. Within five years from the Effective Date, LCC has the option, but not the obligation, to purchase the royalty for US\$2 million, minus all prior annual payments.
- If LCC fails to exercise the royalty buy-out, it will have the option to reassign the leases to GLM and GLM may, in its discretion, elect to assume all of LCC's right, title and interest in the leases. Upon reassignment, LCC will have no further obligations regarding leases or the LAA, including no obligation to make the annual payments or the royalty payment to GLM.

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4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Wolf Gold Project *(continued)*

- If the lessor wishes to sell, grant, assign, convey, encumber, license, pledge or otherwise commit, dispose or transfer all or any portion of its interest in the claims, the property, the LAA or the production royalty payments, then the lessor will first offer such interest to LCC.

Pursuant to the underlying lease agreements (the "LAs"):

- The initial term of the LAs is three years and the leases shall be for so long thereafter as royalties are payable to the lessors in respect of the claims provided that the LAs can be terminated by GLM at any time.
- GLM will pay to the lessors a 2.5% production royalty equal to the NSR derived by GLM from operations conducted on the claims properties.
- In order to maintain the leases, GLM paid advance royalty payments (for each lease) of US\$2,500 on execution on July 6, 2020, and must pay US\$2,500 on or before each anniversary date for as long as the LAs are in effect. All advance royalty payments will be credited to and recoverable by GLM from all production royalties accruing as production royalties to the lessors.
- GLM can elect to terminate the LAs and its performance thereunder by conveying all right, title and interest it may have in the claims to the lessors.
- Either party has the right to assign its interest in the LAs to either an affiliate, in which case the assigning party remains a guarantor, or to a non-affiliate.

During the year ended June 30, 2022, the Company elected not to continue the LAA and LAs, and had written off all deferred costs incurred to date.

On March 23, 2021, the Company entered into a mining lease agreement with an option to buy (the "Agreement") certain mining claims in Fremont County, Wyoming, which consists of three unpatented mining claims. The initial term of the Agreement was to expire on March 23, 2026, subject to the option of the Company to extend the expiry date for a further five-year period. Pursuant to the Agreement:

- The Company will pay to the lessor the sum of US\$30,000 upon execution (paid) and each year during the term of the Agreement and has an option to buy the property for US\$3,000,000 at any point during the term of the Agreement;
- During the term of the Agreement, a 4% net smelter returns royalty is payable to the current owners of the property with the right to buy down the royalty to 2% for US\$2,000,000 per percentage point; and
- The Company can terminate the Agreement at any time, without penalty.

During the year ended June 30, 2022, the Company elected not to continue the Agreement, and had written off all deferred costs incurred to date.

On May 8, 2021, the Company entered into a purchase and sale agreement with Innovation Exploration Ventures LLC and an individual to acquire certain mining claims and data for \$99,000 (paid) with the issuance of 550,000 common shares of the Company at a deemed price of \$0.18 per share.

As of June 30, 2022, the Company had a refundable environmental bond of \$52,833 (US\$41,000) (June 30, 2021 - \$50,816 (US\$41,000)).

As of June 30, 2022, the Company had capitalized \$2,206,834 (June 30, 2021 - \$696,287) in exploration and evaluation expenditures related to the Wolf Gold Project.

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4. EXPLORATION AND EVALUATION ASSETS *(continued)*Wolf Gold Project *(continued)*

	Wolf Gold Project
Balance at June 30, 2021	\$ 696,287
Additions during the period	
Acquisition and holding costs:	
Exploration and evaluation	236
Option payment	55,720
Staking	5,315
	<u>61,271</u>
Exploration expenditures:	
Equipment Rental	166,212
Claim fees and licenses	331,178
Training/certification	269
Assays	329,299
Camp and field costs	27,377
Core Shack	1,933
Fuel	19,794
Geochemistry	28,700
Geological supplies	186,266
Geology	180,303
Permits	98,000
Geophysics	57,247
Environmental consulting	225,917
Sampling and drilling	668,928
Report, drafting and maps	90,888
Travel & accommodations	129,526
Field supplies	21,770
Legal	201
Labour	1,287
Consulting	161,540
Freight	8,650
	<u>2,735,285</u>
Impairment	<u>(1,286,009)</u>
Net change	1,510,547
Balance at June 30, 2022	\$ 2,206,834

