

Peloton Minerals Corporation

Condensed Interim Consolidated Financial Statements

(Expressed in United States Dollars)

(Unaudited)

**For the Nine and Three months Ended September
30, 2022**

Management's Responsibility for Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Peloton Minerals Corporation (the "Company" or "Peloton") are the responsibility of management.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Edward Ellwood"
(signed)

"Eric Plexman"
(signed)

Notice to Reader

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

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

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

Peloton Minerals Corporation
Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)
As at
(Unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current		
Cash	\$ 68,348	\$ 219,554
HST receivable	-	13,600
Prepaid expenses	18,851	83,882
	87,199	317,036
Equipment (Note 3)	34,049	40,859
Reclamation bonds (Note 5)	44,317	44,317
	\$ 165,565	\$ 402,212
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 6 and 11)	\$ 615,698	\$ 541,576
HST payable	1,867	-
Convertible debenture (Note 7)	100,000	100,000
	717,565	641,576
Derivative liability – convertible debenture (Note 7)	55,493	68,854
Derivative liability – foreign currency warrants (Note 9)	628,204	714,999
	1,401,262	1,425,429
Shareholders' Deficiency		
Capital stock (Note 8)	10,799,139	10,653,946
Contributed surplus	2,321,534	2,265,570
Deficit	(14,356,370)	(13,942,733)
	(1,235,697)	(1,023,217)
	\$ 165,565	\$ 402,212

Nature of Operations and Going Concern (Note 1)
Commitments (Note 14)

See accompanying notes.

Peloton Minerals Corporation
Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the Nine and Three months Ended September 30
(Expressed in United States Dollars)
(Unaudited)

	For the Nine months Ended September 30,		For the Three Months Ended September 30,	
	2022	2021	2022	2021
Expenses				
Office and administrative costs	\$ 438,677	\$ 375,642	\$ 164,045	\$ 131,863
Professional fees	33,594	43,782	10,171	14,564
Exploration and evaluation expenditures (Note 4)	86,270	349,100	56,630	98,458
Foreign exchange loss (gain)	(35,155)	2,228	(27,414)	(7,524)
Depreciation	6,810	6,810	2,270	2,270
Stock-based compensation (Note 9)	55,964	-	-	-
	586,160	777,562	205,702	239,631
Other expenses (income)				
Gain on revaluation of foreign currency warrants (Note 9)	(233,594)	(1,117,576)	(65,465)	(545,453)
Loss (gain) on revaluation of derivative liability (Note 7)	(13,361)	(56,040)	415	(38,767)
Accretion expense	-	2,663	-	-
Fair value of warrants extended	74,432	33,870	53,569	-
	(172,523)	(1,137,083)	(11,481)	(584,220)
Net (loss) income and comprehensive income (loss) for the period	\$ (413,637)	\$ 359,521	\$ (194,221)	\$ 344,589

(Loss) earnings per share (Note 10)

Basic and diluted	\$ (0.004)	\$ 0.003	\$ (0.002)	\$ 0.003
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Weighted average number of common shares outstanding (Note 10)

Basic and diluted	114,259,647	103,371,384	116,079,929	105,560,192
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See accompanying notes.

Peloton Minerals Corporation
Interim Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in United States Dollars)
For the Nine months Ended September 30,

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total
Balance, January 1, 2021	101,418,641	\$ 10,259,963	\$ 2,232,386	\$(14,147,942)	\$(1,655,593)
Units issued for cash	4,301,334	260,861	-	-	260,861
Allocated to warrants	-	(80,744)	-	-	(80,744)
Units issuance fees	-	(19,338)	-	-	(19,338)
Broker units	-	(17,883)	17,883	-	-
Net income and comprehensive income	-	-	-	359,521	359,521
Balance, September 30, 2021	105,719,975	\$ 10,402,859	\$ 2,250,269	\$(13,788,421)	\$(1,135,293)
Net loss and comprehensive loss	-	-	-	(154,312)	(154,312)
Units issued for cash	7,114,446	337,972	-	-	337,972
Units issued for exploration services	500,000	23,595	-	-	23,595
Allocated to warrants	-	(109,285)	-	-	(109,285)
Units issuance fees	-	(1,195)	-	-	(1,195)
Stock-based compensation	-	-	15,301	-	15,301
Balance, December 31, 2021	113,334,421	\$ 10,653,946	\$ 2,265,570	\$(13,942,733)	\$(1,023,217)
Units issued for cash	5,613,038	217,560	-	-	217,560
Allocated to warrants	-	(72,367)	-	-	(72,367)
Stock-based compensation (Note 9)	-	-	55,964	-	55,964
Net loss and comprehensive loss	-	-	-	(413,637)	(413,637)
Balance, September 30, 2022	118,947,459	\$ 10,799,139	\$ 2,321,534	\$(14,356,370)	\$(1,235,697)

See accompanying notes.

