GOLDREA RESOURCES CORP.

Consolidated Financial Statements
(Expressed in Canadian dollars unless otherwise stated)

Years ended July 31, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Goldrea Resources Corp.**

Opinion

We have audited the consolidated financial statements of Goldrea Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits 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 ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. 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 identified above 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 these consolidated financial statements in accordance with International Financial Reporting Standards, 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 Linda Zhu.

Mao & Ying LLP

Vancouver, Canada,
November 28, 2022

Chartered Professional Accountants

GOLDREA RESOURCES CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars Unless Otherwise Stated)

	Note	July 31, 2022	July 31, 2021
		$	$
Assets			
Current Assets			
Cash and cash equivalents		35,027	240,309
Accounts receivable	5	4,021	12,767
Prepaid expenses		1,600	—
		40,648	253,076
Non-current Assets			
Long-term deposits	7	28,500	28,500
Equipment	8	1,885	2,326
Prepayments for exploration cost		—	260,000
Exploration and evaluation assets	9	1	1
		30,386	290,827
Total Assets		71,034	543,903
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		171,800	146,430
Other liabilities - FT premium	10	—	48,050
Due to related parties	6	1,096	4,500
		172,896	198,980
Equity			
Share capital	10	31,969,199	31,844,161
Share subscriptions (receivable) received	10	48,500	(6,000)
Reserves	10	2,719,831	2,666,719
Accumulated other comprehensive income		6,205	6,205
Accumulated deficit		(34,845,597)	(34,166,162)
		(101,862)	344,923
Total liabilities and equity		71,034	543,903

Going concern (Note 2)

Subsequent events (Note 15)

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

On behalf of the Board of Directors:

"John Abu-Ulba" ______________________ Director

"Jim Elbert" ______________________ Director

GOLDREA RESOURCES CORP.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars Unless Otherwise Stated)

		Year Ended	
	Note	July 31, 2022	July 31, 2021
		$	$
Expenses			
Depreciation	8	441	790
Consulting fees	6	153,500	96,000
Office and administration		9,819	16,978
Professional fees		16,050	30,917
Rent	6	6,840	7,120
Shareholder communications		16,020	126,233
Transfer agent and filing fees		12,937	18,287
Stock based compensation		50,790	139,535
Write-down of receivables		19,615	—
Write-down of exploration and evaluation assets		513,948	205,162
Loss before other items		799,960	641,022
Other items			
Loss on marketable securities		—	(1,615)
Fair value adjustment on warrants		—	(6,909)
Other income – flow-through share premium	10	120,400	9,150
Interest income		125	1,235
Foreign exchange loss		—	(84)
Net loss for the year before income tax		(679,435)	(639,245)
Income tax expense	12	—	—
Net loss and other comprehensive loss for the year		(679,435)	(639,245)
Loss per share - basic and diluted		(0.01)	(0.01)
Weighted average number of common shares outstanding - basic and diluted		77,562,840	64,997,291

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

GOLDREA RESOURCES CORP.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars Unless Otherwise Stated)

	Share Capital						
	Number of shares	Share capital	Reserves	Share subscriptions received (receivable)	Accumulated other comprehensive income	Deficit	Total equity (deficiency)
		$	$	$	$	$	$
Balance, July 31, 2020	52,425,441	30,988,597	2,497,155	(14,000)	6,205	(33,526,917)	(48,960)
Private placements, net of finders' fees in cash	21,890,000	918,643	—	—	—	—	918,643
Private placements, finders' fees in warrants	—	(30,029)	30,029	—	—	—	—
Flow-through shares premium	—	(48,050)	—	—	—	—	(48,050)
Shares issued for property	500,000	15,000	—	—	—	—	15,000
Share subscriptions received	—	—	—	8,000	—	—	8,000
Share-based compensation	—	—	139,535	—	—	—	139,535
Net loss	—	—	—	—	—	(639,245)	(639,245)
Balance, July 31, 2021	74,815,441	31,844,161	2,666,719	(6,000)	6,205	(34,166,162)	344,923
Private placements, net of finders' fees in cash	3,180,002	184,960	—	(18,000)	—	—	166,960
Private placements, finders' fees in warrants		(2,322)	2,322	—	—	—	—
Flow-through shares premium	—	(72,350)	—	—	—	—	(72,350)
Shares issued for property	350,000	14,750	—	—	—	—	14,750
Share subscriptions received	—	—	—	72,500	—	—	72,500
Share-based compensation	—	—	50,790	—	—	—	50,790
Net loss	—	—	—	—	—	(679,435)	(679,435)
Balance, July 31, 2022	78,345,443	31,969,199	2,719,831	48,500	6,205	(34,845,597)	(101,862)

