



Condensed Consolidated Financial Statements
For the Period Ended March 31, 2022 and 2021

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, “Continuous Disclosure Obligations”, part 4 subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Corporation’s external auditors have not performed a review of these financial statements.

VULCAN MINERALS INC.

March 31, 2022

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VULCAN MINERALS INC.
Condensed Consolidated Balance Sheets
(Unaudited)
As at

(in Canadian dollars)	March 31	December 31
	2022	2021
	\$	\$
Assets		
Current assets		
Cash	5,460,393	5,449,161
Accounts receivable	51,081	123,306
Prepaid expenses	13,151	9,582
	5,524,625	5,582,049
Investments (Note 5)	561,134	636,723
Investment in associate (Note 6)	41,601,516	42,069,385
Exploration and evaluation assets (Note 7)	1,060,333	999,489
Capital assets (Note 8)	12,152	12,459
Total Assets	48,759,760	49,300,105
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	91,647	101,157
	91,647	101,157
Loan (Note 9)	28,898	28,543
Deferred income tax liability	3,964,038	4,063,440
	4,084,583	4,193,140
Equity (Note 10)		
Shareholders' equity	44,675,177	45,106,965
	44,675,177	45,106,965
Total Liabilities and Equity	48,759,760	49,300,105

Contingencies (Note 14)
Subsequent events (Note 15)

Approved on Behalf of the Board of Directors

Patrick J. Laracy **Director**

Carson Noel **Director**

VULCAN MINERALS INC.
Condensed Consolidated Statements of Loss
Three Months Ended March 31
(Unaudited)

(in Canadian dollars)	2022	2021
	\$	\$
Income (Expenses)		
Income from option payments	192,892	-
Interest income	5,672	1,363
Share-based compensation (Note 11)	(445,427)	(212,794)
Dilution loss	(410,510)	-
General and administrative (Note 12)	(152,926)	(315,147)
Loss from equity accounted investments	(57,359)	-
Government assistance	(355)	(238)
Depreciation	(307)	(1,381)
Loss before income taxes	(868,320)	(528,197)
Deferred income tax recovery	69,350	-
Net loss	(798,970)	(528,197)
Net loss attributable to:		
Common shareholders	(798,970)	(397,157)
Non-controlling interest	-	(131,040)
	(798,970)	(528,197)
Net loss per share - basic	(0.007)	(0.006)
Net loss per share - diluted	(0.005)	(0.006)
Weighted-average number of common shares outstanding - basic	111,828,709	81,379,731
Weighted-average number of common shares outstanding - diluted	155,506,803	81,379,731

See accompanying notes to the condensed consolidated financial statements

VULCAN MINERALS INC.
Condensed Consolidated Statements of Comprehensive Loss
Three Months Ended March 31
(Unaudited)

(in Canadian dollars)	2022	2021
	\$	\$
Net loss	(798,970)	(528,197)
Other comprehensive loss:		
Items that may subsequently be reclassified to profit or loss		
Change in fair value on investments classified as FVOCI, net of taxes	(185,711)	260,442
	(185,711)	260,442
Comprehensive loss	(984,681)	(267,755)
Comprehensive loss attributable to:		
Common shareholders	(984,681)	(136,715)
Non-controlling interest	-	(131,040)
	(984,681)	(267,755)