Peloton Minerals Corporation
Interim Consolidated Statements of Cash Flow
(Expressed in United States Dollars)
For the Nine months Ended September 30,
(Unaudited)

	2022	2021
Cash provided by (used in)		
Operations		
Net income (loss)	\$ (413,637)	\$ 359,521
Items not affecting cash:		
Gain on revaluation of foreign currency warrants	(233,594)	(1,117,576)
Accretion expense	-	2,663
Gain on revaluation of derivative liability	(13,361)	(56,040)
Depreciation	6,810	6,810
Fair value of warrants extended	74,432	33,870
Stock-based compensation	55,964	-
Services compensated with shares	13,990	-
	(509,396)	(770,752)
Net changes in non-cash working capital		
HST receivable/payable	15,467	6,439
Prepaid expenses	65,031	2,419
Accounts payable and accrued liabilities	74,122	115,235
	(354,776)	(646,659)
Investing		
Reclamation bonds	-	(12,850)
	-	(12,850)
Financing		
Proceeds from share issuances, net	203,570	241,523
	203,570	241,523
Net change in cash	(151,206)	(417,986)
Cash, beginning of period	219,554	497,338
Cash, end of period	\$ 68,348	\$ 79,352
Non-cash transactions:		
Warrant extensions	\$ 74,432	\$ 33,870

See accompanying notes.

Peloton Minerals Corporation
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2022
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Peloton Minerals Corporation (the "Company" or "Peloton") was incorporated under the Ontario Business Corporations Act on December 21, 2000. The Company has four subsidiary corporations: wholly-owned GT Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on August 28, 2012; wholly-owned IV Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on December 11, 2020; wholly-owned SBSL Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on October 15, 2018; and wholly-owned TC Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on August 28, 2012.

The Company is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The head office and principal address of the Company is 380 Wellington Street, 6th Floor, London City Centre, Tower B, London, Ontario, N6A 5B5.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business.

During the nine months ended September 30, 2022, the Company had a net loss of \$413,637 (September 30, 2021 – net income of \$359,521) and negative cash flows from operations of \$354,776 (September 30, 2021 - \$646,659). During the three months ended September 30, 2022, the Company had a net loss of \$194,221 (September 30, 2021 – net income of \$344,589). As of that date, the Company had accumulated a deficit of \$14,356,370 (December 31, 2021 - \$13,942,733) and a working capital deficiency of \$630,366 (December 31, 2021 – working capital deficiency of \$324,540).

As is common with exploration companies, the Company's ability to continue as a going concern is dependent upon obtaining necessary equity financing to finance its ongoing and planned exploration activities and to cover administrative costs, the discovery of economically recoverable resources, the ability of the Company to secure and maintain title and beneficial interest in the properties, entering agreements with others to explore and develop the mineral properties and future profitable production or proceeds from disposition of such properties. However, there can be no assurances that the Company will be able to obtain financing. These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments may be material.

Peloton Minerals Corporation
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2022
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021, prepared in accordance with IFRS. The accounting policies adopted in these unaudited condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited financial statement for the year ended December 31, 2021. Refer to these audited financial statements for significant accounting policies and future changes in accounting policies.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on November 29, 2022.

Basis of Consolidation

The unaudited condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, GT Subsidiary Corporation (United States), IV Subsidiary Corporation (United States), SBSL Subsidiary Corporation (United States) and TC Subsidiary Corporation (United States). The functional currency of each entity is the United States dollar. The financial statements of the subsidiaries are included in the unaudited condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation.

