UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended January 31, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: **000-53848**

RISE GOLD CORP.
(Exact name of registrant as specified in its charter)

Nevada	**30-0692325**
(State or other jurisdiction of incorporation)	(IRS Employer Identification Number)

650-669 Howe Street
Vancouver, British Columbia, Canada V6C 0B4
(Address of principal executive offices) (Zip Code)

(604) 260-4577
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
Emerging growth company ☒	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of March 14, 2023, the registrant had 40,287,800 shares of common stock issued and outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

The condensed consolidated interim financial statements of Rise Gold Corp. (“we”, “us”, “our”, the “Company”, or the “registrant”), a Nevada corporation, included herein were prepared, without audit, pursuant to rules and regulations of the Securities and Exchange Commission. Because certain information and notes normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America were condensed or omitted pursuant to such rules and regulations, the condensed consolidated interim financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements of the Company in the Company's Form 10-K for the fiscal year ended July 31, 2022.

RISE GOLD CORP.
(AN EXPLORATION STAGE COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
PERIOD ENDED JANUARY 31, 2023

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RISE GOLD CORP.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
(Expressed in United States Dollars)
(Unaudited)

AS AT		January 31, 2023		July 31, 2022
ASSETS				
Current				
Cash	$	1,800,079	$	471,918
Receivables		84,541		85,357
Prepaid expenses (Note 3)		248,618		429,302
Total current assets		2,133,238		986,577
Non-current				
Mineral property interests (Note 4)		4,149,053		4,149,053
Prepaid expenses (Note 3)		59,998		-
Equipment (Note 5)		540,003		551,436
Total assets	$	6,882,292	$	5,687,066
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	776,550	$	321,942
Payable to related parties (Note 7)		96,053		28,018
Total current liabilities		872,603		349,960
Non-current				
Loan payable (Note 8)		1,632,634		1,364,530
Derivative liability (Note 9)		1,102,435		373,910
Total liabilities		3,607,672		2,088,400
Stockholders' equity				
Capital stock, $0.001 par value, 400,000,000 shares authorized;				
37,236,864 shares issued and outstanding (Note 10)		37,237		32,788
Additional paid-in capital (Note 10)		28,446,087		26,678,566
Share subscription received in advance		50,000		-
Cumulative translation adjustment		(104,084)		(104,084)
Deficit		(25,154,620)		(23,008,604)
Total stockholders' equity		3,274,620		3,598,666
Total liabilities and stockholders' equity	$	6,882,292	$	5,687,066

Nature and continuance of operations (Note 1)
Contingency (Note 6)
Subsequent events (Note 13)

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

RISE GOLD CORP.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in United States Dollars)
(Unaudited)

	Three months ended January 31, 2023	Three months ended January 31, 2022	Six months ended January 31, 2023	Six months ended January 31, 2022
EXPENSES				
Accretion expense (Note 8)	$ 28,963	$ 28,963	$ 57,926	$ 57,926
Consulting	172,686	141,233	278,256	270,746
Directors' fees	20,000	20,000	40,000	40,000
Filing and regulatory	24,782	9,626	33,332	16,156
Foreign exchange loss	24,522	25,439	65,480	32,338
General and administrative	37,914	107,901	118,797	214,624
Geological, mineral, and prospect costs (Note 4)	113,618	204,035	237,607	258,559
Interest expense (Note 8)	112,363	91,125	210,178	123,248
Professional fees	70,033	113,124	224,129	236,824
Promotion and shareholder communication	77,371	51,044	85,319	58,407
Salaries	33,750	33,750	67,500	67,500
Loss	$ (716,002)	$ (826,240)	$ (1,418,524)	$ (1,376,328)
Gain (loss) on fair value adjustment on derivative liability (Note 9)	(746,509)	(272,421)	(728,525)	64,672
Other income	1,033	14,212	1,033	14,907
Net loss and comprehensive loss for the period	$ (1,461,478)	$ (1,084,449)	$ (2,146,016)	$ (1,296,749)
Basic and diluted loss per common share	$ (0.02)	$ (0.03)	$ (0.04)	$ (0.05)
Weighted average number of common shares outstanding (basic and diluted)	32,837,257	32,787,798	32,837,257	26,868,410

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

RISE GOLD CORP.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Expressed in United States Dollars)
(Unaudited)

FOR THE SIX MONTHS ENDED JANUARY 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (2,146,016)	$ (1,296,749)
Items not involving cash		
Depreciation	11,433	12,297
Interest expense	210,178	123,248
Accretion expense	57,926	57,926
Loss (gain) on fair value adjustment on derivative liability	728,525	(64,672)
Non-cash working capital item changes:		
Receivables	816	(11,728)
Prepaid expenses	120,686	21,285
Accounts payable and accrued liabilities	422,430	(100,187)
Related party payables	100,213	20,000
Net cash used in operating activities	(493,809)	(1,238,580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement, net of issuance cost	1,771,970	2,392,998
Subscriptions received in advance	50,000	-
Net cash provided by financing activities	1,821,970	2,392,998
Change in cash for the period	1,328,161	1,154,418
Cash, beginning of period	471,918	773,279
Cash, end of period	$ 1,800,079	$ 1,927,697

Supplemental disclosure with respect to cash flows (Note 11)

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

RISE GOLD CORP.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF STOCKHOLDERS' EQUITY
(Expressed in United States Dollars)
(Unaudited)

	Capital Stock												
	Number		Amount		Additional Paid-in Capital		Share Subscription Received in Advance		Cumulative Translation Adjustment		Deficit		Total
Balance as at July 31, 2021	26,770,298	$	26,770	$	23,884,796	$	-	$	(104,084)	$	(19,544,477)	$	4,263,005
Loss for the period	-		-		-		-		-		(212,300)		(212,300)
Balance as at October 31, 2021	26,770,298	$	26,770	$	23,884,796	$	-	$	(104,084)	$	(19,756,777)	$	4,050,705
Shares issued for cash, net of issuance cost	6,017,500		6,018		2,386,980		-		-		-		2,392,998
Loss for the period	-		-		-		-		-		(1,084,449)		(1,084,449)
Balance as at January 31, 2022	32,787,798	$	32,788	$	26,271,776	$	-	$	(104,084)	$	(20,841,226)	$	5,359,254
Balance as at July 31, 2022	32,787,798	$	32,788	$	26,678,566	$	-	$	(104,084)	$	(23,008,604)	$	3,598,666
Loss for the period	-		-		-		-		-		(684,538)		(684,538)
Balance as at October 31, 2022	32,787,798	$	32,788	$	26,678,566	$	-	$	(104,084)	$	(23,693,142)	$	2,914,128
Shares issued for cash, net of issuance cost	4,449,066		4,449		1,767,521		50,000		-		-		1,821,970
Loss for the period	-		-		-		-		-		(1,461,478)		(1,461,478)
Balance as at January 31, 2023	37,236,864	$	37,237	$	28,446,087	$	50,000	$	(104,084)	$	(25,154,620)	$	3,274,620

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Rise Gold Corp. (the "Company") was originally incorporated as Atlantic Resources Inc. in the State of Nevada on February 9, 2007 and is in the exploration stage. On April 11, 2012, the Company merged its wholly-owned subsidiary, Patriot Minefinders Inc., a Nevada corporation, in and to the Company to effect a name change to Patriot Minefinders Inc. On January 14, 2015, the Company completed a name change to Rise Resources Inc. in the same manner. On April 7, 2017, the Company changed its name to Rise Gold Corp. These mergers were carried out solely for the purpose of effecting these changes of names.

