



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED
JANUARY 31, 2022 and 2021**

(Expressed in Canadian Dollars, unless otherwise stated)

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

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

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

BLACKWOLF COPPER AND GOLD LTD

Condensed Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

		JANUARY 31 2022	October 31 2021
ASSETS			
Current assets			
Cash and cash equivalents		\$ 1,871,127	\$ 389,986
Amounts receivable and prepaid expenses	3	513,145	517,225
Total current assets		2,384,272	907,211
Equipment	4	585,062	589,937
Restricted cash		936,648	911,979
Exploration and evaluation assets	5	1	1
Total Assets		\$ 3,905,983	\$ 2,409,128
LIABILITIES			
Current Liabilities			
Trade and other payables		862,456	\$ 890,785
Payables to related parties	6	28,710	27,968
Total current liabilities		891,166	918,753
Provision for rehabilitation obligation		1,613,166	1,570,678
Total liabilities		2,504,332	2,489,431
EQUITY/(DEFICIENCY)			
Share capital	7(a,b)	84,231,834	81,465,101
Reserves		6,419,159	6,339,673
Accumulated deficit		(89,246,227)	(87,896,569)
Accumulated other comprehensive income/(loss)		(3,115)	11,492
Total Equity/(Deficiency)		1,401,651	(80,303)
Total Equity and Liabilities		\$ 3,905,983	\$ 2,409,128

Continuance of operations and going concern (Note 1)

Subsequent Events (Note 9)

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

The consolidated financial statements are signed on the Company's behalf by:

/s/ Jessica Van Den Akker

Jessica Van Den Akker
Director

/s/ Ron Stewart

Ron Stewart
Director

BLACKWOLF COPPER AND GOLD LTD

Condensed Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended January 31,	
		2022	2021
Expenses			
Exploration and evaluation expenses	5	\$ 679,720	\$ 1,827,186
Management fees, director fees, wages and benefits	6	294,933	221,194
Office and other		75,137	66,960
Professional services		92,190	89,743
Regulatory		12,632	6,200
Marketing and investor relations		123,379	47,838
Travel		5,950	-
Share-based compensation	7 (f)	63,254	229,242
		1,347,195	2,488,363
Other income/expenses			
Foreign exchange loss (gain)		4,181	11,888
Finance income		(1,718)	(8,481)
Net Loss		1,349,658	2,491,769
Other comprehensive loss/(income)			
Foreign currency translation adjustment		14,607	(41,781)
Comprehensive loss		\$ 1,364,265	\$ 2,449,988
Basic and diluted loss per common share		\$ 0.04	\$ 0.11
Weighted average number of common shares outstanding		31,421,383	22,214,847

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

BLACKWOLF COPPER AND GOLD LTD
Condensed Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Three months ended January 31,	
	2022	2021
Operating activities		
Loss for the period	\$ (1,349,658)	\$ (2,491,769)
<u>Non-cash or non operating items:</u>		
Depreciation	23,001	3,735
Share-based compensation	63,254	229,242
<u>Changes in non-cash working capital items:</u>		
Amounts receivable and prepaid expenses	13,148	(216,684)
Trade and other payables	(49,305)	336,024
Payables to related parties	742	36,775
Net cash from/(used) operating activities	(1,298,818)	(2,102,677)
Investing activities		
Purchase of equipment	(3,006)	(223,346)
Net cash from/(used) investing activities	(3,006)	(223,346)
Financing activities		
Proceeds from private placements	2,852,251	-
Share issue costs	(69,286)	-
Net cash from financing activities	2,782,965	-
Net decrease in cash and cash equivalents	1,481,141	(2,326,023)
Cash and cash equivalents - beginning balance	389,986	4,725,262
Cash and cash equivalents - ending balance	\$ 1,871,127	\$ 2,399,239

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

BLACKWOLF COPPER AND GOLD LTD

Condensed Consolidated Statements of Changes in Equity (Deficiency)

(Unaudited - Expressed in Canadian Dollars except for share information)