3. EQUIPMENT

Cost	December 31, 2020	Additions	December 31, 2021	Additions	September 30, 2022
Diamond Drilling Equipment	\$90,799	\$ -	\$90,799	\$ -	\$90,799
Accumulated Depreciation	December 31, 2020	Depreciation	December 31, 2021	Depreciation	September 30, 2022
Diamond Drilling Equipment	\$40,860	\$9,080	\$49,940	\$6,810	\$56,750
Carrying amount December 31, 2021					\$40,859
Carrying amount September 30, 2022					\$34,049

Peloton Minerals Corporation
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September 30, 2022
(Unaudited)

4. MINING CLAIMS - EXPLORATION AND EVALUATION EXPENDITURES

Cumulative spending to date:

	December 31, 2021	Additions	September 30, 2022
Silver Bell St. Lawrence Claims, MT ^(a)	\$ 463,800	\$ 4,677	\$ 468,477
Golden Trail Claims, NV ^(b)	733,696	11,077	744,773
Independence Valley, NV ^(c)	43,436	7,395	50,831
Texas Canyon, NV ^(d)	53,543	10,328	63,871
Potential acquisition of Boulder Porphyry, MT ^(e)	160,495	45,798	206,293
Cost related to potential property acquisitions	68,058	6,995	75,053
	\$ 1,523,028	\$ 86,270	\$ 1,609,298
	December 31, 2020	Additions	December 31 2021
Silver Bell St. Lawrence Claims, MT ^(a)	\$ 463,371	\$ 429	\$ 463,800
Golden Trail Claims, NV ^(b)	537,155	196,541	733,696
Independence Valley, NV ^(c)	36,698	6,738	43,436
Texas Canyon, NV ^(d)	41,253	12,290	53,543
Potential acquisition of Boulder Porphyry, MT ^(e)	-	160,495	160,495
Cost related to potential property acquisitions	56,260	11,798	68,058
	\$ 1,134,737	\$ 388,291	\$ 1,523,028

(a) Silver Bell St. Lawrence

The Company holds 100% interest in the Silver Bell St. Lawrence ("SBSL") property consisting of 10 (December 31, 2021 - 10) mining claims. These claims are subject to a 2% net smelter royalty to an arms-length party.

The Company also holds 100% interest in 20 (December 31, 2021 - 20) mining claims adjacent to the northern and eastern boundaries of the SBSL property. These mining claims are called the Roar claims.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management) in the amount of \$165 per claim.

On March 15, 2019, the Company, through its wholly owned subsidiary, SBSL Subsidiary Corporation, signed an exploration agreement with Frederick Private Equity Corporation ("Frederick PEC") on the Silver Bell St. Lawrence Gold Project. Under the agreement, Frederick PEC may earn up to 75% interest in the Project by spending a total of US\$2,000,000 in exploration expenditures within six years and making annual option payments.

4. MINING CLAIMS - EXPLORATION AND EVALUATION EXPENDITURES (Cont'd)

(a) Silver Bell St. Lawrence (Cont'd)

On April 26, 2019, AFR NuVenture Resources Inc. (formerly African Metals Corporation) ("AFR") announced that it had entered into an agreement with Frederick PEC whereby it may acquire initially a 51% interest in the Silver Bell St. Lawrence Project from Frederick PEC. As part of that transaction, AFR has agreed to expend and has expended a minimum of US\$200,000 in exploration expenditures in the first year. There is a common director between the Company and Frederick PEC and AFR who recused himself from the approval process of the transactions.

(b) Golden Trail

The Company holds 100% interest in the Golden Trail property consisting of 44 (December 31, 2021 - 44) contiguous unpatented mining claims in the Elko County region of Nevada.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management) and the local counties in the cumulative approximate amount of \$177 per claim.

(c) Independence Valley

During July 2016, the Company acquired by staking a 38 mineral claim package located in Elko County, Nevada, about 77 miles south of the Company's Golden Trail Project. The mineral claim package the Independence Valley Project.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management) and the local county in the cumulative approximate amount of \$177 per claim.

(d) Texas Canyon

During February 2018, the Company acquired by staking a 44-mineral claim package located in Elko County, Nevada, about five miles west of the Company's Golden Trail Project. The mineral claim package is called the Texas Canyon Project.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management) and the local county in the cumulative approximate amount of \$177 per claim.