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

GOLDREA RESOURCES CORP.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars Unless Otherwise Stated)

	Year Ended	
	July 31, 2022	July 31, 2021
	$	$
Operating Activities		
Net loss for the year	(679,435)	(639,245)
Items not affecting cash:		
Depreciation	441	790
Loss on disposal of marketable securities	—	1,615
Stock-based compensation	50,790	139,535
Fair value adjustment on investment	—	6,909
Other income - flow-through share premium	(120,400)	(9,150)
Write-down of exploration and evaluation assets	513,948	205,162
	(234,656)	(294,384)
Changes in non-cash working capital items:		
Accounts receivable	8,746	(12,767)
Prepaid expenses	(1,600)	17,500
Accounts payable and accrued liabilities	25,370	(29,067)
Due to related parties	(3,404)	(9,873)
Cash used in operating activities	(205,544)	(328,591)
Investing Activities		
Exploration and evaluation costs	(499,198)	(190,162)
Prepayment of exploration costs	260,000	(260,000)
Proceeds on disposal of marketable securities	—	14,885
Cash used in investing activities	(239,198)	(435,277)
Financing Activities		
Shares issued for cash	166,960	918,643
Share subscriptions received	72,500	8,000
Cash provided by financing activities	239,460	926,643
Increase (decrease) in cash and cash equivalents	(205,282)	162,775
Cash and cash equivalents, beginning of year	240,309	77,534
Cash and cash equivalents, end of the year	35,027	240,309
Income taxes paid	—	—
Interest expenses paid	—	—
Non-cash transaction		
Shares issued for exploration assets (Note 9)	14,750	15,000

1. NATURE OF OPERATIONS

Goldrea Resources Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on March 2, 1981. The Company is in the business of exploration and development of mineral properties and is currently in the exploration stage of its exploration and evaluation assets. The address of the Company's corporate office is 5th floor, 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8. The Company's common shares are traded on the Canadian Securities Exchange under the symbol "GOR".

2. Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2022.

b) Going concern

The Company has incurred losses since inception. As at July 31, 2022, the Company had an accumulated deficit of $34,845,597. These consolidated financial statements have been prepared assuming the Company will continue on a going concern basis which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course for the foreseeable future. If the going concern assumptions were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications, and such adjustments could be material.

The ability of the Company to continue as a going concern depends upon its ability to raise the additional debt or equity financing or achieve profitable operations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms favorable to the Company. These factors raise significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments to the carrying value and classification of assets and liabilities and related expenses that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements.

c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale financial assets, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

d) Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 3 p) and q).

3. Significant accounting policies

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, Goldrea USA Inc. ("Goldrea USA"), Global Labs Analytics Inc. ("Global Lab") and Goldrea Peru S.A. ("Goldrea Peru").

All inter-company balances and transactions have been eliminated upon consolidation.

b) Foreign currency

The functional currency and presentation currency of the Company is Canadian dollar. The functional currency of the Company's subsidiaries is US dollar.

i) Foreign currency translation

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and non-monetary assets and liabilities are translated at historical rates. Foreign currency gains and losses arising from translation are included in profit or loss.

ii) Foreign operations

For consolidation purposes, the assets and liabilities of foreign operations are translated to the presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rates of exchange during the year. All resulting exchange differences are recognized directly in other comprehensive income (loss).

c) Financial instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

ii) Measurement

Initial measurement
The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Subsequent measurement
Financial assets and liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income or costs.

Financial assets and liabilities classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss.

Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income (“OCI”). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets and liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

d) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase. As at July 31, 2022 and 2021, the Company did not have cash equivalents.

e) Marketable securities

Marketable securities present investments in publicly traded common shares. Marketable securities are carried at fair value based on quoted market prices.

f) Equipment

Equipment is carried at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment consists of the purchase price, any cost directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the following annual rates, which are used to estimate the useful lives of the assets:

Asset	Basis	Rate
Office equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Computer hardware	Declining balance	30%

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3. Significant accounting policies (continued)

g) Exploration and evaluation assets

These assets relate to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are in the exploration or pre-development stage. Once a right to explore a mineral property has been secured, exploration and evaluation expenditures are capitalized and include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Costs incurred before the Company has obtained the legal rights to explore a mineral property are expensed as incurred.