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5. TRADE AND OTHER PAYABLES

		June 30, 2022		June 30, 2021
Trade payables	\$	225,521	\$	229,994
Accrued liabilities		74,576		-
	\$	300,097	\$	229,994

In August 2020, the Company entered into shares for debt agreements to satisfy an aggregate of \$524,665 of the Company's outstanding accounts payable and shareholders' loans. The creditors included certain related parties of the Company at that time, including John Kanderka, Chief Executive Officer and a Director; Wes Adams, Chief Financial Officer and a Director; Marc Blythe, a Director; and John Adams, a holder of greater than 10% of the issued and outstanding shares (collectively, the "Related Parties"). Approval for this transaction was received from the TSX Venture Exchange on September 24, 2020.

On September 29, 2020, 10,493,306 common shares at a deemed price of \$0.05 per share were issued to the creditors which includes an aggregate of 9,288,493 shares issued to the Related Parties. An aggregate of 2,015,535 shares were issued to John Kanderka, representing \$100,777 in full satisfaction of the amount owing for services rendered in his capacity as the Chief Executive Officer and for expenses paid on behalf of the Company. An aggregate of 3,927,473 shares were issued to Wes Adams, representing \$196,374 in partial satisfaction of the amount owing for services rendered in his capacity as Chief Financial Officer, for loans extended to the Company and for expenses paid on behalf of the Company. An aggregate of 797,540 shares were issued to Marc Blythe, representing \$39,877 in full satisfaction for expenses paid on behalf of the Company. An aggregate of 2,547,945 shares were issued to John Adams, representing \$127,397 in full satisfaction of loans extended to the Company.

6. PETROLEUM AND NATURAL GAS PROPERTIES

In March 2011, the Company (the "farmee") entered into a Farmout and Participation Agreement with a private company (the "farmor") in the business of exploring for and producing oil, gas and coal. Pursuant to the agreement, the Company earned the farmor's pre-farmout 25% working interest in two (test) wells located in Saskatchewan and can earn a 25% working interest if the farmor licenses contingent locations in the farmout and mutual interest lands (as defined). The farmor was appointed the initial operator ("operator 1") of the wells with respect to all operations conducted by both parties. In December 2017, the farmor transferred and conveyed its entire interest in the agreement to another private company ("operator 2") in the business of consolidating undervalued, under-exploited, mature and producing oil and natural gas assets.

During the year ended June 30, 2017, the Company changed its focus from oil and gas exploration and production to mineral exploration and, accordingly, wrote off the carrying value of its oil and gas properties. The company continues to hold a 25% working interest in four oil wells and two gas wells (one active oil well, two suspended gas wells and three abandoned oil wells). Operations relating to the active and completed wells are conducted by operator 2 and operations relating to the other wells are conducted by operator 1.

On a monthly basis, the Company receives a joint interest billing from operator 2 for its 25% share of revenue earned and operating expenses incurred. On a periodic basis, the Company receives a joint interest billing from operator 1 for its 25% share of abandonment and reclamation costs incurred and any annual rental obligations. On an annual basis, effective June 30th, the Company obtains an 'Evaluation of Interests' report from an independent company specializing in reserves evaluations for oil and gas companies. This report includes a NI 51-101 compliant estimate of the net present value of future net revenue (before income taxes) attributed to the proved plus probable reserves for the active oil well.

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6. PETROLEUM AND NATURAL GAS PROPERTIES *(continued)*

On June 1, 2020, in relation to proceedings under the Companies' Creditors Arrangement Act (the "Act"), an Order (the "CCAA Initial Order") was granted by the Court of the Queen's Bench of Alberta (the "Court") pursuant to the Act granting operator 2 various relief including but not limited to, the imposition of an initial Stay of Proceedings against operator 2 and its assets through to June 11, 2020, subsequently extended until October 30, 2020. Pursuant to the CCAA Initial Order, (i) operator 2 is to continue to carry on business in a manner consistent with the commercially reasonable preservation of its business while it considers and pursues restructuring alternatives; and (ii) any claims against operator 2 in relation to obligations arising prior to June 1, 2020 are suspended and creditors are prohibited from continuing or taking any actions or exercising any rights in relation thereto. On July 24, 2020, the court approved a sales and investment solicitation, and the oil properties were sold to a third party during the quarter ending March 31, 2021. On February 11, 2021, the Company entered into a Quitclaim, Surrender, Conveyance and Assignment of Interest with respect to three abandoned gas wells and made a payment of \$14,566 to satisfy any and all obligations, including decommissioning obligations.