See accompanying notes to the condensed consolidated financial statements

VULCAN MINERALS INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in Canadian dollars)	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
	\$ (Note 10)	\$ (Note 10)	\$ (Note 10)	\$	\$	\$	\$	\$
Balance December 31, 2020	19,737,670	476,496	2,917,126	35,261	(20,930,618)	2,235,935	446,226	2,682,161
Net loss and comprehensive income (loss)								
January 1, 2021 - March 31, 2021	-	-	-	440,442	(397,157)	43,285	(131,040)	(87,755)
Adjustment for change in ownership in subsidiary	-	-	-	-	(175,524)	(175,524)	175,524	-
Exercise of warrants - parent	49,200	(9,200)	-	-	-	40,000	-	40,000
Share issuance costs - parent	(3,128)	-	-	-	-	(3,128)	-	(3,128)
Issuance of shares, options and warrants - subsidiary	-	-	-	-	1,872,472	1,872,472	2,514,765	4,387,237
Sale of shares of subsidiary - parent	-	-	-	-	288,445	288,445	71,555	360,000
Share issuance costs - subsidiary	-	-	-	-	(171,906)	(171,906)	(230,872)	(402,778)
Exercise of warrants - subsidiary	-	-	-	-	10,670	10,670	14,330	25,000
Share-based compensation in parent	-	-	203,844	-	-	203,844	-	203,844
Share-based compensation in subsidiary	-	-	-	-	6,895	6,895	9,261	16,156
Balance, March 31, 2021	19,783,742	467,296	3,120,970	475,703	(19,496,723)	4,350,988	2,869,749	7,220,737
Net loss and comprehensive income (loss)								
April 1, 2021 - December 31, 2021	-	-	-	(536,961)	34,441,233	33,904,272	(1,459,053)	32,445,219
Adjustment for change in ownership in subsidiary	-	-	-	-	(536,560)	(536,560)	536,560	-
Loss of control of subsidiary	-	-	-	-	-	-	(5,891,907)	(5,891,907)
Issuance of shares and warrants pursuant to private placements	2,326,428	2,173,572	-	-	-	4,500,000	-	4,500,000
Issuance of brokers warrants pursuant to private placements	-	73,968	-	-	-	73,968	-	73,968
Exercise of options - parent	43,505	-	(13,505)	-	-	30,000	-	30,000
Exercise of warrants - parent	1,123,722	(480,222)	-	-	-	643,500	-	643,500
Share issuance costs, net of taxes - parent	(127,577)	-	-	-	-	(127,577)	-	(127,577)
Issuance of shares, options and warrants - subsidiary	-	-	-	-	1,294,947	1,294,947	2,777,803	4,072,750
Sale of shares of subsidiary - parent	-	-	-	-	71,555	71,555	(71,555)	-
Share issuance costs - subsidiary	-	-	-	-	(48,046)	(48,046)	(136,653)	(184,699)
Exercise of warrants - subsidiary	-	-	-	-	514,914	514,914	863,889	1,378,803
Share-based compensation capitalized to exploration and evaluation assets in parent	-	-	12,637	-	-	12,637	-	12,637
Share-based compensation capitalized to exploration and evaluation assets in subsidiary	-	-	-	-	12,086	12,086	20,196	32,282
Share-based compensation in parent	-	-	117,804	-	-	117,804	-	117,804
Share-based compensation in subsidiary	-	-	-	-	292,477	292,477	490,971	783,448
Balance, December 31, 2021	23,149,820	2,234,614	3,237,906	(61,258)	16,545,883	45,106,965	-	45,106,965
Net loss and comprehensive loss								
January 1, 2022 - March 31, 2022	-	-	-	(185,711)	(798,970)	(984,681)	-	(984,681)
Adjustment for change in ownership in subsidiary	-	-	-	-	15,538	15,538	-	15,538
Exercise of options	30,030	-	(10,030)	-	-	20,000	-	20,000
Exercise of warrants	117,111	(51,111)	-	-	-	66,000	-	66,000
Share issuance costs, net of taxes	(2,719)	-	-	-	-	(2,719)	-	(2,719)
Share-based compensation capitalized to exploration and evaluation assets in parent	-	-	8,647	-	-	8,647	-	8,647
Share-based compensation in parent	-	-	445,427	-	-	445,427	-	445,427
Balance, March 31, 2022	23,294,242	2,183,503	3,681,950	(246,969)	15,762,451	44,675,177	-	44,675,177