Government tax credits and option payments received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if i) sufficient data exist to determine technical feasibility and commercial viability, and ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Facts and circumstances that the Company considered are:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

h) Impairment of long-lived assets
An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

i) Decommissioning obligations

The liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows. As at July 31, 2022 and 2021, the Company did not have material decommissioning obligations.

3. Significant accounting policies (continued)

j) Share capital

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry date as stipulated by the transaction. Warrants that are part of units are assigned with a value based on residual method and included in equity. Warrants that are issued as payment for agency fee or other transaction costs are measured at the fair value using the Black-Scholes option pricing model.

k) Share-based payments

The Company has an employee share purchase option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over their respective vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded in equity as the option reserve. The fair value of options is determined using a Black-Scholes pricing model, which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The expected term to exercise is based upon historical data of the average hold period before exercise.

Expected volatility is estimated with reference to the historical share price volatility of the Corporation's share price.

l) Flow-through shares

The Company finances some exploration and evaluation expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a other liabilities on the Company's consolidated statement of financial position, which is reversed to the statement of profit or loss, under other income – premium on flow-through shares, when eligible expenditures have been made. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are incurred.

Pursuant to the related subscription agreements, the Company has committed to use the proceeds received from the issuance of flow-through shares for Canadian resource property exploration expenditures.

3. Significant accounting policies (continued)

m) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit or loss in the period that enactment or substantive enactment occurs. A deferred tax asset is recognized only if it is probable that a deferred tax asset will be recovered. The Company does not recognize deferred tax asset or liability arising on initial recognition where the transaction is not a business combination and at the time of transaction, there is no impact on accounting profit or taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

n) Loss per share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Due to the losses for the years ended July 31, 2022 and 2021, basic loss per share is equal to dilutive loss per share.

o) Other comprehensive income (loss)

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit (loss) such as fair value movements in certain investments designated through other comprehensive income, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. During the year ended July 31, 2022 and 2021, the Company's other comprehensive income (loss) comprises of foreign currency translation gains and losses.

p) Critical accounting estimates

Critical accounting estimates that management has made in the process of applying the Company's accounting policy are:

i) Impairment of exploration and evaluation assets

Management assesses capitalized exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment. Refer to Notes 3 g) and 11 for more information.

3. Significant accounting policies (continued)

p) Critical accounting estimates (continued)

ii) Share-based compensation

The Company uses the fair value method of valuing compensation expenses associated with the Company's share-based compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options. Refer to Note 12 for more information.

q) Critical accounting judgments

Critical accounting judgments that management has made in the process of applying the Company's accounting policy and that have the most significant effect on the amounts recognized in the consolidated financial statements are limited to management's assessment of the Company's ability to continue as a going concern. Refer to Note 2 for more information.

r) Lease

The Company follows IFRS 16 – Leases ("IFRS 16") which requires leases to be reported on the statement of financial position unless certain requirements for exclusion are met. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if the Company has the right to direct the use of the asset. As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability. A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if we are reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless we are reasonably certain not to terminate early.

The Company's head office lease is treated as short-term lease by applying the practical expedients as the original lease is on monthly basis.

(Expressed in Canadian Dollars Unless Otherwise Stated)

4. Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended July 31, 2022, and have not been applied in preparing these consolidated financial statements. None of these pronouncements are expected to have material impact on the Company's consolidated financial statements.

5. Accounts receivable

Accounts receivable as of July 31, 2022 and 2021 consists of:

	July 31, 2022	July 31, 2021
	$	$
Due from an officer and director (Note 6)	500	12,767
Goods and services tax	3,521	-
	4,021	12,767

6. Related party transactions

The related party transactions are in the normal course of business and are measured at the exchange amount which is the amount agreed to by the related parties. Details of transactions with related parties that are not disclosed elsewhere in these consolidated financial statements are disclosed below:

	July 31, 2022	July 31, 2021
	$	$
Due from an officer and director (included in accounts receivable in Note 5)	500	12,767
Due to an director and officer	1,096	4,500

Amounts due from/to officers and directors of the Company are non-interest bearing, unsecured and have no specified terms of repayment. They have arisen from the services provided and expense reimbursements.