	Share capital		Equity settled share-based payments reserve	Accumulated deficit	Accumulated other comprehensive income/(loss)	Total equity (deficiency)
	Number of common shares	Amount				
Balance at November 1, 2020	22,214,847	\$ 76,089,046	\$ 5,762,968	\$ (78,772,368)	\$ -	\$ 3,079,646
Share based compensation	-	-	229,242	-	-	229,242
Net loss	-	-	-	(2,491,769)	-	(2,491,769)
Loss and comprehensive loss	-	-	-	-	41,781	41,781
Balance at January 31, 2021	22,214,847	\$ 76,089,046	\$ 5,992,210	\$ (81,264,137)	\$ 41,781	\$ 858,900
Balance at November 1, 2021	29,074,034	\$ 81,465,101	\$ 6,339,673	\$ (87,896,569)	\$ 11,492	\$ (80,303)
Shares issued pursuant to private placement	4,074,644	\$ 2,852,251	-	-	-	2,852,251
Share issuance costs	-	(85,518)	16,232	-	-	(69,286)
Share based compensation	-	-	63,254	-	-	63,254
Net loss	-	-	-	(1,349,658)	-	(1,349,658)
Other comprehensive income	-	-	-	-	(14,607)	(14,607)
Balance at January 31, 2022	33,148,678	\$ 84,231,834	\$ 6,419,159	\$ (89,246,227)	\$ (3,115)	\$ 1,401,651

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

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

1. NATURE AND CONTINUANCE OF OPERATIONS

Blackwolf Copper and Gold Ltd. (the "Company" or "Blackwolf") was incorporated under the laws of the Province of Alberta, Canada on November 6, 2007 and continued under the laws of the Province of British Columbia, Canada on November 16, 2009. On April 20, 2021, the Company changed its name from Heatherdale Resources Ltd to Blackwolf Copper and Gold Ltd. The Company's corporate office is located at Suite 3123 – 595 Burrard Street, Vancouver, British Columbia. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "BWCG".

The Company's principal mineral property interests are its 100% owned Niblack copper-gold-zinc-silver project in southeast Alaska (the "Niblack Project") and claims staked near Hyder, Alaska (the "Hyder Properties"). The Company is in the process of exploring its properties and has yet to determine if the properties contain economically recoverable mineral reserves. The Company's continuing operations and the underlying value of the properties are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the properties, obtaining the necessary permits to mine, future profitable production from any mine, and proceeds from the disposition of a property. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

As of January 31, 2022, the Company has no source of operating revenue and has accumulated significant losses since inception. The Company is continually seeking opportunities for additional funding and expects to raise funds from equity-based sources on terms which are acceptable to it to carry out planned operations for 2022. However, there can be no assurance that the Company will obtain such financial resources or achieve positive cash flows in the future.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of Compliance*

These Financial Statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations committee ("IFRIC"s). Accordingly, they do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete annual financial statements and should be read in conjunction with the Company's consolidated financial statements, as at and for the year ended October 31, 2021, which were filed under the Company's profile on SEDAR at www.sedar.com. Results for the reporting period are not necessarily indicative of future results.

Accounting policies applied herein are the same as those applied in the Company's annual financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on March 25, 2022.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

(b) Significant Accounting Estimates and Judgments

The critical judgments and estimates applied in the preparation of these Financial Statements are consistent with those applied in the Company's consolidated financial statements, as at and for the year ended October 31, 2021.

3. AMOUNTS RECEIVABLE AND OTHER PREPAID EXPENSES

	January 31	October 31
	2022	2021
Sales tax receivable	\$ 55,530	\$ 44,630
Prepaid expenses	71,298	124,678
Deposits	327,246	318,626
Other receivables	59,071	29,291
	\$ 513,145	\$ 517,225

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

4. EQUIPMENT

	Office equipment	Field equipment	Total
Cost			
Balance, October 31, 2020	\$ 2,253	\$ 373,657	\$ 375,910
Acquisitions during the period	37,106	585,238	622,344
Translation adjustment	-	(29,382)	(29,392)
Balance, October 31, 2021	39,359	929,513	968,872
Acquisitions for the period	3,006	-	3,006
Translation adjustment	-	25,144	25,144
Balance, January 31, 2022	\$ 42,365	\$ 954,657	\$ 997,022
Accumulated depreciation			
Balance, October 31, 2020	\$ -	\$ 309,250	\$ 309,250
Depreciation for the year	11,799	80,826	92,625
Translation adjustment	-	(22,940)	(22,940)
Balance, October 31, 2021	11,799	367,136	378,935
Depreciation for the period	2,248	20,753	23,001
Translation adjustment	-	10,024	10,024
Balance, January 31, 2022	\$ 14,047	\$ 397,913	\$ 411,960
Carrying amounts			
As at October 31, 2021	\$ 27,560	\$ 562,277	\$ 589,937
As at January 31, 2022	\$ 28,318	\$ 556,744	\$ 585,062