On January 29, 2016, the Company completed an initial public offering in Canada and began trading on the Canadian Securities Exchange ("CSE") under trading symbol "RISE.CN" on February 1, 2016.

On September 18, 2020, the Company increased its authorized capital from 40,000,000 shares to 400,000,000 shares.

The Company is in the early stages of exploration and, as is common with any exploration company, it raises financing for its acquisition activities. The accompanying condensed consolidated interim financial statements have been prepared on the going concern basis, which presumes that the Company will continue operations for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of business. The Company has incurred a loss of $2,146,016 for the six-month period ended January 31, 2023 and has accumulated a deficit of $25,154,620. The ability of the Company to continue as a going concern is dependent on the Company's ability to maintain continued support from its shareholders and creditors and to raise additional capital and implement its business plan. 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 advantageous to the Company. These events and conditions cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

In March 2020, the novel coronavirus outbreak ("COVID-19") was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. These impacts could include an impact on the Company's ability to obtain debt and equity financing to fund ongoing exploration activities as well as its ability to explore and conduct business. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

At January 31, 2023, the Company had working capital of $1,260,635 (July 31, 2022 - $636,617).

2. BASIS OF PREPARATION

Generally Accepted Accounting Principles

These unaudited condensed consolidated interim financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America ("US GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") for financial information with the instructions to Form 10-Q and Regulation S-K. Results are not necessarily indicative of results which may be achieved in the future. The unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's Annual Report on Form 10-K, which contains the audited financial statements and notes thereto, together with Management's Discussion and Analysis, for the year ended July 31, 2022. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to such SEC rules and regulations. These financial statements follow the same accounting policies in the annual financial statements. The operating results for the six months ended January 31, 2023 are not necessarily indicative of the results that may be expected for the year ended July 31, 2023.

(Expressed in United States Dollars)

2. BASIS OF PREPARATION (continued)

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Rise Grass Valley Inc. All significant intercompany accounts and transactions have been eliminated on consolidation.

Subsidiaries

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Intercompany transactions, balances and unrealized gains or losses on transactions are eliminated upon consolidation.

Use of Estimates

The preparation of these financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include the carrying value and recoverability of mineral properties and the recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences. Actual results could differ from those estimates and would impact future results of operations and cash flows.

3. PREPAID EXPENSES

		January 31, 2023		July 31, 2022
Current				
Insurance	$	29,341	$	71,424
Deposits		195,878		342,987
Other		23,399		14,891
		248,618		429,302
Non-current				
Deposits		59,998		-
Total	$	308,616	$	429,302

(Expressed in United States Dollars)

4. MINERAL PROPERTY INTERESTS

The Company's mineral properties balance consists of:

		Idaho-Maryland, California
July 31, 2022 and January 31, 2023	$	4,149,053

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles. Additionally, the potential for problems arising from the frequently ambiguous conveying history characteristic of many mineral properties also exist. As at January 31, 2023, the Company holds title to the Idaho-Maryland Gold Mine Property.

As of January 31, 2023, based on management's review of the carrying value of mineral rights, management determined that there is no evidence that the cost of these acquired mineral rights will not be fully recovered and accordingly, the Company determined that no adjustment to the carrying value of mineral rights was required. As of the date of these consolidated financial statements, the Company has not established any proven or probable reserves on its mineral properties and has incurred only acquisition and exploration costs.

Idaho-Maryland Gold Mine Property, California

On August 30, 2016, the Company entered into an option agreement with three parties to purchase a 100% interest in and to the Idaho-Maryland Gold Mine property located near Grass Valley, California, United States; pursuant to the option agreement, in order to exercise the option, the Company was required to pay $2,000,000 by November 30, 2016. Upon execution of the option agreement, the Company paid the vendors a non-refundable cash deposit in the amount of $25,000, which was credited against the purchase price of $2,000,000 upon exercise of the option. On November 30, 2016, the Company negotiated an extension of the closing date of the option agreement to December 26, 2016, in return for a cash payment of $25,000, which was also credited against the purchase price of $2,000,000 upon exercise of the option. On December 28, 2016, the Company negotiated a further no-cost extension of the closing date of the option agreement to April 30, 2017. On January 25, 2017, the Company exercised the option by paying the net amount owing of $1,950,000 and acquired a 100% interest in the Idaho-Maryland Gold Mine property.

In connection with the option agreement, the Company agreed to pay a cash commission of $140,000 equal to 7 per cent of the purchase price of $2,000,000; the commission was settled on January 25, 2017 through the issuance of 92,000 units valued at C$2.00 per unit. Each unit consists of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of C$4.00 for a period of two years from the date of issuance. On January 24, 2019, these warrants expired unexercised. The Company also incurred additional transaction costs of $109,053, which have been included in the carrying value of the Idaho-Maryland Gold Mine.

(Expressed in United States Dollars)

4. MINERAL PROPERTY INTERESTS (continued)

Idaho-Maryland Gold Mine Property, California (continued)

On January 6, 2017, the Company entered into an option agreement with Sierra Pacific Industries Inc. ("Sierra") to purchase a 100% interest in and to certain surface rights near Grass Valley, California, United States, contiguous to the Idaho-Maryland Gold Mine property acquired by the Company on January 25, 2017. Pursuant to the option agreement, in order to exercise the option, the Company was required to pay $1,900,000 by March 31, 2017. Upon execution of the option agreement, the Company paid the vendors a non-refundable cash deposit in the amount of $100,000, which was credited against the purchase price of $1,900,000 upon exercise of the option. On April 3, 2017, the Company negotiated an extension of the closing date of the option agreement to June 30, 2017, in return for a cash payment of $200,000, at which time a payment of $1,600,000 was due in order to exercise the option. On June 7, 2017, the Company negotiated an extension of the closing date of the option agreement to September 30, 2017, in return for a cash payment of $300,000, at which time a payment of $1,300,000 was due in order to exercise the option.

On May 14, 2018, the Company completed the purchase of the surface rights by making the final payment of $1,300,000.