During the year ended July 31, 2022, consulting fees of $141,500 (2021 - $84,000) were recorded to directors and officers of the Company. The Company's head office uses the home space of one officer who is also a director of the Company as the office on monthly basis. The Company incurred $6,840 (2021 - $7,120) in office rent for the year ended July 31, 2022. Key management includes the chief executive officer, chief financial officer and the directors of the Company. The compensation paid or payable to key management for services, excluding the share-based payments during the years ended July 31, 2022 and 2021 is disclosed above. During the year ended July 31, 2022, key management received share-based payments of $29,627 (2021 - $86,893). Key management personnel were not paid post-employment benefits or other long-term benefits during the years ended July 31, 2022 and 2021.

7. Long-term deposits

	July 31, 2022	July 31, 2021
	$	$
Reclamation deposits (a)	17,000	17,000
Corporate credit card security deposit (a)	11,500	11,500
	28,500	28,500

a) Reclamation deposits and corporate credit card security deposit are restricted cash and consist of the guaranteed investments certificates ("GICs") which has been placed in a financial institution.

(Expressed in Canadian Dollars Unless Otherwise Stated)

8. Equipment

	Office equipment	Furniture and fixtures	Computer equipment	Leasehold improvements	Total
	$	$	$	$	$
Costs					
Balance, July 31, 2020	32,111	22,108	43,237	94,909	192,365
Additions	-	-	-	-	-
Balance, July 31, 2021	32,111	22,108	43,237	94,909	192,365
Additions	-	-	-	-	-
Balance, July 31, 2022	32,111	22,108	43,237	94,909	192,365
Accumulated Depreciation					
Balance, July 31, 2020	31,239	21,568	41,533	94,909	189,249
Depreciation	170	110	510	-	790
Balance, July 31, 2021	31,409	21,678	42,043	94,909	190,039
Depreciation	104	67	270	-	441
Balance, July 31, 2022	31,513	21,745	42,313	94,909	190,480
Carrying Amounts					
July 31, 2021	702	430	1,194	-	2,326
July 31, 2022	598	363	924	-	1,885

9. Exploration and evaluation assets

	July 31, 2020	Expend-itures	Write-downs	July 31, 2021	Expend-itures	Write-downs	July 31, 2022
	$	$	$	$	$	$	$
Canada							
Cannonball Property (a) (i)							
Acquisition	1	40,000	(40,000)	1	64,750	(64,750)	1
Geological consulting		150,162	(150,162)	-	445,698	(445,698)	-
	1	190,162	(190,162)	1	510,448	(510,448)	1
Dixie Property (a) (ii)							
Acquisition		15,000	(15,000)	-	-	-	-
		15,000	(15,000)	-	-	-	-
Link Property (a) (iii)							
Acquisition		-	-	-	3,500	(3,500)	-
Total	1	205,162	(205,162)	1	513,948	(513,948)	1

9. Exploration and evaluation assets (continued)

a) Canada

i) Cannonball Property

During the year ended July 31, 2016, the Company entered into an agreement (the "Cannonball Property Agreement") to purchase 1,490 hectares, located approximately 15 kilometers northeast of the former Snip mine in the Iskut River district of northwestern B.C. Under the term of the agreement, the Company purchased a 100% interest in the property, for 2,000,000 shares of the Company and a 2% NSR royalty of which the Company can purchase one percent from the holder at any time for the sum of $1,000,000.

In August 2019, the Company entered into a Mineral Property Acquisition Agreement to acquire a mineral tenure (the "Adjacent Property") located next to its Cannonball mineral property in northwestern British Columbia's Golden Triangle District, in exchange for the Company's mineral tenures near Kelowna, BC, known as the Dobbin Property and a 1.5% net smelter returns royalty payable on the Dobbin Property. This royalty can be purchased at any time for the sum of $1,000,000.