The suspended gas well did not receive any interest from potential buyers and has therefore been sent to the Orphan Well Association of Saskatchewan by the receiver. The active oil well is anticipated to return to production or to be sold to the same third-party buyer.

As of June 30, 2022, \$2,331 (June 30, 2021 - \$2,331) receivable from operator 2 was included in prepaid expenses and deposits.

The decommissioning obligation is estimated based on the Company's working interest in wells that have not been reclaimed, the estimated cost to abandon and reclaim the wells and the estimated timing of the costs to be incurred in future periods. The Company estimates the undiscounted cash flows related to its decommissioning obligation is approximately \$83,010 (June 30, 2021 - \$77,988). The properties that remain subject to decommissioning obligations are the gas well sent to the Orphan Well Association and the active oil well. The fair value of this obligation was calculated using risk free rates between 0.93% to 1.65% (2021 – 0.74% to 1.96%), an inflation rate between 2.00% to 7.01% (2021 – 1.81% to 4.38%) and the expectation of being fully abandoned by 2036. The estimated decommissioning obligation as at June 30, 2022 and 2021 is as follows:

Balance, June 30, 2020	\$	86,013
Reclamation costs		(2,600)
Quit Claim payment to extinguish obligation		(14,566)
Change in estimated decommissioning obligation		(8,692)
Balance, June 30, 2021		60,155
Change in estimated decommissioning obligation		7,705
Balance, June 30, 2022	\$	<u>67,860</u>

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7. SHARE CAPITAL

a. Authorized

As at June 30, 2022, the authorized share capital was comprised of an unlimited number of common shares without par value. These common shares have voting rights.

b. Share issuances

On September 15, 2020, the Company completed a non-brokered private placement for the issuance of 17,000,000 common shares at \$0.05 per common share for a total of \$850,000. The Company incurred share issue costs of \$5,200 in connection with this financing.

On September 29, 2020, the Company issued 10,493,306 common shares for debt settlement (see Note 5).

On June 8, 2021, the Company completed a non-brokered private placement by issuing 19,750,576 units ("Unit") at a price of \$0.18 per Unit for gross proceeds of \$3,555,104. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a 24-month period at a price of \$0.27. The warrants are subject to an acceleration clause, whereby, if the 10-day volume-weighted average trading price of the common shares of the Company is equal to or exceeds \$0.40, the warrant expiry date shall accelerate to a date that is 30 calendar days after the issuance of a notice by the Company to the holders of the warrants announcing the acceleration of the warrants. In connection with the financing, the Company paid \$67,346 as a cash finder's fee and issued 374,146 finder's warrants, each of which is exercisable into one common share at a price of \$0.18 for a period of 24 months. The value of the finder's warrants was determined to be \$58,329 and was calculated using the Black-Scholes option pricing model. Under the residual value approach, no value was assigned to the warrant component of the Units. The Company incurred additional share issue costs of \$23,882 in connection with this financing.

On June 24, 2021, the Company issued 550,000 common shares for a property acquisition at a fair value of \$99,000 (see Note 4).

Subsequently on July 21, 2022, the Company completed a non-brokered private placement by issuing 30,748,000 units ("Unit") at a price of \$0.05 per Unit for gross proceeds of \$1,537,400. Each Unit consists of one common share and one-half common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.10 for a period of 24 months from the closing date of the Offering. The private placement involved subscription receipts of which \$831,604 was received prior to June 30, 2022, and the Company incurred share issue costs of \$14,422 in connection with this financing prior to June 30, 2022 (see Note 15).

c. Share Purchase Option Compensation Plan

The Company established a 10% rolling stock option plan whereby the Board of Directors may from time-to-time grant options to individual eligible directors, officers, employees or consultants. The maximum term of any option is five years. The exercise price of an option is not less than the closing price on the last trading day preceding the grant date, less allowable discounts in accordance with the policies of the Exchange. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options granted under the Stock Option Plan are subject to a vesting schedule whereby 25% of each option will vest on the grant date and 25% will vest on each of the three-month anniversaries of the date of grant, up to and including the end of the first year after such grant, or such other more restrictive vesting schedule as the administrator of the Stock Option Plan may determine.