As at January 31, 2023, the Company has incurred cumulative exploration expenditures of $8,195,953 on the Idaho-Maryland Gold Mine property as follows:

		Six months ended January 31, 2023		Year ended July 31, 2022
Idaho-Maryland Gold Mine expenditures:				
Opening balance	$	7,958,346	$	7,169,662
Consulting		164,202		549,468
Depreciation		11,433		24,345
Engineering		13,651		91,635
Exploration		-		(15,856)
Logistics		16		3,037
Rent		44,508		88,517
Supplies		3,797		23,433
Sampling		-		24,105
Total expenditures for the period		237,607		788,684
Closing balance	$	8,195,953	$	7,958,346

(Expressed in United States Dollars)

5. EQUIPMENT

Cost	**Drilling equipment**
At July 31, 2021	$644,847
At July 31, 2022	$644,847
At January 31, 2023	$644,847
Accumulated depreciation	
At July 31, 2021	$69,066
Depreciation	24,345
At July 31, 2022	$93,411
Depreciation	11,433
At January 31, 2023	$104,844
Total carrying value, July 31, 2022	**$551,436**
Total carrying value, January 31, 2023	**$540,003**

6. CONTINGENCY

During the year ended July 31, 2014, the Company entered into a binding letter of intent ("LOI") with Wundr Software Inc. ("Wundr"). Under the terms of the LOI, the Company would acquire 100% of the issued and outstanding common shares of Wundr. The Company did not complete the transactions contemplated in the LOI, which the Company announced had expired on January 10, 2014.

On September 17, 2014, the Company learned that it was the subject, along with a number of additional defendants, of a notice of civil claim (the "Claim") filed in the Supreme Court of British Columbia by Wundr, under which Wundr is seeking general damages from the Company as well as damages for conspiracy to cause economic harm. None of the allegations contained in the Claim have been proven in court. Management has assessed that the probability of the Claim resulting in an unfavourable outcome and financial loss to the Company is unlikely.

7. RELATED PARTY TRANSACTIONS

Key management personnel consist of the Chief Executive Officer, Chief Financial Officer, and the directors of the Company. The remuneration of the key management personnel is as follows:

a) Salaries of $67,500 (2022 - $67,500) to the CEO of the Company.

b) Director fees of $40,000 (2022 - $40,000) to directors of the Company.

c) During the period ended January 31, 2023, the Company paid $67,199 (2022 - $71,338) in professional and consulting fees to a company controlled by a director of the Company.

d) Share-based compensation of $Nil (2022 - $Nil) for options granted during the period ended January 31, 2023.

e) As at January 31, 2023 and July 31, 2022, $96,053 and $28,018 were owed to related parties, respectively.

f) As at January 31, 2023, certain directors of the Company purchased an aggregate of 1,476,363 Units of this first tranche of the private placement for gross proceeds of $590,545 (2022 - $Nil) (see Note 10).

(Expressed in United States Dollars)

8. LOAN PAYABLE

On September 3, 2019, the Company completed a debt financing with Eridanus Capital LLC (the "Lender" or "Eridanus") for $1,000,000 (the "Loan"). The Loan has a term of 4 years and an annual interest rate of 10% for the first two years increasing to 20% in year 3 and to 25% in year 4. Interest will accrue and be paid along with the principal upon the maturity date. The Lender received 1,150,000 bonus share purchase warrants as additional consideration for advancing the Loan. The fair value of these warrants was calculated to be $444,942 which was netted against the loan payable balance along with $15,000 paid to the lender for a total of $459,942 in issuance costs. Each warrant entitles the holder to acquire one share of common stock at an exercise price of $0.80 (C$1.00) for a period of three years from the date of issuance. The Loan may be repaid prior to the maturity date, in whole or in part, provided that all accrued interest is paid. In addition, if total interest payments are less than $200,000, the difference will be paid to the Lender as prepayment compensation. The Loan is secured against the assets of the Company and its subsidiary.

		Loan Payable
Balance, July 31, 2021	**$**	**976,587**
Interest expense		273,036
Accretion expense		114,907
Balance, July 31, 2022	**$**	**1,364,530**
Interest expense		210,178
Accretion expense		57,926
Balance, January 31, 2023	**$**	**1,632,634**

Subsequent to the period ended January 31, 2023, the Company renegotiated its debt agreement with the Lender whereby the Company has agreed to pay $250,000 to the Lender as partial prepayment of the outstanding principal balance of the loan and issue 575,000 share purchase warrants to Eridanus Capital LLC ("Eridanus Warrants"). The maturity date of the loan has been extended by one year to September 4, 2024 and the interest rate has been reduced to 15% for a period of 12 months following the date of issuance of the Eridanus Warrants. Each Warrant entitles the holder to acquire one share at an exercise price of $0.60 for a period of two years from the date of issuance. The Eridanus Warrants and any shares acquired upon the exercise of the Eridanus Warrants will be subject to statutory hold periods in accordance with applicable United States and Canadian securities laws.

9. DERIVATIVE LIABILITY

The exercise price of the Company's share purchase warrants is fixed in Canadian dollars and the functional currency of the Company is the USD. These warrants are considered to be a derivative as a variable amount of cash in the Company's functional currency will be received on exercise of the warrants. Accordingly, the share purchase warrants issued as part of past financings, are classified and accounted for as a derivative liability.

The following table shows a continuity of the Company's derivative liability:

		Warrant derivative	Number of warrants accounted for as derivative liability
Balance, July 31, 2021	$	441,766	5,480,083
Expiry		-	(488,438)
Fair value adjustment		(67,856)	-
Balance, July 31, 2022	$	373,910	4,991,645
Expiry		-	-
Fair value adjustment		728,525	-
Balance, January 31, 2023	$	1,102,435	4,991,645

For the six-month period ended January 31, 2023, the Company recorded a total loss on fair value of derivative liability of $728,525 during the period (January 31, 2022 – gain of $67,856).

The following weighted average assumptions were used for the Black-Scholes pricing model valuation of warrants as at January 31, 2023 and July 31, 2022:

	January 31, 2023	July 31, 2022
Risk-free interest rate	3.76%	1.52%
Expected life of warrants	1.42 to 1.55 years	1.93 to 2.05 years
Expected annualized volatility	105.27% to 108.28%	89.49% to 90.89%
Dividend	Nil	Nil
Forfeiture rate	0%	0%

(Expressed in United States Dollars)

10. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL

Private Placements

On January 31, 2022, the Company completed a non-brokered private placement for gross proceeds totalling $2,407,000 through the issuance of 6,017,500 units at a price of $0.40 per unit, where each unit consists of one share of common stock and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 until January 28, 2024. Certain directors of the Company purchased an aggregate of 2,075,000 Units of this private placement for gross proceeds of $830,000. The Company has paid associated legal fees of $14,002 in connection with this financing.

On January 31, 2023, the Company completed the first tranche of a non-brokered private placement for gross proceeds totalling $1,779,626 through the issuance of 4,449,066 units at a price of $0.40 per unit, where each unit consists of one share of common stock and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 until January 31, 2025. Certain directors of the Company purchased an aggregate of 1,476,363 units of this first tranche of the private placement for gross proceeds of $590,545. The Company has paid fees of $2,767 and issued 6,900 finder's warrants relating to the first tranche, where each finder's warrant entitles the holder to acquire one common share at a price of $0.60 until January 31, 2025. The Company has paid associated legal fees of $4,889 in connection with this financing.

Stock Options

On February 7, 2022, the Company granted a total of 805,000 stock options with a fair value of $406,790 to employees, officers, directors, and consultants of the Company, exercisable at a weighted average price of $0.65 (C$0.82) per share for a period of five years.