In September 2020, the Company acquired an additional 2,269 hectares of mineral rights which adjoin the northern boundary of the Company's Cannonball Property (the "Mineral Rights"). Under the terms of this acquisition agreement, consideration for the Mineral Rights consists of $125,000 in cash, one million shares of the Company, and a 2% net smelter return royalty (of which the Company can purchase 1.5% at a cost of $500,000 per 0.5% of the royalty) payable over a three-year period in following manners:

- $25,000 in cash and 500,000 shares upon execution of the agreement (cash has been paid and share has been issued in fiscal year 2021) ;
- $50,000 in cash (paid in September 2021) and 250,000 shares (issued in November 2021) on or before the 1st anniversary of the closing date of the agreement;
- $50,000 in cash 250,000 shares on or before the 2nd anniversary of the closing date of the agreement.

As at July 31, 2022, the Company made $nil (July 31, 2021 - $260,000) prepayment relating to Cannonball Property exploration work.

ii) Dixie Lake Property

In September 2020, the Company entered into an agreement to acquire a 100% interest in a gold prospect near Dixie Lake, Ontario by paying cash $15,000 (paid in fiscal year 2021).

iii) Link Property

In March 2022, the Company entered into an agreement to acquire a 100% interest in a mineral tenure in Northern British Columbia, approximately one kilometer from the west side of the Company's Cannonball Property. The consideration is 100,000 common shares in the capital of the Company (issued in May 2022).

10. Share capital

a) Authorized

Authorized share capital comprises an unlimited number of common shares without par value.

b) Issued and outstanding

As at July 31, 2022, there were 78,345,443 (July 31, 2021 – 74,815,441) common shares issued and outstanding.

i) In August 2020, the Company completed a non-brokered private placement by issuing of 8,735,000 units at a price of $0.03 per unit for aggregated gross proceeds of $262,050. Each unit comprises of one common share and one-half of a common share purchase warrant. Each whole warrants entitles its holder to purchase one common share of the Company at a price of $0.08 per share for one year from the date of issuance (subsequently extended the expiry date to August 17, 2022). The Company paid finders' fees of $19,428 in cash and issued 546,800 warrants with a fair value of $28,902 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 0.26%, expected dividend yield – 0%, volatility – 275%, estimated remaining life - 1 year. The Company allocated $nil to the share purchase warrants by applying the residual approach.

ii) In February 2021, the Company completed a non-brokered private placement by issuing of 8,350,000 units at a price of $0.05 per unit for aggregated gross proceeds of $417,500. Each unit comprises of one common share and one common share purchase warrant which entitles its holder to purchase one common share of the Company at a price of $0.08 per share for three years from the date of issuance. The Company paid finders' fees of $13,400 in cash. The Company allocated $nil to the share purchase warrants by applying the residual approach.

iii) In July 2021, the Company completed a non-brokered private placement by issuing of 4,805,000 flow-through units at a price of $0.06 per unit for aggregated gross proceeds of $288,300. Each flow-through unit comprises of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one common share of the Company at a price of $0.08 per share for two years from the date of issuance. The Company paid finders' fee of $16,379 in cash and issued 36,000 warrants with a fair value of $1,127 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 0.38%, expected dividend yield – 0%, volatility – 200%, estimated remaining life - 2 years. The Company has allocated $48,050 to the flow-through share premium and this amount is included in other liabilities on the Company's consolidated statement of financial position as at July 31, 2021. The Company allocated $nil to the share purchase warrants by applying the residual approach. The Company made the renouncement during the year ended July 31, 2022.

iv) In August 2021, the Company received $105,000 cash proceeds relating to the private placements of 1,750,002 flow-through units at price of $0.06 per flow-through unit. Each flow-through unit consists of one common share and one half of a share purchase warrant which entitles its holder to purchase one common share of the Company at a price of $0.08 per share for two years from the date issuance. The Company has allocated $43,750 to the flow-through share premium. The Company allocated $nil to the share purchase warrants by applying the residual approach. The Company made the renouncement during the year ended July 31, 2022.

v) In December 2021, the Company received $85,800 cash proceeds for the issuance of 1,430,000 units relating to the private placements of flow-through units at price of $0.06 per flow-through unit. Each flowthrough unit consists of one common share and one half of a share purchase warrant which entitles its holder to purchase one common share of the Company at a price of $0.08 per share for two years from the date issuance. The Company's Insiders have purchased 500,000 Units. The Company has allocated $28,600 to the flow-through share premium. The Company allocated $nil to the share purchase warrants by applying the residual approach. The Company made the renouncement during the year ended July 31, 2022.