See accompanying notes to the condensed consolidated financial statements

VULCAN MINERALS INC.
Condensed Consolidated Statements of Cash Flows
Period Ended

(in Canadian dollars)	March 31 2022	December 31 2021
		\$
Operating Activities		
Net (loss) income	(798,970)	32,453,983
Adjustment for non cash items:		
Gain resulting from loss of control of a subsidiary	-	(38,546,475)
Dilution loss	410,510	-
Income from equity accounted investment	57,359	3,193
Deferred option payments	(142,892)	(625,108)
Interest accretion on loan	355	1,393
Deferred income tax liability	(69,351)	4,095,659
Share-based compensation	445,427	1,121,252
Depreciation	307	5,756
	(97,255)	(1,490,347)
Changes in non-cash working capital		
Accounts receivable	72,225	(184,711)
Prepaid expenses	(3,569)	(7,160)
Accounts payable and accrued liabilities	(9,510)	204,906
	(38,109)	(1,477,312)
Financing Activities		
Share issuance costs, net of tax - parent	-	(56,737)
Cash received upon exercise of options	20,000	30,000
Cash received upon exercise of warrants	66,000	683,500
Cash received upon exercise of options and warrants in subsidiary	-	1,413,803
Sale of shares of subsidiary	-	360,000
Private placement - parent	-	4,500,000
Private placements - subsidiary	-	8,583,321
Share issuance costs - subsidiary	-	(587,477)
	86,000	14,926,410
Investing Activities		
Cash disposed of through the loss of control of a subsidiary	-	(8,561,117)
Exploration and evaluation expenditures	(18,519)	(810,696)
Refunds on exploration and evaluation assets	-	31,650
Deposits on exploration and evaluation assets	(18,140)	(193,297)
Purchase of capital assets	-	(12,077)
Proceeds from gypsum revenues	-	354,885
	(36,659)	(9,190,652)
Net change in cash for the year	11,232	4,258,446
Cash, beginning of year	5,449,161	1,190,715
Cash, end of period	5,460,393	5,449,161

See accompanying notes to the condensed consolidated financial statements

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

March 31, 2022

1. NATURE OF OPERATIONS

Vulcan Minerals Inc. is engaged in the evaluation, acquisition and exploration of minerals in Newfoundland and Labrador. The Company plans to ultimately develop the properties as joint ventures, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company is in the exploration stage on most of its projects. The Company is a publicly traded company, incorporated under the laws of the Province of Alberta, Canada. Its registered address is 333 Duckworth Street, St. John's, NL A1C 1G9.

2. DECONSOLIDATION OF A SUBSIDIARY

As of December 31, 2020, the Company had 63.03% ownership interest in Atlas Salt Inc. ("Atlas Salt" or "Atlas") (previously Red Moon Resources Inc.) and determined that it had control over Atlas. The Company assessed its investment in Atlas and judged that it had maintained control over Atlas as defined by IFRS 10 and continued to consolidate Atlas from January 1, 2021 to October 31, 2021. Pursuant to four private placements in Atlas during 2021, as well as additional warrants and options exercised during the year, Vulcan's ownership interest in Atlas was reduced to 37.44%. On October 31, 2021, management determined that Atlas no longer required to be consolidated and now accounts for the retained investment in Atlas as an investment using the equity method. A gain resulting from loss of control of a subsidiary of \$38,943,667 and an equity investment in Atlas of \$42,469,770 was recognized on that date.