The following incentive stock options were outstanding and exercisable as at January 31, 2023:

Number of Options	Weighted Average Exercise Price (C$)	Expiry Date
75,000	0.50	March 17, 2023
350,000	1.20	April 19, 2023
180,000	1.00	November 30, 2023
290,000	0.70	August 21, 2024
1,338,500	1.20	September 22, 2025
805,000	0.82	February 7, 2027
3,038,500	1.02	

(Expressed in United States Dollars)

10. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL (continued)

As at January 31, 2023, the aggregate intrinsic value of the Company's stock options is $24,050 (July 31, 2022 – $Nil).

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price ($C)
Balance outstanding and exercisable, July 31, 2021	2,233,500		1.09
Options granted	805,000		0.82
Balance outstanding and exercisable, July 31, 2022	3,038,500		1.02
Balance outstanding and exercisable, January 31, 2023	3,038,500	$	1.02

The following weighted average assumptions were used for the Black-Scholes pricing model valuation of stock options issued during the period ended January 31, 2023 and July 31, 2022:

	January 31, 2023	July 31, 2022
Risk-free interest rate	Nil	1.38%
Expected life of stock options	Nil	5 years
Expected annualized volatility	Nil	114.02%
Dividend	Nil	Nil
Forfeiture rate	Nil	0%

Share-Based Payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less any applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

Warrants

On June 14, 2022, the Company amended the term of 6,308,310 common share purchase warrants by extending their expiry dates by two years and adding an accelerated expiry provision. Between July 3, 2019 and September 21, 2020 the Company issued a total of 6,308,310 warrants to purchase shares of common stock of the Company in connection with various private placement financings and debt financings. 3,959,727 of these warrants were granted with an exercise price of CAD $1.00 per share ("CAD Priced Warrants") or optional currency settlement choice with expiry dates ranging from July 3, 2022 to September 9, 2022, and 2,348,583 of these warrants were granted with an exercise price of US$1.00 per share ("USD Priced Warrants") with expiry dates ranging from July 31, 2022 to September 21, 2022. All other terms and conditions of the warrants remain unchanged.

(Expressed in United States Dollars)

10. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL (continued)

The following warrants were outstanding at January 31, 2023:

Number of Warrants	Exercise Price (C$)	Expiry Date
518,406	1.00	July 3, 2024
2,291,321	1.00	August 19, 2024
1,150,000	1.00	September 9, 2024
2,181,917	1.36	July 31, 2024
166,666	1.36	September 21, 2024
6,017,500	0.76	January 28, 2024
2,231,429	0.80	January 31, 2025
14,557,239	0.93	

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (C$)
Balance, July 31, 2021	6,851,379	$ 1.14
Warrants issued	6,017,500	0.76
Warrants expired	(531,873)	(1.21)
Balance, July 31, 2022	12,337,006	$0.95
Warrants issued	2,231,429	0.80
Warrants expired	(11,196)	1.00
Balance, January 31, 2023	14,557,239	0.93

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six-month periods ended January 31, 2023 and 2022, the Company had the following non-cash financing and investing activities:

For the period ended January 31, 2023:

a) The Company accrued $210,178 of interest expense as part of the outstanding balance of loan payable.

For the period ended January 31, 2022:

a) Company accrued $123,248 of interest expense as part of the outstanding balance of loan payable.

12. SEGMENTED INFORMATION

A reporting segment is defined as a component of the Company that:

- Engages in business activities from which it may earn revenues and incur expenses;
- Operating results are reviewed regularly by the entity's chief operating decision maker; and
- Discrete financial information is available.

The Company has determined that it operates its business in one geographical segment located in California, United States, where all of its equipment and mineral property interests are located.

13. SUBSEQUENT EVENTS

Subsequent to the period ended January 31, 2023, the Company completed the second and final tranche of a $3,000,000 non-brokered private placement. The gross proceeds raised in the second tranche was $1,220,374 through the sale of 3,050,934 units at a price of $0.40 per unit, where each unit consists of one share of common stock and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 until February 17, 2025. Certain directors of the Company purchased an aggregate of 917,936 units of this second tranche of the private placement for gross proceeds of $367,174. The Company has paid fees of $1,420 and issued 3,540 finder's warrants relating to the second tranche, where each finder's warrant entitles the holder to acquire one common share at a price of $0.60 until February 17, 2025.

Subsequent to the period ended January 31, 2023, the Company renegotiated its debt agreement with Eridanus Capital LLC whereby the Company has agreed to prepay $250,000 to Eridanus to reduce the outstanding loan and issue 575,000 share purchase warrants to Eridanus. The maturity date of the loan has been extended by one year to September 4, 2024 and the interest rate has been reduced to 15% for a period of 12 months following the date of issuance of the Eridanus Warrants. Each Warrant entitles the holder to acquire one share at an exercise price of $0.60 for a period of two years from the date of issuance. The Eridanus Warrants and any shares acquired upon the exercise of the Eridanus Warrants will be subject to statutory hold periods in accordance with applicable United States and Canadian securities laws.

On February 21, 2023, the Company granted a total of 1,045,000 stock options to employees, officers, directors, and consultants of the Company, exercisable at a weighted average price of $0.53 per share for a period of five years.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS IN THIS REPORT, INCLUDING STATEMENTS IN THE FOLLOWING DISCUSSION, ARE WHAT ARE KNOWN AS "FORWARD LOOKING STATEMENTS", WHICH ARE BASICALLY STATEMENTS ABOUT THE FUTURE. FOR THAT REASON, THESE STATEMENTS INVOLVE RISK AND UNCERTAINTY SINCE NO ONE CAN ACCURATELY PREDICT THE FUTURE. WORDS SUCH AS "PLANS", "INTENDS", "WILL", "HOPES", "SEEKS", "ANTICIPATES", "EXPECTS" AND THE LIKE OFTEN IDENTIFY SUCH FORWARD LOOKING STATEMENTS, BUT ARE NOT THE ONLY INDICATION THAT A STATEMENT IS A FORWARD LOOKING STATEMENT. SUCH FORWARD LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING OUR PLANS AND OBJECTIVES WITH RESPECT TO PRESENT AND FUTURE OPERATIONS, AND STATEMENTS WHICH EXPRESS OR IMPLY THAT SUCH PRESENT AND FUTURE OPERATIONS WILL OR MAY PRODUCE REVENUES, INCOME OR PROFITS. NUMEROUS FACTORS AND FUTURE EVENTS COULD CAUSE US TO CHANGE SUCH PLANS AND OBJECTIVES OR FAIL TO SUCCESSFULLY IMPLEMENT SUCH PLANS OR ACHIEVE SUCH OBJECTIVES, OR CAUSE SUCH PRESENT AND FUTURE OPERATIONS TO FAIL TO PRODUCE REVENUES, INCOME OR PROFITS. THEREFORE, THE FOLLOWING DISCUSSION SHOULD BE CONSIDERED IN LIGHT OF THE DISCUSSION OF RISKS AND OTHER FACTORS CONTAINED IN THIS QUARTERLY REPORT ON FORM 10-Q AND IN OUR OTHER FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. NO STATEMENTS CONTAINED IN THE FOLLOWING DISCUSSION SHOULD BE CONSTRUED AS A GUARANTEE OR ASSURANCE OF FUTURE PERFORMANCE OR FUTURE RESULTS.