(Expressed in Canadian Dollars Unless Otherwise Stated)

10. Share capital (continued)

c) Stock options

In September 2020, the Company granted 550,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of $0.06 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date.

In February 2021, the Company granted 2,000,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of $0.06 per share expiring in five years from the date of grant.

In March 2022, the Company granted 1,800,000 stock options to certain, directors, officers, employees and consultants pursuant to the Company's Stock Option Plan. The stock options have an exercise price of $0.05 per share and an expiry date of March 17, 2027. These stock options vested immediately at the grant date.

The fair value of the options granted during the year ended July 31, 2022 was estimated to be $0.03 (2021 - $0.05) per option, using the Black-Scholes options pricing model with the following assumptions:

	2022	2021
Risk-free interest rate	2.02%	0.65%
Expected dividend yield	0%	0%
Expected stock price volatility	180%	161%
Expected forfeitures	0%	0%
Expected option life in years	5 years	5 years

The total share-based compensation expense for the year ended July 31, 2022 was $50,790 (2021 - $139,535) representing general and administrative related services. Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price $
Balance, outstanding and exercisable, July 31, 2020	6,250,000	0.09
Issued	2,550,000	0.06
Expired	(1,850,000)	0.10
Balance, outstanding and exercisable, July 31, 2021	6,950,000	0.08
Issued	1,800,000	0.05
Expired	(1,000,000)	0.10
Balance, outstanding and exercisable, July 31, 2022	7,750,000	0.07

(Expressed in Canadian Dollars Unless Otherwise Stated)

10. Share capital and reserves (continued)

c) Stock options (continued)

The remaining contractual life for the stock options outstanding as at July 31, 2022 is 3.10 years. The following summarizes information about stock options outstanding and exercisable at July 31, 2022:

Number of share outstanding and exercisable	Expiry date	Exercise price $
700,000	May 14, 2023	0.10
200,000	January 16, 2024	0.07
1,100,000	June 7, 2024	0.09
400,000	January 14, 2025	0.05
1,000,000	July 28, 2025	0.09
550,000	September 28, 2025	0.06
2,000,000	February 18, 2026	0.06
1,800,000	March 17, 2027	0.06
7,750,000		

d) Share purchase warrants

	Number of share purchase warrants	Weighted average exercise price $
Balance, July 31, 2020	8,229,667	0.09
Issued	15,702,800	0.07
Expired	(2,305,000)	0.11
Balance, July 31, 2021	21,627,467	0.07
Issued	1,687,334	0.08
Expired	(5,924,667)	0.09
Balance, July 31, 2022	17,390,134	0.07

The following table summarizes information of share purchase warrants outstanding at July 31, 2022.

Number of Warrants	**Exercise Price $**	**Expiry Date**
* 4,914,300	0.08	August 17, 2022
2,438,500	0.08	July 12, 2023
972,334	0.08	August 12, 2023
715,000	0.08	December, 23 2023
8,350,000	0.06	February 22, 2024
17,390,134		

*These warrants expired subsequent to the year ended July 31, 2022.

(Expressed in Canadian Dollars Unless Otherwise Stated)

11. Segmented information

The Company's mineral properties are located in three geographic regions, Canada, USA and Peru, and its corporate assets are located in Canada. A summary of total assets and net loss by geographic region is as follows:

	July 31, 2022	Jul 31, 2021
Net loss for the year	$	$
Canada	679,435	639,245
USA	-	-
	679,435	639,245
Exploration and evaluation assets		
Canada	1	1
USA	-	-
	1	1
Assets		
Canada	70,712	543,581
USA	322	322
	71,034	543,903

12. Income taxes

a) Income taxes

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax expense for the years ended July 31, 2022 and 2021 is as follow:

	2022	2021
Net loss before income tax	(679,435)	(639,245)
Combined statutory tax rate	27%	27%
	$	$
Computed tax recovery	(183,447)	(172,596)
Change in deferred tax not recognized	72,838	127,466
Others	110,609	45,130
Income tax expense	—	—

b) Deferred tax assets have not been recognized:

	2022	2021
	$	$
Deductible temporary difference	1,115,000	1,105,000
Tax losses	2,910,000	2,847,000
	4,025,000	3,952,000

The Corporation has Canadian tax loss carry forwards approximately $10,389,000 as at July 31, 2022. The non-capital losses in Canada expire at various dates from 2024 to 2042.