The carrying value of Atlas Salt's net assets deconsolidated and the gain resulting from loss of control of a subsidiary are as follows:

	October 31, 2021
	\$
Cash and cash equivalents	8,561,117
Accounts receivable	149,365
Prepaid expenses	11,250
Capital assets	8,007
Mineral exploration and evaluation assets	1,213,831
Accounts payable and accrued liabilities	(251,829)
Flow through share premium	(133,334)
Asset retirement obligation	(140,397)
	9,418,010
Non-controlling interest	(5,891,907)
	3,526,103
Fair value of the investment in Atlas Salt Inc.	42,469,770
	38,943,667

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
March 31, 2022

3. BASIS OF PRESENTATION

The Company prepares its condensed consolidated financial statements with Canadian generally accepted accounting principles (“GAAP”) as set out in the Canadian Professional Accountants of Canada Handbook – Accounting – Part I (“CPA Canada Handbook”) which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated financial statements have been prepared on an historical cost basis, except for investments which are measured at fair value.

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations, over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Intercompany transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases. Any retained interest is measured to its fair value with the change in carrying amount recognized in income or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or joint venture.

As of March 31, 2022 and 2021, the subsidiaries of the Company are as follows:

Subsidiaries	2022	2021
Atlas Salt Inc.	-% (*)	42.61%
Devonian Resources Inc.	100%	100%
London Resources Inc.	100%	100%

(*) On October 31, 2021, Atlas was deconsolidated as described in Note 2.

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies used in preparing these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Company’s annual financial statements. A summary of the Company’s significant accounting policies under IFRS is presented in Note 5 to the year-end financial statements, December 31, 2021.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 30, 2022.

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
March 31, 2022

4. NEW OR AMENDMENTS TO ACCOUNTING STANDARDS NOT YET ADOPTED

For the period ended March 31, 2022, there have been no accounting pronouncements by the IASB that would have a material impact on the Company's financial results or position.

Amendments to IAS 1, Presentation of Financial Statements, will be effective for years beginning with January 1, 2023. The amendments clarify how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances.

The Company is assessing whether there could be a material impact on its consolidated financial statements in the year of application.

5. INVESTMENTS

	March 31, 2022	December 31, 2021
	\$	\$
Investments	561,134	636,723

Investments classified as fair value through other comprehensive income consist of: shares in public companies received as consideration for option payments on mineral claims with an initial value of \$994,404 (December 31, 2021 – \$851,512). At March 31, 2022, the market value of the shares is \$561,134 (December 31, 2021 – \$636,723).

6. INVESTMENT IN ASSOCIATE

On October 31, 2021, as a result of the deconsolidation of Atlas Salt (Note 2), an equity investment of \$42,469,770 was recorded based on the fair value of the shares held on that date. At that date the Company's ownership in Atlas Salt was 37.44%. Management has determined that its investment in the common shares of Atlas Salt gives it significant influence over Atlas Salt. As a result, the Company applied the equity method of accounting for its investment in Atlas Salt. Subsequent to the deconsolidation of Atlas Salt, the Company's ownership decreased to 36.36% as of March 31, 2022 (December 31, 2021 – 36.8%), resulting in a dilution loss of \$410,510 (December 31, 2021 - \$397,192).

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
March 31, 2022

The continuity of the Company's investment in Atlas Salt common shares is as follows:

	March 31, 2022	December 31, 2021
		\$
Balance, beginning of year	42,069,385	-
Balance as of October 31, 2021	-	42,469,770
Share of income and comprehensive income	(57,359)	(3,193)
Dilution loss	(410,510)	(397,192)
Investment in Atlas Salt	41,601,516	42,069,385

The fair value of the Company's investment in Atlas Salt as at March 31, 2022 was \$40,158,490 (December 31, 2021 - \$49,403,610).