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

5. EXPLORATION AND EVALUATION OF ASSETS

Details of the exploration and evaluation expenses that have been incurred are as follows:

For the Three Months ended January 31, 2022	Niblack Project	Hyder Properties	Total
Claims maintenance	\$ 5,742	\$ -	\$ 5,742
Project and support contract services	243,918	5,778	249,696
Camp and site support	149,847	-	149,847
Depreciation	20,753	-	20,753
Fuel	24,442	-	24,442
Underground support supplies	33,931	-	33,931
Drilling	25,133	-	25,133
Geology	48,662	4,539	53,201
Transport	32,068	-	32,068
Field travel	58,642	-	58,642
Environmental and permitting	24,161	2,103	26,265
Total	\$667,299	\$ 12,421	\$ 679,720

For the Three Months Ended January 31, 2021	Niblack	Total
Claims maintenance	\$ 5,835	\$ 5,835
Project and support contract services	677,882	677,882
Site support	204,414	204,414
Depreciation	3,735	3,736
Fuel	1,148	1,148
Underground support supplies	211,646	211,646
Drilling	515,514	515,514
Geology	66,793	66,793
Transport	82,191	82,191
Field travel	53,328	53,328
Environmental	4,700	4,700
Total	\$ 1,827,186	\$ 1,827,186

Notes

1. The Niblack Project, 100% owned by the Company, consists of the 6,200-acre Niblack property, located on Prince of Wales Island, some 27 miles from Ketchikan, Alaska and includes certain site plant and equipment assets.

The Company will be required to make a one-time payment of Cdn\$1,250,000 to an arm's length third party upon the earliest to occur of the commencement of commercial production, the Company holding less than 35% interest in the Niblack Project, or a change in control of Blackwolf in certain circumstances.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2022 and 2021

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2. The Hyder properties, acquired through staking and 100% owned, consist of three properties Texas Creek, Cantoo and Casey properties the "Hyder Properties". The Hyder Properties consist of 474 claims overing over 3,863 hectares located in the Southeast Alaska.

6. RELATED PARTY BALANCES AND TRANSACTIONS

(a) Related Party Transactions

During the three months ended January 31, 2022, the Company paid or accrued \$27,649 (2021 - \$38,609) for office space to a private company controlled by a common director.

(b) Key Management Compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President & Chief Executive Officer, Chief Financial Officer, and appointed officers of the Company and Directors. For the three months January 31, 2022, total key management compensation was \$263,917 (2021 - \$367,678) which includes management fees and salaries of \$216,000 (2021 - \$184,750) and share based compensation of \$47,917 (2021- \$182,928).

7. SHARE CAPITAL AND RESERVES

(a) Authorized Share Capital

At January 31, 2022 the authorized share capital consisted of an unlimited (October 31, 2021 - unlimited) number of common shares without par value and an unlimited (October 31, 2021 - unlimited) number of preferred shares with no par value. At January 31, 2022 and October 31, 2021, only common shares were issued and outstanding. All issued shares are fully paid.

(b) Share Issuances

For the three months ended January 31, 2022

In December 2021, the Company issued 4,074,644 units (the "Units") by private placement at a price of \$0.70 per Unit, for aggregate gross proceeds of \$2,852,251. Each Unit consisted of one common share of the Company and one-half of one transferable common share purchase warrant, with each whole warrant entitling the holder to acquire one common share at a price of \$0.85 per common share until June 9, 2023. The Company paid finder's fees of \$54,312 and issued 77,588 finder warrants. Each finder warrant is exercisable to acquire one common in the capital of the Company at an exercise price of \$0.70 per common share until June 9, 2023. The finder warrants have been recorded at a fair value of \$16,232. The fair value of the finder warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.90%, expected life of 1.5 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid or accrued \$14,974 in fees related to the share issuance.