No deferred tax asset has been recognized in respect of the above as the Company does not have any source of taxable income and there is uncertainty as to whether the Company will earn taxable income in the future. As a result, it is not currently probable that the benefit of such amounts will be realized.

(Expressed in Canadian Dollars Unless Otherwise Stated)

13. Financial instruments

a) Categories of financial instruments

	July 31, 2022 $	July 31, 2021 $
Financial assets		
Fair value through profit and loss		
Cash and cash equivalents	35,027	240,309
Amortized cost		
Accounts receivable (excluding GST receivable)	500	12,767
Long-term deposits	28,500	28,500
	64,027	281,576
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	171,800	146,430
Due to related parties	1,096	4,500
	172,896	150,930

i) Fair value of financial instruments

The Company classified its fair value measures within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities inactive markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs, which are supported by little or no market activity.

The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments. The Company's long term deposits mainly consist of GICs held by bank for reclamation and corporate credit card security deposits. Fair values were obtained by Level 1 hierarchy inputs for cash and equivalents and marketable securities. Fair value for investment in Goldeneye was obtained by Level 2 hierarch inputs. The Company does not have financial instruments using level 3 inputs.

ii) Financial instruments risk

The Company is exposed in varying degrees to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management procedures.

The types of risk exposure and the way such exposure is managed are provided as follows:

iii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank. Cash and GICs are deposited with Schedule 1 banks or equivalent, with majority of cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The maximum exposure to credit risk is equal to the carry value of the financial assets.

13. Financial instruments (continued)

b) Financial instruments risk (continued)

iv) 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 has in place a planning and budgeting process to assist in determining the funds required to support normal operating requirements on an ongoing basis, including capital development and exploration expenditures. As at July 31, 2022, the Company has a cash and cash equivalent balance of $35,027 (July 31, 2021 - $240,309) available to settle current liabilities. Accounts payable and accrued liabilities are due within the current operating period. As at July 31, 2022, the Company had a working capital deficit of $132,248 (July 31, 2021 - $54,096 working capital). Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. See note 2 for additional discussion on going concern.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. The Company does not exposed to market risk.

14. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The properties in which the Company currently has an interest in are in the exploration and pre-development stages, as such, the Company does not recognize revenue from its exploration properties.

The properties in which the Company currently has an interest in are in the exploration and pre-development stages, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed. There were no changes in the Company's management of capital during the year ended July 31, 2022. The Company is not subject to externally imposed capital requirements.

15. Subsequent events

In August 2022, the Company completed a non-brokered private placement by issuing 2,930,000 units at a price of $0.035 per unit for gross proceed of $102,550. Each unit consists of one common share in the capital of the Company and one common share purchase warrant which entitles the holder to buy one common share at a price of $0.06 per share for two years from the date of issuance. The Company also sold 400,000 flow-through units for gross proceeds of $20,000. Each unit consists of one flowthrough common share in the capital of the Company and one common share purchase warrant which entitles the holder to buy one common share at a price of $0.08 per share for two years from the date of issuance. As at July 31, 2022, the Company received $72,500 proceeds for these private placements.

In September 2022, the Company issued a convertible denture in the amount of $50,000 bearing an annual interest of 12%, payable every three months and maturing on the second anniversary of the issuance. The holder of the debenture has the right at any time to convert the outstanding debt, in whole or in part, into common shares of the Company at $0.03 per share. In addition, the Company issued 1,000,000 common share purchase warrants to the debenture holder. Each warrant entitles its holder to purchase one common share of the Company at $0.05 per share during the two years following the warrant’s issuance.

In November 2022, the Company issued additional two convertible dentures totaling in the amount of $50,000 bearing an annual interest of 10%, payable every three months and maturing on the second anniversary of the issuance. The holder of the debenture has the right at any time to convert the outstanding debt, in whole or in part, into common shares of the Company at $0.025 per share. In addition, the Company issued total 1,000,000 common share purchase warrants to the debenture holders. Each warrant entitles its holder to purchase one common share of the Company at $0.05 per share during the two years following the warrant’s issuance.

Also see Note 10.