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7. SHARE CAPITAL, (continued)**c. Share Purchase Option Compensation Plan, (continued)**

A continuity of options for the year ended June 30, 2022 is as follows:

	Exercise	June 30,			June 30,			
Expiry date	price (\$)	2021	Issued	Expired	2022			
February 27, 2022	0.12	1,200,000	-	(1,200,000)	-			
December 1, 2022	0.085	2,955,000	-	-	2,955,000			
August 4, 2023	0.195	-	1,000,000	-	1,000,000			
Options outstanding		4,155,000	1,000,000	(1,200,000)	3,955,000			
Options exercisable at June 30, 2022		4,155,000	1,000,000	(1,200,000)	3,955,000			
Weighted average exercise price								
	\$	0.10	\$	0.195	\$	0.12	\$	0.11

Subsequent to June 30, 2022, the Company granted 3,895,000 options (see Note 15).

The following assumptions were used in the Black Scholes Option Pricing Model to estimate the fair value of the options:

	June 30, 2022	June 30, 2021
Risk-free interest rate	0.66%	1.12%
Expected stock price volatility	172%	149%
Expected option life in years	2	2
Expected dividend in yield	N/A	N/A
Forfeiture rate	N/A	N/A

A continuity of options for the year ended June 30, 2021 is as follows:

	Exercise	June 30,			June 30,			
Expiry date	price (\$)	2020	Issued	Expired	2021			
July 24, 2020	0.15	100,000	-	(100,000)	-			
February 27, 2022	0.12	1,200,000	-	-	1,200,000			
December 1, 2022	0.085	-	2,955,000	-	2,955,000			
Options outstanding		1,300,000	2,955,000	(100,000)	4,155,000			
Options exercisable		1,300,000	2,216,250	(100,000)	3,416,250			
Weighted average exercise price	\$	0.12	\$	0.085	\$	0.15	\$	0.10

The weighted average remaining life of the outstanding options as a June 30, 2022 is 0.59 year (June 30, 2021 – 1.20 years).

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7. SHARE CAPITAL, (continued)**d. Warrants**

Expiry date	Exercise price (\$)	June 30, 2021	Issued	Expired	June 30, 2022	
June 8, 2023	0.27	9,875,288	-	-	9,875,288	
		9,875,288	-	-	9,875,288	
Weighted average exercise price	\$	0.27	\$	-	\$	0.27

Subsequent to June 30, 2022, the Company issued 15,374,000 warrants (see Note 15).

The weighted average remaining life of the outstanding warrants as June 30, 2022 is 0.94 years (June 30, 2021 – 1.94 years).

e. Finder's warrants

Expiry date	Exercise price (\$)	June 30, 2021	Issued	Expired	June 30, 2022	
June 8, 2023	0.18	374,146	-	-	374,146	
		374,146	-	-	374,146	
Weighted average exercise price	\$	0.18	\$	-	\$	0.18

The weighted average remaining life of the outstanding finder's warrants as June 30, 2022 is 0.94 years (June 30, 2021 – 1.94 years).

The assumptions used in Black Scholes Option Pricing Model to estimate the fair value of finder's warrants were:

	June 30, 2022	June 30, 2021
Risk-free interest rate	N/A	0.74%
Expected stock price volat	N/A	145.5425%
Expected option life in yea	N/A	2
Expected dividend in yield	N/A	N/A
Forfeiture rate	N/A	N/A

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8. GENERAL AND ADMINISTRATIVE EXPENSES

The components of general and administrative expenses are as follows:

For the years ended	June 30, 2022	June 30, 2021
Investor relations	\$ 178,420	\$ 113,534
Professional fees	214,579	341,282
Regulatory and filing fees	24,136	41,830
Insurance	31,397	6,728
Other	40,248	5,300
	<u>\$ 488,780</u>	<u>\$ 508,674</u>

9. RELATED PARTY TRANSACTIONS

Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. All outstanding balances are unsecured, and there are no commitments or guarantees associated with the outstanding balances.