The following summarized financial information of Atlas Salt as at March 31, 2022 and December 31, 2021 and for the period ended March 31, 2022 and December 31, 2021, including fair value adjustments made at the time of recognition of the interest, is as follows:

	March 31, 2022	December 31, 2021
		\$
Balance Sheet		
Current assets	8,786,230	9,059,247
Non-current assets	41,863,636	41,137,622
Current liabilities	321,877	283,292
Non-current liabilities	145,812	140,665
Equity	50,182,177	49,772,912
Net loss and comprehensive loss		
Period from January 1, 2022 – March 31, 2022		
(November 1 – December 31, 2021)		
Income	81,251	60,222
Net loss and comprehensive loss	384,840	274,905

7. EXPLORATION AND EVALUATION ASSETS

The Company has 44 mineral licences (December 31, 2021 - 44) which consist of 4,323 claims (December 31, 2021 – 4,323), which are active and in good standing with the Department of Natural Resources in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. As of March 31, 2022, 12 of these licences consisting of 624 claims are optioned to Sassy Resources Corporation and 3 licences and consisting of 30 claims are optioned to Fjordland Exploration Inc.

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
March 31, 2022

A summary of the exploration and evaluation assets is as follows:

	March 31, 2022			
	Balance, Beginning of Year	Additions	Incidental Revenue	Balance, End of Period
	\$	\$	\$	\$
Mineral properties				
property acquisition				
costs	383,829	18,140	-	401,969
Feasibility study	160,785	-	-	160,785
Exploration costs	1,803,598	42,704	-	1,846,302
Deferred option				
payments	(134,892)	-	-	(134,892)
Deconsolidation due to				
loss of control of Atlas				
Salt (Note 2)	(1,213,831)	-	-	(1,213,831)
	999,489	60,844	-	1,060,333

	December 31, 2021			
	Balance, Beginning of Year	Additions	Incidental Revenue	Balance, End of Year
	\$	\$	\$	\$
Mineral properties				
property acquisition				
costs	136,625	247,204	-	383,829
Feasibility study	-	160,785	-	160,785
Exploration costs	1,538,243	620,240	(354,885)	1,803,598
Deferred option				
payments	-	(134,892)	-	(134,892)
Deconsolidation due to				
loss of control of Atlas				
Salt (Note 2)	-	-	-	(1,213,831)
	1,674,868	893,337	(354,885)	999,489

Current year additions to mineral exploration costs include share-based compensation of \$8,647 (December 31, 2021 – \$12,637). During the first ten months of 2021, the Company recorded \$354,885 in incidental revenue from sales of gypsum from the Ace Gypsum mine (March 31, 2022 - \$nil).

VULCAN MINERALS INC.**Notes to the Condensed Consolidated Financial Statements****March 31, 2022**

In February 2021, the Company entered into an option agreement with Sassy Resources Corporation (“Sassy”) in relation to the Company's Gander Belt Gold mineral property (624 claims). Sassy has an option to earn a 100% interest in the property over a four-year period by incurring exploration expenditures of \$2,000,000 (\$200,000 in year 2021) and by making option payments of 2,500,000 common shares, and \$400,000 cash (\$100,000 upon signing). As at March 31, 2022, 1,000,000 common shares of Sassy and 300,000 common shares of Gander Gold (December 31, 2021 - 1,000,000 common shares of Sassy) having a market value of \$842,892 (December 31, 2021 - \$700,000) at the time of their issuance and \$150,000 cash (December 31, 2021 - \$100,000) have been received. Security deposits of \$28,950 paid on the 624 claims have been reimbursed to the Company. \$122,625 as of March 31, 2022 (December 31, 2021 - \$122,625) has been recorded as cost recoveries to the Gander properties and \$192,892 (December 31, 2021 - \$677,375) recorded as income during period. After Sassy earns its 100% interest, the Company can retain a 3% net smelter royalty (NSR) covering the 624 claims. Sassy has the right to repurchase one-half of that NSR (1.5%) for \$2,000,000 in cash and 500,000 common shares within one year following delivery to Vulcan of a Feasibility Report on any deposit advanced on the properties. Subsequent to the date of this agreement, Sassy assigned the option to Gander Gold Corporation. The first anniversary and subsequent option payments will now be paid by Gander Gold including the issuance of Gander Gold shares.