4. MINING CLAIMS - EXPLORATION AND EVALUATION EXPENDITURES (Cont'd)

(e) Boulder Property

The Company has reached an agreement to acquire 100% of the issued and outstanding shares of privately held Westmount Resources LLC ("Westmount") through the Company's affiliated company, Celerity Mineral Corporation ("Celerity"). Westmount holds a 100% interest in 331 unpatented mineral claims called the Boulder Porphyry Property located approximately 16 miles (26 km) north-northeast of Butte, Montana. The shareholders of Westmount (the "Westmount Shareholders") will be issued 50% of the issued and outstanding shares of Celerity in exchange for their Westmount Shares in this arms-length transaction and US \$600,000 to be paid within one year after August 25, 2021, and a 1% net smelter return royalty (NSR) that may be bought down prior to commercial production by one-half for US \$5 million. The Celerity shares have been issued. Under an amended agreement, the Boulder Property vendors (the "Vendors") and Celerity have agreed to pay the Vendors the US\$600,000 in three installments of US\$200,000 due on August 25, 2023 and August 25, 2024 and August 25, 2025. The Vendors may also elect to receive one or all of the payments in common share units of Celerity priced at CAD \$0.30 per unit, with each unit comprised of one common share and one full warrant to purchase a second common share at an exercise price of CAD \$0.50 during the first year after Celerity begins trading and at an exercise price of \$0.75 during the second year after Celerity begins trading.

The amended agreement stipulates that if the full US\$600,000 is not paid by August 25, 2023 a one-half (1/2) percent NSR shall be granted to the Vendors, or if the remaining balance is not paid by August 25, 2024 a further one-half (1/2) percent NSR shall be granted to the Vendors. If Celerity defaults on any of the minimum US\$200,000 payments the Boulder Property reverts back to the Vendors.

Peloton plans to have Celerity self-fund its operations and seek to become its own publicly traded company in a series of financings and transactions, the proceeds of which will be used to pay out the US \$600,000 to the shareholders of Westmount.

There are no agreements established for any of the financings. Hence, there is no certainty that the financing will be successful, the three installments will be paid and the Company will be able to successfully list Celerity on a Canadian Exchange.

Should the foregoing not be successful, Westmount ownership and the property will revert back to the Westmount shareholders. As a result, the Company determined that it has not met control criteria under IFRS 3 as at September 30, 2022 and hence has not recognized the proposed acquisition in these interim consolidated financial statements.

5. RECLAMATION BONDS

As at September 30, 2022, a reclamation bond is being held by the Bureau of Land Management ("BLM") in the amount of \$18,675 (December 31, 2021 - \$18,675) on the Golden Trail property, \$13,543 (December 31, 2021 - \$13,543) on the Independence Valley property and \$12,099 (December 31, 2021 - \$12,099) on the Texas Canyon property. The Company has not recorded a restoration liability as at September 30, 2022 as the Company has not yet disturbed the land at the Golden Trail property, the Independence Valley property or the Texas Canyon property to trigger the recognition of this liability.

Peloton Minerals Corporation
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2022
(Unaudited)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following is a breakdown of the amounts included in accounts payable:

	September 30,	December 31,
	2022	2021
Trade payables	\$ 36,455	\$ 21,744
Accrued liabilities:		
Management and director fees	576,398	485,992
Audit and accounting	2,845	33,840
	\$ 615,698	\$ 541,576

7. CONVERTIBLE DEBENTURE

(a) Convertible debenture of \$100,000 USD

On August 11, 2015, the Company received \$100,000 USD (principal) from an arm's length party in exchange for a convertible debenture. The convertible debenture is due on demand upon nine months' notice in writing, with such notice not to be given on or before August 11, 2020. The debenture pays interest at the rate of 4%, payable quarterly, beginning October 1, 2015 with the first payment due December 31, 2015. The convertible debenture, and all principal and interest owing, is convertible, in whole or in part, at the holder's option into units of the Company (the "Unit"). Each Unit consists of one common share and one common share purchase warrant. The conversion price of the debenture is \$0.036 (\$0.05 CDN) per Unit. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.0730 (\$0.10 CDN) per share until August 11, 2020. Since the conversion into Unit did not happen by August 11, 2020, the warrant component has expired and the debenture is now only convertible into shares.

As security, the Company has pledged the diamond drill rig (Note 3).

If the common shares of the Company trade for ten consecutive days trading days on the Canadian Securities Exchange or any other stock exchange or quotation service upon which it happens to trade or be quoted at that time, at a price equal to or greater than \$0.1459 (\$0.20 CDN) per share, this debenture will automatically be converted into units without any action on the part of either the Company or the holder.