Description of Business

We are a mineral exploration company that was incorporated in the state of Nevada in 2007. Our primary asset is our interest in the Idaho-Maryland Gold Mine property (the "I-M Mine Property"), which is a major past producing high-grade property near Grass Valley, California, United States, which we own outright through our wholly owned Nevada subsidiary, Rise Grass Valley, Inc.

Our common stock is currently listed in Canada on the Canadian Securities Exchange (the "CSE") under the symbol "RISE". We are a reporting issuer in British Columbia, Alberta, and Ontario in Canada. Our common stock is also currently traded in the United States on the OTCQX under the symbol "RYES". We are an SEC reporting company by virtue of our class of common stock being registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Business Development

Developments in our Company's business during the July 31, 2022 fiscal year and the six-month period ended January 31, 2023 include the following:

On January 31, 2023, the Company completed the first tranche of a non-brokered private placement for gross proceeds totalling $1,779,626 through the issuance of 4,449,066 units at a price of $0.40 per Unit, where each Unit consists of one share of common stock and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 until January 31, 2025. Certain directors of the Company purchased an aggregate of 1,476,363 Units of this first tranche of the private placement for gross proceeds of $590,545. The Company has paid fees of $2,767 and issued 6,900 finder's warrants relating to the first tranche, where each finder's warrant entitles the holder to acquire one common share at a price of $0.60 until January 31, 2025. The Company has paid associated legal fees of $4,889 in connection with this financing.

Subsequent to the period ended January 31, 2023, the Company completed the second and final tranche of the non-brokered private placement for gross proceeds of $1,220,374 through the sale of 3,050,934 units at a price of $0.40 per Unit, where each Unit consists of one share of common stock and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 until February 17, 2025. Certain directors of the Company purchased an aggregate of 917,936 Units of this second tranche of the private placement for gross proceeds of $367,174. The Company has paid fees of $1,420 and issued 3,540 finder's warrants relating to the second tranche, where each finder's warrant entitles the holder to acquire one common share at a price of $0.60 until February 17, 2025. The Company raised a total of $3,000,000 through the sale of 7,500,000 Units.

Subsequent to the period ended January 31, 2023, the Company renegotiated its debt agreement with Eridanus Capital LLC whereby the Company has agreed to pay $250,000 to Eridanus to reduce the outstanding balance of the loan and issue 575,000 share purchase warrants to Eridanus. The maturity date of the loan has been extended by one year to September 4, 2024 and the interest rate has been reduced to 15% for a period of 12 months following the date of issuance of the Eridanus Warrants. Each Warrant entitles the holder to acquire one share at an exercise price of $0.60 for a period of two years from the date of issuance. The Eridanus Warrants and any shares acquired upon the exercise of the Eridanus Warrants will be subject to statutory hold periods in accordance with applicable United States and Canadian securities laws.

Subsequent to the period ended January 31, 2023, the Company granted a total of 1,045,000 stock options to employees, officers, directors, and consultants of the Company, exercisable at a weighted average price of $0.53 per share for a period of five years.

On December 16, 2022, the Company announced that Nevada County released the Final Environmental Impact Report ("FEIR") for the Idaho-Maryland Mine Project. The report's release represents a major milestone toward approving the Company's Use Permit application to reopen the historic past-producing Idaho-Maryland Gold Mine.

On February 7, 2022, the Company granted a total of 805,000 stock options to employees, officers, directors, and consultants of the Company, exercisable at a price of $0.65 (C$0.82) per share with an expiry date of February 7, 2027.

On January 31, 2022, the Company completed a non-brokered private placement for gross proceeds totalling $2,407,000 through the issuance of 6,017,500 units at a price of $0.40 per Unit, where each Unit consists of one common share of common stock and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 until January 28, 2024. Certain directors of the Company purchased an aggregate of 2,075,000 Units of this private placement for gross proceeds of $830,000.

Plan of Operations

As at January 31, 2023, the Company had a cash balance of $1,800,079, compared to a cash balance of $471,918 as at July 31, 2022.

Our plan of operations for the next 12 months is to complete the Use Permit process in Nevada County California.

The Company submitted the application for a Use Permit to Nevada County on November 21, 2019. On April 28, 2020, with a vote of 5-0, the Nevada County ("County") Board of Supervisors approved the contract for Raney Planning & Management Inc. ("Raney") to prepare an Environmental Impact Report ("EIR") and conduct contract planning services on behalf of the County for the proposed Idaho-Maryland Mine Project. On January 4, 2022, the Company announced that the Nevada County government released the Draft Environmental Impact Report for the Idaho-Maryland Mine Project. The public comment period ended on April 4, 2022. On December 16, 2022, the Company announced that Nevada County has released the Final Environmental Impact Report ("FEIR") for the Idaho-Maryland Mine Project. A general outline of remaining milestones in the process to approval of the permit is outlined as follows:

1) The Nevada County Planning Commission holds a public hearing to consider the Final EIR and makes a recommendation on project approval to the Nevada County Board of Supervisors;
2) The Board of Supervisors holds a public hearing to consider and make a final decision on the Idaho-Maryland Mine Project. A majority vote of the five supervisors is required to approve the Project.

Project Design

The Use Permit application proposes underground mining to recommence at an average throughput of 1,000 tons per day. The existing Brunswick Shaft, which extends to ~3400 feet depth below surface, would be used as the primary rock conveyance from the I-M Mine Property. A second service shaft would be constructed by raising from underground to provide for the conveyance of personnel, materials, and equipment. Gold processing would be done by gravity and flotation to produce gravity and flotation gold concentrates. Processing equipment and operations would be fully enclosed in attractive modern buildings and numerous mature trees located on the perimeter of the Brunswick site would be retained to provide visual shielding of aboveground project facilities and operations.

The Company would produce barren rock from underground tunnelling and sand tailings as part of the project which would be used for creation of approximately 58 acres of level and useable industrial zoned land for future economic development in Nevada County.

A water treatment plant and pond, using conventional processes, would ensure that groundwater pumped from the mine is treated to regulatory standards before being discharged to the local waterways.

Detailed studies by professionals in the fields of civil and electrical engineering, biology, hydrology, cultural resources, traffic, air quality, human health, vibration, and sound have guided the design of the project.

Approximately 300 employees would be required if the mine reaches full production.

Employees

The Company has one full-time employee, which is the Chief Executive Officer. Our other officers and directors provide services to us on an as-needed basis, and we plan to rely on their efforts, as well as those of a number of independent consultants, to manage our operations for the foreseeable future.

Government Regulations

We plan to engage in mineral exploration and development activities and will accordingly be exposed to environmental risks associated with mineral exploration activity. We are the operator of the I-M Mine Property.

Our exploration and development activities will be subject to extensive federal, state and local laws, regulations and permits governing protection of the environment. Among other things, our operations must comply with the provisions of the Federal Mine Safety and Health Act of 1977 as administered by the United States Department of Labor.