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

Related party transactions and liabilities:

	Services / Loans	Years ended		As at	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Amounts due to:					
Director, Chairman ^(b)	Management fees	\$Nil	\$Nil	\$Nil	\$ 50
Director, Chief Executive Officer ^(a)	Consulting fees and expense reimbursement	\$Nil	\$Nil	\$Nil	\$ 1,308
Directors & officers	Share-based payment	\$ 165,962	\$ 133,638	\$Nil	\$Nil
A private company of which the Chief Financial Officer of the Company is a shareholder ^(c)	Accounting and management fees	\$ 62,918	\$ 56,317	\$ 11,550	\$ 15,750
Director ^(d)	Consulting fees	\$Nil	\$ 32,182	\$Nil	\$Nil
TOTAL:		\$ 228,880	\$ 222,137	\$ 11,550	\$ 17,108

(a) Wes Adams was appointed as the Interim Chief Financial Officer effective June 26, 2018 and Chief Executive Officer effective December 1, 2020. Mr. Adams advanced US\$40,000 to the Company on September 5, 2018 which was non-interest bearing without specific terms of repayment. On September 29, 2020, the amount owing was settled with common shares (see Note 5).

(b) John Kanderka was appointed as the Interim Chief Executive Officer effective June 26, 2018 and Chairman of the Board of Directors effective December 1, 2020.

(c) Robert Doyle was appointed as the Chief Financial Officer effective December 1, 2020.

(d) Darren Lindsay was appointed as a director of the Company effective November 9, 2020.

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10. PREPAID EXPENSES AND DEPOSITS

As of June 30, 2022, the Company had \$200,050 (June 30, 2021 - \$44,988) in prepaid expenses and deposits.

	June 30, 2022	June 30, 2021
Investor relations	\$ -	\$ 12,222
Insurance	7,048	17,935
Advisory services	40,294	12,500
Deposits	152,708	2,331
	<u>\$ 200,050</u>	<u>\$ 44,988</u>

11. TAXES

The following table reconciles the expected income tax expense (recovery) at Canadian statutory income tax rates to the amounts recognized in the consolidated statements of comprehensive loss for the years ended June 30, 2022 and 2021:

	June 30 2022	June 30 2021
Net income (loss) before taxes	\$ (1,979,092)	\$ (749,961)
Statutory tax rate	27.0%	27.5%
Expected income tax (recovery)	(534,355)	(206,239)
Non-deductible items	394,113	33,611
Change in deferred tax assets not recognized	140,242	172,628
Total income tax expense (recovery)	<u>\$ -</u>	<u>\$ -</u>

The significant components of the Company's unrecognized deductible temporary differences are as follows:

	June 30 2022	June 30 2021
Exploration and evaluation assets and petroleum properties	\$ 2,436,121	\$ 2,436,121
Equipment	43,629	43,629
Share issuance costs and other	58,057	82,694
Non capital loss carryforwards	16,741,173	15,986,547
Unrecognized deductible temporary differences	<u>\$ 19,278,980</u>	<u>\$ 18,548,991</u>

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11. TAXES (continued)

As at June 30, 2022, the Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of \$16,651,187 (2021: \$15,888,203) which may be carried forward to apply against future years' income tax for Canadian income tax purpose, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	
2042	533,407
2041	687,544
2040	157,574
2039	295,580
2038	250,934
2037	282,466
2036	105,591
2035	6,582,821
2034	6,054
2033	335,329
2032	1,067,903
2031	1,145,956
2030	975,784
2029	1,294,962
2028	1,218,558
2027	894,120
2026	816,604
Total	\$ 16,651,187

The Company has also estimated United States non-capital loss carryforwards of \$89,986.