(b) Valuation of debenture

The conversation rate of the units and the warrants to be issued on conversion of the above convertible debentures are not in the Company's functional currency and as a result are presented as a derivative financial liability. The Company valued the derivative financial liabilities using the Black-Scholes option pricing model and after valuing the derivative financial liabilities assigned the remaining value to the convertible debenture.

The fair value of the units of debenture were estimated at the issuance date using the Black-Scholes pricing model with the following inputs and assumptions:

Peloton Minerals Corporation
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2022
(Unaudited)

7. CONVERTIBLE DEBENTURE (Cont'd)

Share price	\$0.04 CDN
Expected dividend yield	Nil
Exercise price	\$0.05 - \$0.10 CDN
Risk free interest rate	0.72%
Expected life	5.0 - 5.5 years
Expected volatility (based on historical prices)	210 - 223%

On the date of issuance, the Company determined the amount relating to the units in the convertible debenture to be \$76,886.

The fair value of the conversion feature was revalued at September 30, 2022 using the Black-Scholes option pricing model using the following inputs and assumptions:

Share price	\$0.06 CDN
Expected dividend yield	Nil
Exercise price	\$0.05 CDN
Risk free interest rate	3.06%
Expected life	0.50 year
Expected volatility (based on historical prices)	150%

On September 30, 2022, the conversion feature was revalued at \$55,493 resulting in a gain on revaluation of derivative liability of \$13,361 for the nine months ended September 30, 2022.

Convertible Debenture	September 30, December 31,	
	2022	2021
Principal – debenture	\$ 100,000	\$ 100,000
Derivative liability – debenture	(76,886)	(76,886)
Accretion expense	76,886	76,886
	\$ 100,000	\$ 100,000

The effective interest rate of the convertible debentures is 26.33%.

Derivative Liability	September 30, December 31,	
	2022	2021
Derivative liability – debenture (fair value on issuance date)	\$ 76,886	\$ 76,886
Fair value adjustment – debenture	(21,393)	(8,032)
	\$ 55,493	\$ 68,854

Peloton Minerals Corporation
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
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(Unaudited)

8. CAPITAL STOCK

Authorized: Unlimited common shares

Issued and outstanding common shares:

	Number of Shares	Value
Balance, December 31, 2020	101,418,641	\$ 10,259,963
Units issued for cash	11,415,780	598,833
Units issued for exploration services	500,000	23,595
Allocated to warrants	-	(190,029)
Share issuance costs	-	(38,416)
Balance, December 31, 2021	113,334,421	\$ 10,653,946
Units issued for cash	5,253,038	203,570
Units issued for exploration services	360,000	13,990
Allocated to warrants	-	(72,367)
Balance, September 30, 2022	118,947,459	\$ 10,799,139

- (a) (i) On August 16, 2022, the Company issued 5,613,038 units at \$0.05 CDN per unit for proceeds of \$217,560 (\$280,651 CDN), of which 360,000 units were issued for exploration services of \$13,990 (\$18,000 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.10 CDN up to August 16, 2025.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.065 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	1.00%
Expected life	3.0 years
Expected volatility (based on historical prices)	94%

The Company determined the amount relating to the warrants in the unit issuance to be \$72,367, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

Peloton Minerals Corporation
Notes to Condensed Interim Consolidated Financial Statements
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(Unaudited)

9. STOCK OPTIONS AND WARRANTS

(a) Stock Options

The Company has a Stock Option Plan (the "Plan") to provide options for the benefit of employees, directors and third parties. The maximum number of shares allocated to and made available to be issued under the Plan shall not exceed 10% of the common shares issued and outstanding (on a non-diluted basis) at any time. The exercise price of options granted under the Stock Option Plan will be determined by the directors, but will be at least equal to the closing trading price for the common shares for the last trading day prior to the grant and otherwise the fair market price as determined by the Board of Directors. The term of any option granted shall not exceed five years. Except as otherwise provided elsewhere in the Stock Option Plan, the options shall be cumulatively exercisable in installments over the option period at a rate to be fixed by the Board of Directors. The Company will not provide financial assistance to any optionee in connection with the exercise of options.