Our plan is to conduct our operations in a way that safeguards public health and the environment. We believe that our operations comply with applicable environmental laws and regulations in all material respects.

The costs associated with implementing and complying with environmental requirements can be substantial and possible future legislation and regulations could cause us to incur additional operating expenses, capital expenditures, restrictions and delays in developing or conducting operations on our properties, including the I-M Mine Property, the extent of which cannot be predicted with any certainty.

Results of Operations

For the Periods Ended January 31, 2023 and 2022

The Company's operating results for the periods ended January 31, 2023 and 2022 are summarized as follows:

	Three months ended January 31, 2023	Three months ended January 31, 2022	Six months ended January 31, 2023	Six months ended January 31, 2022
EXPENSES				
Accretion expense	$ 28,963	$ 28,963	$ 57,926	$ 57,926
Consulting	$ 172,686	141,233	278,256	270,746
Directors' fees	$ 20,000	20,000	40,000	40,000
Filing and regulatory	$ 24,782	9,626	33,332	16,156
Foreign exchange loss	$ 24,522	25,439	65,480	32,338
General and administrative	$ 37,914	107,901	118,797	214,624
Geological, mineral, and prospect costs	$ 113,618	204,035	237,607	258,559
Interest expense	$ 112,363	91,125	210,178	123,248
Professional fees	$ 70,033	113,124	224,129	236,824
Promotion and shareholder communication	$ 77,371	51,044	85,319	58,407
Salaries	$ 33,750	33,750	67,500	67,500
Loss	$ (716,002)	$ (826,240)	$ (1,418,524)	$ (1,376,328)
Gain (loss) on fair value adjustment on derivative liability	(746,509)	(272,421)	(728,525)	64,672
Other income	1,033	14,212	1,033	14,907
Net loss and comprehensive loss for the period	$ (1,461,478)	$ (1,084,449)	$ (2,146,016)	$ (1,296,749)
Basic and diluted loss per common share	$ (0.02)	$ (0.03)	$ (0.04)	$ (0.05)
Weighted average number of common shares outstanding (basic and diluted)	32,837,257	32,787,798	32,837,257	26,868,410

Liquidity and Capital Resources

<u>Working Capital</u>

	At January 31, 2023	At July 31, 2022	At July 31, 2021
Current Assets	$ 2,133,238	$ 986,577	$ 1,156,426
Current Liabilities	$ 872,603	$ 349,960	$ 199,902
Working Capital	$ 1,260,635	$ 636,617	$ 956,524

<u>Cash Flows</u>

	For the six-month period ended January 31, 2023	For the six-month period ended January 31, 2022
Net Cash used in Operating Activities	$ (493,809)	$ (1,238,580)
Net Cash used in Investing Activities	$ -	$ -
Net Cash provided by Financing Activities	$ 1,821,970	$ 2,392,998
Net increase in Cash During the Period	$ 1,328,161	$ 1,154,418

As of January 31, 2023, the Company had $1,800,079 in cash, $2,133,238 in current assets, $6,882,292 in total assets, $872,603 in current liabilities and $2,735,069 in non-current liabilities, a working capital of $1,260,635 and an accumulated deficit of $25,154,620.

During the six-month period ended January 31, 2023, the Company used $493,809 (2022 - $1,238,580) in net cash on operating activities. The difference in net cash used in operating activities during the two periods was largely due to the lower net loss for the most recent period as a result of the revaluation adjustment of the derivative liability.

The Company had no investing activities during the six-month periods ending January 31, 2023 (January 31, 2022 - $Nil).

The Company received net cash of $1,821,970 (2022 - $2,392,998) from financing activities related to the private placement during the six-month periods ending January 31, 2023.

The Company expects to operate at a loss for at least the next 12 months. It has no agreements for additional financing and cannot provide any assurance that additional funding will be available to finance its operations on acceptable terms in order to enable it to carry out its business plan. There are no assurances that the Company will be able to complete further sales of its common stock or any other form of additional financing. If the Company is unable to achieve the financing necessary to continue its plan of operations, then it will not be able to carry out any exploration work on the Idaho-Maryland Property or the other properties in which it owns an interest and its business may fail. As such, these material uncertainties cast a substantial doubt regarding the Company’s ability to continue as a going concern.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

The Securities and Exchange Commission (the "SEC") defines the term "disclosure controls and procedures" to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Report, management of the Company carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, management concluded that the Company's disclosure controls and procedures were not effective as of January 31, 2023 because a material weakness in internal control over financial reporting existed as of that date as a result of a lack of segregation of incompatible duties due to insufficient personnel.

A material weakness is a deficiency or a combination of control deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

Until the Company is able to have the proper staff in place, it likely will not be able to remediate this material weakness.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the period ended January 31, 2023 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Not applicable.

ITEM 1A. RISK FACTORS.

Risks Related to Our Business

Our business, financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action.

In late February 2022, Russia launched a large scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including the United States. In response to the military action by Russia, various countries, including the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia. Such sanctions included, among other things, a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs; a commitment by certain countries and the European Union to remove selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications, or SWIFT, the electronic banking network that connects banks globally; a ban of oil imports from Russia to the United States; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. Additional sanctions may be imposed in the future. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining, engineering and defense and defense-related materials sectors; result in a decline in the value and liquidity of Russian securities; result in boycotts, tariffs, and purchasing and financing restrictions on Russia's government, companies and certain individuals; weaken the value of the ruble; downgrade the country's credit rating; freeze Russian securities and/or funds invested in prohibited assets and impair the ability to trade in Russian securities and/or other assets; and have other adverse consequences on the Russian government, economy, companies and region. Further, several large corporations and U.S. states have announced plans to divest interests or otherwise curtail business dealings with certain Russian businesses.

The ramifications of the hostilities and sanctions may not be limited to Russia, Ukraine and Russian and Ukrainian companies and may spill over to and negatively impact other regional and global economic markets (including Europe and the United States), companies in other countries (particularly those that have done business with Russia and Ukraine) and on various sectors, industries and markets for securities and commodities globally, such as oil and natural gas. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets, industries, and companies. In addition, Russia may take retaliatory actions and other countermeasures, including cyberattacks and espionage against other countries and companies around the world, which may negatively impact such countries and companies.

The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted.

While we expect any direct impacts to our business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect our business and may make it more difficult for us to raise equity or debt financing.

In addition, the impact of other current macro-economic factors on our business, which may be exacerbated by the war in Ukraine – including inflation, supply chain constraints and geopolitical events – is uncertain.

Our business and operations were affected by the COVID-19 pandemic and may, in the future, be materially and adversely impacted by pandemics, epidemics and other health emergencies.

Our business faces risks related to health pandemics, epidemics, and other outbreaks of communicable diseases, which could significantly disrupt our operations and adversely affect our business and financial condition. The global COVID-19 pandemic has had major impacts on the world and on our industry, and COVID-19 and its variants present ongoing risks and challenges that could continue to impact our business. Future efforts to control the resurgence and spread of COVID-19 or the spread of other pandemics and health emergencies could disrupt the development of our I-M Mine Property as well as any other mining exploration activities and projects we may undertake in the future.