For the year ended October 31, 2021

In April 2021, the Company issued 6,747,500 common shares by private placement at a price of \$0.80 per common share, for aggregate gross proceeds of \$5,398,000. The Company paid finder's fees of \$107,280 and issued 134,100 share purchase warrants. Each share purchase warrant is exercisable to acquire one common in the capital of the Company at an exercise price of \$0.90 per common share until April 15, 2022. The share purchase warrants have been recorded at a fair value of \$39,857. The fair value of the share purchase

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.33%, expected life of 1.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid or accrued \$27,740 in fees related to the share issuance.

During the year ended October 31, 2021, the Company issued 12,500 common shares pursuant to the exercise of stock options for proceeds of \$12,500 and 99,187 common shares pursuant to the exercise of warrants for proceeds of \$89,268.

(c) Omnibus Share Incentive Plan

In November 2021, the Company's shareholders approved a omnibus share incentive plan (the "Share Incentive Plan"), providing for the grant of stock options, restricted share units, performance share unit and deferred share units (together the "Awards"). The Share Incentive replaces the Company's stock option plan (the "Stock Option Plan") and deferred share unit plan (the "DSU Plan") and any outstanding options granted thereunder remain in effect in accordance with the terms and conditions of the Share Incentive Plan. There were no outstanding awards under the DSU Plan.

The Share Incentive Plan provides that the Board of Directors of the Company may from time to time, in their discretion, and in accordance with TSX-V requirements, grant to its directors, officers, employees and consultants to the Company, non-transferable Awards to purchase common shares, provided that the number of common shares reserved for issue does not exceed 10% of the number of then outstanding common shares.

A summary of stock option transactions are summarized as follows:

	Number of options outstanding	Weighted average exercise price
Balance October 31, 2020	1,760,000	\$0.98
Granted	320,000	\$1.02
Exercised	(12,500)	\$1.00
Cancelled	(122,500)	\$0.99
Forfeited/Expired	(157,500)	\$0.98
Balance October 31, 2021	1,787,500	\$0.99
Forfeited/Expired	(22,500)	\$1.08
Balance January 31, 2022	1,765,000	\$0.99

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

As of January 31, 2021, the following stocks options were outstanding:

Expiry Date	Number of options outstanding	Number of options exercisable	Exercise price
May 1, 2022	5,000	5,000	\$1.00
May 1, 2022	2,500	2,500	\$1.24
June 16, 2025	100,000	75,000	\$0.80
June 30, 2025	30,000	25,000	\$0.85
September 9, 2025	1,357,500	697,500	\$1.00
April 20, 2026	260,000	65,000	\$1.00
May 12, 2026	10,000	2,500	\$1.24
	1,765,000	872,500	

(d) Warrants

A summary of warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance October 31, 2020	310,575	\$0.90
Granted	134,100	\$0.90
Exercised	(99,187)	\$0.90
Expired	(211,388)	\$0.90
Balance October 31, 2021	134,100	\$0.90
Granted	2,114,905	\$0.84
Balance January 31, 2022	2,249,005	\$0.85

As of January 31, 2021, the following warrants were outstanding:

Expiry Date	Number of options outstanding	Exercise price
April 15, 2022	134,100	\$0.90
June 9, 2023	77,588	\$0.70
June 9, 2023	2,037,317	\$0.85
	2,249,005	

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

(e) Share Based Compensation Expense

During the three months ended January 31, 2022 and 2021, no stock options were granted.

The Company recognized a share-based compensation expense of \$63,234 for the three months ended January 31, 2022 (2021 – \$229,242). As of January 31, 2022, there were 892,500 non-vested options outstanding with a weighted average exercise price of \$1.00. The non-vested stock expense not yet recognized was \$229,452. This expense is expected to be recognized over the next three years.

8. FINANCIAL RISK MANAGEMENT

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. During the period ended January 31, 2022, there were no changes in the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

Fair Value

The fair value of the Company's financial assets and liabilities approximate their carrying values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. Fair value measurements, which are determined by using valuation techniques, are classified in their entirety as either Level 2 or Level 3 based on the lowest level input that is significant to the measurement.

9. SUBSEQUENT EVENTS

- a) Granted 150,000 options at an exercise price of \$0.70 and a term of 5 years and cancelled 132,500 options with an exercise price of \$1.00.