	Period ended September 30, 2022		Year ended December 31, 2021	
	Number of Options	Weighted Average Exercise Price (CDN)	Number of Options	Weighted Average Exercise Price (CDN)
Outstanding, beginning of period	10,400,000	\$ 0.11	9,800,000	\$ 0.11
Granted	2,550,000	\$ 0.10	600,000	\$ 0.10
Expired	(2,800,000)	\$ 0.10	-	\$ -
Cancelled	(600,000)	\$ 0.10	-	\$ -
Outstanding, end of period	9,550,000	\$ 0.10	10,400,000	\$ 0.11
Exercisable, end of period	9,550,000	\$ 0.10	10,400,000	\$ 0.11

The Company had the following stock options outstanding at September 30, 2022:

Number of Options	Exercise Price	Expiry Date
1,000,000	CDN \$0.120	May 30, 2023
500,000	CDN \$0.100	December 5, 2023
100,000	CDN \$0.100	February 1, 2024
2,600,000	CDN \$0.100	June 7, 2024
500,000	CDN \$0.100	June 7, 2024
150,000	CDN \$0.120	October 15, 2025
2,150,000	CDN \$0.135	December 18, 2025
2,550,000	CDN \$0.100	June 10, 2027
9,550,000		

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9. STOCK OPTIONS AND WARRANTS (Cont'd)

(a) Stock Options (Cont'd)

The above options were not included in the computation of diluted earnings (loss) per share as they are anti-dilutive. The weighted average remaining contractual life of these options is 2.68 years (December 31, 2021 – 2.11 years).

On June 10, 2022, the Company granted 2,550,000 stock options to directors and consultants of the Company. The stock options are exercisable at \$0.10 CDN per share and expire June 10, 2027. All the stock options vest immediately.

The fair value of these stock options of \$55,964 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.05 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	1.37%
Expected life	5.00 years
Expected volatility (based on historical prices)	87%

(b) Warrants

The following summarizes the change in foreign currency warrants:

	Period ended	Year ended
	September 30, 2022	December 31, 2021
Balance, beginning of period	\$ 714,999	\$ 1,625,276
Fair value of warrants issued – May 4, 2021	-	50,629
Fair value of warrants issued – July 12, 2021	-	30,115
Fair value of warrants issued – December 10, 2021	-	109,285
Fair value of warrants issued – August 16, 2022	72,367	-
Fair value of warrants extended - (Note 9(b)(i))	74,432	51,865
Fair value adjustment (Note 9(b)(ii))	(233,594)	(1,152,171)
Balance, end of year	\$ 628,204	\$ 714,999

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9. STOCK OPTIONS AND WARRANTS (Cont'd)

(b) Warrants (Cont'd)

(i) During the nine-months period ended September 30, 2022, the Company modified the expiry date of the following outstanding warrants:

- 1,060,625 warrants originally expiring on March 15, 2022 are now exercisable until March 15, 2024;
- 733,529 warrants originally expiring on July 12, 2022 are now exercisable until July 12, 2024;
- 5,233,025 warrants originally expiring on September 19, 2022 are now exercisable until September 19, 2024;

The incremental fair value of these warrants extended was estimated at \$74,432 using the Black Scholes pricing model with the following inputs and weighted average assumptions:

Share price	\$0.045 - \$0.075 CDN
Expected dividend yield	Nil
Exercise price	\$0.15 CDN
Risk free interest rate	0.49% - 3.46%
Expected life (original)	0.05 – 0.08 years
Expected life (extended)	2.05 – 2.08 years
Expected volatility (original) (based on historical prices)	68% - 234%
Expected volatility (extended) (based on historical prices)	81% - 98%

The incremental fair value was recorded to foreign currency warrants with an offsetting charge to profit and loss.

(ii) At September 30, 2022, the fair value of the 43,176,782 warrants outstanding was estimated at \$628,204 using the Black-Scholes pricing model with the following weighted average assumptions:

Share price	\$0.06 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 - \$0.15 CDN
Risk free interest rate	1.06% - 2.82%
Expected life	1.51 years
Expected volatility (based on historical prices)	95% - 142%

At September 30, 2022, a gain on revaluation of foreign currency warrants of \$233,594 (September 30, 2021 – gain of \$1,117,576) was recognized in the interim unaudited consolidated statement of income and comprehensive income.