12. FINANCIAL INSTRUMENTS

The fair value of the Company's cash, accounts payable and accrued liabilities and shareholders' loans approximate their carrying values due to their current nature.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

(a) Currency risk

The Company's property interests in the United States made it subject to foreign currency fluctuations and inflationary pressures which may have adversely affected the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. As at June 30, 2022, accounts payable and accrued liabilities included accounts totaling approximately US\$232,886.

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12. FINANCIAL INSTRUMENTS *(continued)*

(b) Credit risk

The Company's cash is held in a Canadian financial institution.

On a monthly basis, the Company receives a joint interest billing from operator 2. To the extent that the Company's cumulative share or petroleum revenue exceeds (is less than) the related operating expenses, the Company has a receivable from (a payable to) operator 2. As at June 30, 2022, prepaid expenses and deposits included \$2,331 (June 30, 2021- \$2,331) receivable from operator 2.

Accordingly, the Company believes it is not exposed to significant credit risk.

(c) 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 and periodic financial support from management. Accounts payable and accrued liabilities of \$300,098 are due within the current operating year. As at June 30, 2022, the Company had cash of approximately \$676,889 to meet these obligations.

(d) 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 has no interest bearing debt.

(e) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its share of petroleum production are largely beyond the Company's control as oil and gas prices are impacted by world economic events that dictate the levels of supply and demand. A 1% change in price will increase/decrease net income (loss) by an immaterial amount.

The Company did not have any commodity price contracts in place as at or during the year ended June 30, 2022.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets classified as subsequently measured at amortized cost as at June 30, 2022 and 2021.

VISIONARY GOLD CORP.

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12. FINANCIAL INSTRUMENTS (continued)

As at June 30, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 676,889	\$ -	\$ -	\$ 676,889
Reclamation bond	58,853	-	-	58,853
Liabilities:				
Accounts payable and accrued liabilities	\$ 300,097	\$ -	\$ -	\$ 300,097
Restoration provision	4,005	-	-	4,005

As at June 30, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 3,191,190	\$ -	\$ -	\$ 3,191,190
Reclamation bond	56,606	-	-	56,606
Liabilities:				
Accounts payable and accrued liabilities	\$ 229,994	\$ -	\$ -	\$ 229,994
Restoration provision	4,005	-	-	4,005

There has been no change between levels during the year.

13. MANAGEMENT OF CAPITAL RISK

The Company manages its shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral and oil and gas properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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, acquire or dispose of assets or adjust the amount of cash and short-term investments.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company is not subject to any externally imposed capital restrictions. There has been no change in the Company's capital management during the period.

VISIONARY GOLD CORP.

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14. SEGMENTED INFORMATION

The Company operates in two industry segments, being petroleum and natural gas production and acquisition and exploration of mineral properties. The Company's assets and liabilities are held with Canada and USA as follows:

June 30, 2022			
	Canada	USA	Total
Current assets	\$ 815,638	\$ 77,303	\$ 892,941
Exploration and evaluation assets	-	2,206,834	2,206,834
Reclamation bond	6,020	52,833	58,853
Total liabilities	\$ 363,439	\$ 8,523	\$ 371,962

June 30, 2021			
	Canada	USA	Total
Current assets	\$ 3,170,182	\$ 77,781	\$ 3,247,963
Exploration and evaluation assets	-	696,287	696,287
Reclamation bond	-	56,606	56,606
Total liabilities	\$ 235,417	\$ 58,737	\$ 294,154

15. SUBSEQUENT EVENTS

- 1) On July 21, 2022, the Company completed a non-brokered private placement by issuing 30,748,000 units ("Unit") at a price of \$0.05 per Unit for gross proceeds of \$1,537,400. Each Unit consists of one common share and one-half common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.10 for a period of 24 months from the closing date of the Offering. The Company incurred share issue costs of \$14,422 in connection with this financing prior to June 30, 2022. The private placement involved subscription receipts of which \$831,604 was received prior to June 30, 2022.
- 2) On September 9, 2022, the Company granted 3,895,000 options under the Company's stock option plan to certain directors, officers and consultants, with each option representing the right to receive one common share of the Company upon vesting, exercisable at a price of \$0.065. The options will vest as to 25% on the date of grant, and a further 25% on the three, six and nine-month anniversaries of the date of grant. The options will expire on September 9, 2024.