On September 20, 2021, the Company entered into an option agreement with Fjordland Exploration Inc. (“Fjordland”) in relation to the Company's South Voisey's Bay mineral licenses (30 claims). Fjordland has an option to earn a 100% interest in the property over a three-year period by incurring work commitment of \$250,000 (\$250,000 in year 2024) and by making option payments of 1,350,000 common shares, and \$70,000 cash (\$25,000 upon signing). As at March 31, 2022, 600,000 common shares (December 31, 2021 – 600,000) having a market value of \$60,000 (December 31, 2021 - \$60,000) at the time of their issuance and \$25,000 (December 31, 2021 - \$25,000) has been received. \$12,265 as of March 31, 2022 (December 31, 2021 - \$12,265) has been recorded as cost recoveries to the South Voisey's Bay properties and \$nil (December 31, 2021 - \$72,735) recorded as income during the period. After Fjordland earns its 100% interest, the Company can retain a 2% net smelter returns royalty (NSR) covering the 30 claims. Fjordland has the right to buy down 50% of the NSR (1%) at any time within one year following the start of commercial production on the Property in consideration for the payment of \$2,000,000 in cash payable to the Company.

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
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8. CAPITAL ASSETS

	March 31, 2022			
	Drilling Rig	Furniture and Fixtures	Computer Equipment	Total
	\$	\$	\$	\$
Opening Balance	798,368	12,296	89,645	900,309
Additions	-	-	-	-
Sub-total	798,368	12,296	89,645	900,309
Opening Depreciation	(792,699)	(11,776)	(83,375)	(887,850)
Depreciation	(141)	(9)	(157)	(307)
Closing Balance	5,528	511	6,113	12,152

	December 31, 2021			
	Drilling Rig	Furniture and Fixtures	Computer Equipment	Total
	\$	\$	\$	\$
Opening Balance	798,368	12,296	77,568	888,232
Additions	-	-	12,077	12,077
Sub-total	798,368	12,296	89,645	900,309
Opening Depreciation	(790,270)	(11,646)	(72,171)	(874,087)
Depreciation	(2,429)	(130)	(3,197)	(5,756)
Deconsolidation due to loss of control of Atlas Salt (Note 2)	-	-	(8,007)	(8,007)
Closing Balance	5,669	520	6,270	12,459

9. LOAN

	March 31, 2022	December 31, 2021
	\$	\$
Balance, beginning of year	28,543	27,150
Fair value adjustment	355	1,393
Balance, end of period	28,898	28,543

The Company availed of a \$40,000 loan under the federal government of Canada Covid-19 relief measures in 2020. The Canada Emergency Business Account loan provides a forgivable amount of \$10,000 if the amount of \$30,000 is repaid by December 31, 2022.

VULCAN MINERALS INC.
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This loan is non-interest bearing until January 1, 2023. In the event there is a loan balance outstanding on January 1, 2023, the loan will be renewed for a 3-year term with a fixed annual rate of interest of 5%. Interest accretion on the loan as of March 31, 2022 is \$1,748 (December 31, 2021 – \$1,393). In January 2022, the Government of Canada amended the CEBA program which delayed the required repayment date to December 31, 2023.

10. SHARE CAPITAL

Authorized:

- Unlimited number of voting common shares
- Unlimited number of preferred shares, issuable in series

Issued and outstanding:

	March 31, 2022		December 31, 2021	
	Number	Share Capital	Number	Share Capital
		\$		\$
Balance, beginning of year	110,967,765	23,149,820	81,352,765	19,737,670
Issued pursuant to private placements (Note 10)	-	-	22,500,000	2,326,428
Exercise of share warrants	410,000	66,000	6,815,000	683,500
Transfer to share capital on exercise of warrants	-	51,111	-	489,422
Exercise of options	200,000	20,000	300,000	30,000
Transfer to share capital on exercise of options	-	10,030	-	13,505
Share issuance cost, net of taxes	-	(2,719)	-	(130,705)
Balance, end of period	111,577,765	23,294,242	110,967,765	23,149,820