Our ability to continue to operate as a going concern depends on our ability to obtain adequate financing in the future.

The ability of the Company to continue as a going concern is dependent on the Company's ability to maintain continued support from its shareholders and creditors and to raise additional capital and implement its business plan.

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 advantageous to the Company. However, management believes that the Company has sufficient working capital to meet its projected minimum financial obligations for the next fiscal year. The accompanying financial statements have been prepared under the assumption that we will continue as a going concern. We are an exploration stage company and we have incurred losses since our inception.

We will require significant additional capital to fund our business plan.

We will be required to expend significant funds to determine whether proven and probable mineral reserves exist at our properties, to continue exploration and, if warranted, to develop our existing properties, and to identify and acquire additional properties to diversify our property portfolio. We anticipate that we will be required to make substantial capital expenditures for the continued exploration and, if warranted, development of our I-M Mine Property. We have spent and will be required to continue to expend significant amounts of capital for drilling, geological, and geochemical analysis, assaying, permitting, and feasibility studies with regard to the results of our exploration at our I-M Mine Property. We may not benefit from some of these investments if we are unable to identify commercially exploitable mineral reserves.

Our ability to obtain necessary funding for these purposes, in turn, depends upon a number of factors, including the status of the national and worldwide economy and the price of metals. Capital markets worldwide were adversely affected by substantial losses by financial institutions, caused by investments in asset-backed securities and remnants from those losses continue to impact the ability for us to raise capital. We may not be successful in obtaining the required financing or, if we can obtain such financing, such financing may not be on terms that are favorable to us.

Our inability to access sufficient capital for our operations could have a material adverse effect on our financial condition, results of operations, or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on our ownership or share structure. Sales of a large number of shares of our common stock in the public markets, or the potential for such sales, could decrease the trading price of those shares and could impair our ability to raise capital through future sales of common stock. We have not yet commenced commercial production at any of our properties and, therefore, have not generated positive cash flows to date and have no reasonable prospects of doing so unless successful commercial production can be achieved at our I-M Mine Property. We expect to continue to incur negative investing and operating cash flows until such time as we enter into successful commercial production. This will require us to deploy our working capital to fund such negative cash flow and to seek additional sources of financing. There is no assurance that any such financing sources will be available or sufficient to meet our requirements. There is no assurance that we will be able to continue to raise equity capital or to secure additional debt financing, or that we will not continue to incur losses.

We have a limited operating history on which to base an evaluation of our business and prospects.

Since our inception, we have had no revenue from operations. We have no history of producing products from any of our properties. Our I-M Mine Project is a historic, past-producing mine with apart from the exploration work that we have completed since 2016 has had very little recent exploration work since 1956. We would require further exploration work in order to reach the development stage. Advancing our I-M Mine Property into the development stage will require significant capital and time, and successful commercial production from the I-M Mine Property will be subject to completing feasibility studies, permitting and re-commissioning of the mine, constructing processing plants, and other related works and infrastructure. As a result, we are subject to all of the risks associated with developing and establishing new mining operations and business enterprises including:

- completion of feasibility studies to verify reserves and commercial viability, including the ability to find sufficient ore reserves to support a commercial mining operation;
- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, permitting and construction of infrastructure, mining and processing facilities;
- the availability and costs of drill equipment, exploration personnel, skilled labor, and mining and processing equipment, if required;
- the availability and cost of appropriate smelting and/or refining arrangements, if required;
- compliance with stringent environmental and other governmental approval and permit requirements;
- the availability of funds to finance exploration, development, and construction activities, as warranted;
- potential opposition from non-governmental organizations, local groups or local inhabitants that may delay or prevent development activities;
- potential increases in exploration, construction, and operating costs due to changes in the cost of fuel, power, materials, and supplies; and
- potential shortages of mineral processing, construction, and other facilities related supplies.

The costs, timing, and complexities of exploration, development, and construction activities may be increased by the location of our properties and demand by other mineral exploration and mining companies. It is common in exploration programs to experience unexpected problems and delays during drill programs and, if commenced, development, construction, and mine start-up. In addition, our management and workforce will need to be expanded, and sufficient support systems for our workforce will have to be established. This could result in delays in the commencement of mineral production and increased costs of production. Accordingly, our activities may not result in profitable mining operations and we may not succeed in establishing mining operations or profitably producing metals at any of our current or future properties, including our I-M Mine Property.

We have a history of losses and expect to continue to incur losses in the future.

We have incurred losses since inception, have had negative cash flow from operating activities, and expect to continue to incur losses in the future. We have incurred the following losses from operations during each of the following periods:

- $3,464,127 for the year ended July 31, 2022
- $1,603,878 for the year ended July 31, 2021
- $5,471,535 for the year ended July 31, 2020

We expect to continue to incur losses unless and until such time as one of our properties enters into commercial production and generates sufficient revenues to fund continuing operations. We recognize that if we are unable to generate significant revenues from mining operations and/or dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses, and difficulties frequently encountered by companies at the start-up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition.

Risks Related to Mining and Exploration

The I-M Mine Property is in the exploration stage. There is no assurance that we can establish the existence of any mineral reserve on the I-M Mine Property or any other properties we may acquire in commercially exploitable quantities. Unless and until we do so, we cannot earn any revenues from these properties and if we do not do so we will lose all of the funds that we expend on exploration. If we do not discover any mineral reserve in a commercially exploitable quantity, the exploration component of our business could fail.

We have not established that any of our mineral properties contain any mineral reserve according to recognized reserve guidelines, nor can there be any assurance that we will be able to do so.

A mineral reserve is defined in subpart 1300 of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act") and the Exchange Act ("Subpart 1300") as an estimate of tonnage and grade or quality of "indicated mineral resources" and "measured mineral resources" (as those terms are defined in Subpart 1300) that, in the opinion of a "qualified person" (as defined in Subpart 1300), can be the basis of an economically viable project. In general, the probability of any individual prospect having a “reserve” that meets the requirements of Subpart 1300 is small, and our mineral properties may not contain any “reserves” and any funds that we spend on exploration could be lost. Even if we do eventually discover a mineral reserve on one or more of our properties, there can be no assurance that they can be developed into producing mines and that we can extract those minerals. Both mineral exploration and development involve a high degree of risk, and few mineral properties that are explored are ultimately developed into producing mines.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade, and other attributes of the mineral deposit, the proximity of the mineral deposit to infrastructure such as processing facilities, roads, rail, power, and a point for shipping, government regulation, and market prices. Most of these factors will be beyond our control, and any of them could increase costs and make extraction of any identified mineral deposit unprofitable.

The nature of mineral exploration and production activities involves a high degree of risk and the possibility of uninsured losses.