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9. STOCK OPTIONS AND WARRANTS (Cont'd)

(b) Warrants (Cont'd)

The Company had the following warrants outstanding at September 30, 2022:

Number of Warrants	Exercise Price (CDN)	Expiry Date
1,160,000	\$0.15	July 17, 2023
1,301,225	\$0.15	December 6, 2023
1,060,625	\$0.15	March 15, 2024
733,529	\$0.15	July 12, 2024
5,233,025	\$0.15	September 19, 2024
3,258,264	\$0.125	May 7, 2023
7,934,629	\$0.125	August 20, 2023
4,966,667	\$0.125	October 16, 2023
2,668,000	\$0.125	May 4, 2024
1,633,334	\$0.125	July 12, 2024
7,614,446	\$0.100	December 10, 2024
5,613,038	\$0.100	August 16, 2025
43,176,782		

(c) Broker Warrants

As at September 30, 2022, there were 373,440 (December 31, 2021 – 373,440) broker warrants outstanding, with 160,000 broker warrants exercisable at CDN\$0.075 until October 16, 2023 and 213,440 broker warrant exercisable at CDN\$0.075 until May 4, 2024. Each broker warrant is exercisable to purchase one additional private placement unit consisting of one common share and one common share purchase warrant exercisable for three years at CDN \$0.125

10. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share for the period ended September 30, 2022 was based on the loss attributable to common shareholders of \$413,637 (September 30, 2021 – income of \$359,521) and the weighted average number of common shares outstanding of 114,259,647 (September 30, 2021 – 103,371,384).

Diluted earnings (loss) per share did not include the effect of 9,550,000 stock options and 43,176,782 warrants outstanding as they are anti-dilutive.

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11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at fair value.

Remuneration of Directors and key management of the Company was as follows:

	September 30, 2022	September 30, 2021
Management and director fees ⁽ⁱ⁾	256,209	273,970
Stock-based compensation	40,601	-

- (i) Included in office and administrative costs in the interim consolidated statements of income (loss) and comprehensive income (loss).

Other related party balances are listed below:

- (a) Included in accounts payable and accrued liabilities is \$576,398 (December 31, 2021 - \$485,992) of amounts owing to directors and management of the Company for management and director fees.

12. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes capital stock, contributed surplus, deficit and foreign currency warrants in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the period ended September 30, 2022.

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13. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities. In particular market risk (composed of currency risk), liquidity risk, fair value risk, interest risk and credit risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market Risk

(i) Currency risk

The Company operates internationally and is exposed to foreign exchange risk from the Canadian Dollar. Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

As at September 30, 2022, the Company is exposed to currency risk through the following financial assets and liabilities denominated in Canadian dollars:

	September 30, 2022 (CDN\$)	December 31, 2021 (CDN\$)
Cash	\$ 82,564	\$ 157,763
Accounts payable and accrued liabilities	\$ 822,593	\$ 673,369

The above balances were translated into US dollars at the period-end rate of \$0.7296 (December 31, 2021 - \$0.7888) Canadian dollars to every US dollar.

Based on the above net exposures as at September 30, 2022, assuming that all other variables remain constant, a +/- 5% change in the Canadian dollar against the United States dollar would result in an increase/decrease in net income of approximately \$27,000.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at September 30, 2022, the Company has current liabilities of \$717,565 (December 31, 2021 - \$641,576) due within 12 months and has cash of \$68,348 (December 31, 2021 - \$219,554) to meet its current obligations. As a result, the Company has liquidity risk and is dependent on raising additional capital to fund operations.

The convertible debenture is due on demand upon six months' notice in writing but the holder has not yet submitted a notice in writing demanding payment.

13. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Fair Value Risk

The carrying values of cash, reclamation bonds, accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments. The estimated fair values of convertible debt also approximate carrying values due to the fact that effective interest rates are not significantly different from market rates. The estimated fair values of warrants are subject to fluctuations based on the inputs and assumptions used to value them.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk is primarily related to the Company's interest-bearing debt on its interim consolidated statement of financial position. The Company does not have any debt with variable interest rates, thereby minimizing the Company's exposure to cash flow interest rate risk.

(e) Credit Risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash. The Company reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

14. COMMITMENTS

Leases

The Company is committed under lease agreements to the payment of amounts totaling \$145 until October 2022.

The Company is also required to make payments to the Bureau of Land Management to keep mining claims in good standing as noted in Note 4.