Contributed surplus:

A summary of contributed surplus is as follows:

	December 31, 2021	December 31, 2020
	\$	\$
Balance, beginning of year	3,237,906	2,917,126
Share-based compensation (Note 11)	454,074	334,285
Fair value of options exercised	(10,030)	(13,505)
Balance, end of period	3,681,950	3,237,906

VULCAN MINERALS INC.**Notes to the Condensed Consolidated Financial Statements**

March 31, 2022

Private placements:

Pursuant to a private placement dated June 22, 2021 the Company closed 22,500,000 units at \$0.20 per unit for total cash consideration of \$4,500,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.30 per share until December 23, 2023. An amount of \$2,326,428 has been allocated to share capital and \$2,173,572 to the fair value of the warrants (Note 10).

Warrants:

A summary of warrants issued and exercisable and changes during the periods then ended is as follows:

	March 31, 2022		December 31, 2021	
	Number of Warrants	Weighted-Average Exercise Price	Number of Warrants	Weighted-Average Exercise Price
		\$		\$
Balance, beginning of year	36,969,500	0.22	20,980,000	0.10
Exercised	(410,000)	0.16	(6,815,000)	0.10
Issued to shareholders	-	-	22,500,000	0.30
Issued to brokers	-	-	304,500	0.30
Balance, end of period	36,559,500	0.22	36,969,500	0.22

	March 31, 2022	December 31, 2021
	\$	\$
Balance, beginning of year	2,234,614	476,496
Transferred to share capital on exercise of warrants	(51,111)	(489,422)
Fair value of warrants issued	-	2,173,572
Fair value of brokers warrants issued	-	73,968
Balance, end of period	2,183,503	2,234,614

The weighted average fair value of the warrants was estimated on the date of issuance to be \$nil (December 31, 2021 – \$0.24) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	March 31, 2022	December 31, 2021
Expected volatility (%)	-	237
Risk free interest rate (%)	-	0.41
Weighted-average expected life (years)	-	2.5
Dividend yield (%)	-	-

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11. SHARE-BASED COMPENSATION

Vulcan Minerals Inc. stock options:

The Company has a stock option plan under which directors, officers, management, consultants and employees of the Company and its subsidiary are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Company. Options granted under the plan generally have a term of five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

A summary of the status of the Company's stock option plan is as follows:

	March 31, 2022		December 31, 2021	
	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
		\$		\$
Outstanding, beginning of year	7,375,000	0.12	5,425,000	0.10
Granted	2,100,000	0.30	2,950,000	0.16
Exercised	(200,000)	0.10	(300,000)	0.11
Expired	-	-	(700,000)	0.10
Outstanding, end of period	9,275,000	0.16	7,375,000	0.12
Exercisable, end of period	6,750,000	0.14	5,837,500	0.11

The weighted average remaining contractual life of outstanding options is 4.34 years (December 31, 2021 – 3.16 years). The weighted average remaining contractual life of exercisable options is 3.78 years (December 31, 2021 – 3.02 years).

The Company granted 1,800,000 stock options to directors with each option entitling the holder to purchase one common share at \$0.30 per share for a period of ten years. 900,000 options vested on the date of the grant January 10, 2022 and the remaining 900,000 options vest December 31, 2022. In addition, the Company granted 300,000 stock options to employees and advisory board members with each option entitling the holder to purchase one common share at \$0.30 per share for a period of five years. 150,000 options vested on the date of the grant January 10, 2022 and the remaining 150,000 options vest December 31, 2022.

VULCAN MINERALS INC.**Notes to the Condensed Consolidated Financial Statements****March 31, 2022**

The Company granted 2,700,000 stock options to directors with each option entitling the holder to purchase one common share at \$0.15 per share for a period of five years. 1,350,000 options vested on the date of the grant March 9, 2021 and the remaining 1,350,000 options vest June 1, 2022.

In addition on September 20, 2021, the company granted 250,000 stock options to a consultant with each option entitling the holder to purchase one common share at \$0.25 per share for a period of one year. The options vest quarterly on December 20, 2021, March 20, 2022, June 20, 2022 and September 20, 2022.

Fair value assumptions:

The weighted average fair value of stock options granted in the period ended March 31, 2022 was estimated to be \$0.2136 (December 31, 2021 – \$0.1585) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	March 31, 2022	December 31, 2021
Expected volatility (%)	155	188
Risk free interest rate (%)	1.06	1.13
Weighted-average expected life (years)	9.29	4.66
Dividend yield (%)	-	-

Consolidated share-based compensation expense:

The Company recognized share-based compensation costs in the amount of \$454,074 in the year ended December 31, 2021 (December 31, 2021 - \$1,166,171). Share-based compensation in the amount of \$445,427 was expensed for the period March 31, 2022 (December 31, 2021 – \$1,121,252) and \$8,647 (December 31, 2021 – \$44,919) was capitalized to mineral exploration and evaluation assets.

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
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12. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31 2022	December 31 2021
	\$	\$
Office and administrative	87,960	539,573
Management, salaries and contract fees and benefits	-	166,146
Marketing and communications	1,000	617,880
Investor relations	19,500	62,000
Transfer agent and professional fees	44,466	165,863
Travel and accommodation	-	3,524
	152,926	1,554,986
Expenses attributable to subsidiary, Atlas Salt Inc. to October 31, 2021 (Note 2)	-	1,085,531
Expenses attributable to parent, Vulcan Minerals Inc.	152,926	469,455
	152,926	1,554,986

13. RELATED PARTY TRANSACTIONS

Compensation for key management personnel, which includes the President and Chief Executive Officer, Chief Financial Officer and Directors, is as follows:

	March 31 2022	December 31 2021
	\$	\$
Management fees, salaries and benefits for key management personnel:		
General and administrative	74,179	282,846
Capitalized as mineral exploration and evaluation assets	3,805	37,807
Share-based compensation for key management personnel:		
General and administrative	445,427	1,121,252
Capitalized as mineral exploration and evaluation assets	8,647	44,919
	532,058	1,486,824

	March 31 2022	December 31 2021
	\$	\$
Rent paid to a corporation which is controlled by the President of the Company	6,000	35,000

14. CONTINGENCIES

- a. The legal case initiated by Geophysical Service Incorporated (GSI) in 2011 against the Company has been discontinued (dropped) by GSI in 2021.
- b. The Company has been added as a co-defendant in an ongoing legal action Geophysical Service Incorporated (GSI) has with NWest Energy Corp. (now Ceylon Graphite Corp. by way of name change) regarding an alleged breach of an agreement between those parties. GSI has submitted a Statement of Claim and the Company has filed a Statement of Defence. Procedurally the action has moved slowly through the Alberta courts as multiple GSI actions in Alberta involving other parties were awaiting the resolution of the “common issues” trial noted (a) above. The Company believes the claims against it are without basis or merit and no amounts have been recorded in the Company’s accounts related to this claim. The Company is fully defending its interest.

15. SUBSEQUENT EVENTS

There were no subsequent events noted as of May 30, 2022.

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Patrick J. Laracy
President and Chairman

Gillian Russell
Chief Financial Officer and Corporate
Secretary

BOARD OF DIRECTORS

Patrick J. Laracy

Carson Noel

Philip E. Collins

Fraser Edison

EXCHANGE LISTING

TSX Venture – “VUL”

LEGAL COUNSEL

Morris McManus, Calgary, AB
Morton Law, Vancouver, BC
Cox & Palmer, St. John's, NL

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of
Canada

AUDITORS

PricewaterhouseCoopers LLP

BANKERS

Scotiabank

ADDITIONAL INFORMATION

Please contact, Patrick J. Laracy

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