Exploration for and the production of minerals is highly speculative and involves greater risk than many other businesses. Most exploration programs do not result in mineralization that may be of sufficient quantity or quality to be profitably mined. Our operations are, and any future development or mining operations we may conduct will be, subject to all of the operating hazards and risks normally incidental to exploring for and development of mineral properties, such as, but not limited to:

- economically insufficient mineralized material;
- fluctuation in production costs that make mining uneconomical;
- labor disputes;
- unanticipated variations in grade and other geologic problems;
- environmental hazards;
- water conditions;
- difficult surface or underground conditions;
- industrial accidents;
- metallurgic and other processing problems;
- mechanical and equipment performance problems;
- failure of dams, stockpiles, wastewater transportation systems, or impoundments;
- unusual or unexpected rock formations; and
- personal injury, fire, flooding, cave-ins and landslides.

Any of these risks can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures, potential revenues, and production dates. If we determine that capitalized costs associated with any of our mineral interests are not likely to be recovered, we would incur a write-down of our investment in these interests. All of these factors may result in losses in relation to amounts spent that are not recoverable, or that result in additional expenses.

Commodity price volatility could have dramatic effects on the results of operations and our ability to execute our business plan.

The price of commodities varies on a daily basis. Our future revenues, if any, will likely be derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond our control including economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global and regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of our business, could negatively affect our ability to secure financing or our results of operations.

Estimates of mineralized material and resources are subject to evaluation uncertainties that could result in project failure.

Our exploration and future mining operations, if any, are and would be faced with risks associated with being able to accurately predict the quantity and quality of mineralized material and resources/reserves within the earth using statistical sampling techniques. Estimates of any mineralized material or resource/reserve on any of our properties would be made using samples obtained from appropriately placed trenches, test pits, underground workings, and intelligently designed drilling. There is an inherent variability of assays between check and duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. Additionally, there also may be unknown geologic details that have not been identified or correctly appreciated at the current level of accumulated knowledge about our properties. This could result in uncertainties that cannot be reasonably eliminated from the process of estimating mineralized material and resources/reserves. If these estimates were to prove to be unreliable, we could implement an exploitation plan that may not lead to commercially viable operations in the future.

Any material changes in mineral resource/reserve estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital.

As we have not completed feasibility studies on our I-M Mine Property and have not commenced actual production, we do not have mineralization resources and any estimates may require adjustments or downward revisions. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by future feasibility studies and drill results. Minerals recovered in small scale tests may not be duplicated in large scale tests under on-site conditions or in production scale.

Our exploration activities on our properties may not be commercially successful, which could lead us to abandon our plans to develop our properties and our investments in exploration.

Our long-term success depends on our ability to identify mineral deposits on our I-M Mine Property and other properties we may acquire, if any, that we can then develop into commercially viable mining operations. Mineral exploration is highly speculative in nature, involves many risks, and is frequently non-productive. These risks include unusual or unexpected geologic formations, and the inability to obtain suitable or adequate machinery, equipment, or labor. The success of commodity exploration is determined in part by the following factors:

- the identification of potential mineralization;
- availability of government-granted exploration permits;
- the quality of our management and our geological and technical expertise; and
- the capital available for exploration and development work.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis, to develop metallurgical processes to extract metal, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Whether a mineral deposit will be commercially viable depends on a number of factors that include, without limitation, the particular attributes of the deposit, such as size, grade, and proximity to infrastructure; commodity prices; and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. We may invest significant capital and resources in exploration activities and may abandon such investments if we are unable to identify commercially exploitable mineral reserves. The decision to abandon a project may have an adverse effect on the market value of our securities and the ability to raise future financing.

We are subject to significant governmental regulations that affect our operations and costs of conducting our business and may not be able to obtain all required permits and licenses to place our properties into production.

Our current and future operations, including exploration and, if warranted, development of the I-M Mine Property, do and will require permits from governmental authorities and will be governed by laws and regulations, including:

- laws and regulations governing mineral concession acquisition, prospecting, development, mining, and production;
- laws and regulations related to exports, taxes, and fees;

- labor standards and regulations related to occupational health and mine safety; and
- environmental standards and regulations related to waste disposal, toxic substances, land use reclamation, and environmental protection.

Companies engaged in exploration activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits. Failure to comply with applicable laws, regulations, and permits may result in enforcement actions, including the forfeiture of mineral claims or other mineral tenures, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or costly remedial actions. We cannot predict if all permits that we may require for continued exploration, development, or construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms, if at all. Costs related to applying for and obtaining permits and licenses may be prohibitive and could delay our planned exploration and development activities. We may be required to compensate those suffering loss or damage by reason of our mineral exploration or our mining activities, if any, and may have civil or criminal fines or penalties imposed for violations of, or our failure to comply with, such laws, regulations, and permits.

Existing and possible future laws, regulations, and permits governing operations and activities of exploration companies, or more stringent implementation of such laws, regulations and permits, could have a material adverse impact on our business and cause increases in capital expenditures or require abandonment or delays in exploration. Our I-M Mine Property is located in California, which has numerous clearly defined regulations with respect to permitting mines, which could potentially impact the total time to market for the project.

Subsurface mining is allowed in the Nevada County M1 Zoning District, where the I-M Mine Property is located, with approval of a "Use Permit". Approval of a Use Permit for mining operations requires a public hearing before the County Planning Commission, whose decision may be appealed to the County Board of Supervisors ("County Board"). Use Permit approvals include conditions of approval, which are designed to minimize the impact of conditional uses on neighboring properties.

On November 21, 2019 we submitted an application for a Use Permit to Nevada County (the "County"). On April 28, 2020, with a vote of 5-0, the County Board approved the contract for Raney Planning & Management Inc. to prepare an Environmental Impact Report and conduct contract planning services on behalf of the County for the proposed I-M Mine Project.

The Use Permit application proposes underground mining to recommence at the I-M Mine Property at an average throughput of 1,000 tons per day. The existing Brunswick Shaft, which extends to ~3400 feet depth below surface, would be used as the primary rock conveyance from the I-M Mine Property. A second service shaft would be constructed by raising from underground to provide for the conveyance of personnel, materials, and equipment. Processing would be done by gravity and flotation to produce gravity and flotation gold concentrates.

We propose to produce barren rock from underground tunneling and sand tailings as part of the project which would be used for creation of approximately 58 acres of level and useable industrial zoned land for future economic development in Nevada County. A water treatment plant and pond, using conventional processes, would ensure that groundwater pumped from the mine is treated to regulatory standards before being discharged to the local waterways. There is no assurance our Use Permit application will be accepted as submitted. If substantial revisions are required, our ability to execute our business plan will be further delayed.

In 1975, the California Legislature enacted the Surface Mining and Reclamation Act ("SMARA"), which required that all surface mining operations in California have approved reclamation plans and financial assurances. SMARA was adopted to ensure that land used for mining operations in California would be reclaimed post-mining to a useable condition. Pursuant to SMARA, we would be required to obtain approval of a Reclamation Plan from and provide financial assurances to the County for any surface component of the underground mining operation before mining operations could commence. Approval of a Reclamation Plan will require a public hearing before the County Planning Commission.

To approve a Reclamation Plan and Use Permit, the County would need to satisfy the requirements of California Environmental Quality Act ("CEQA"). CEQA requires that public agency decision makers study the environmental impacts of any discretionary action, disclose the impacts to the public, and minimize unavoidable impacts to the extent feasible. CEQA is triggered whenever a California governmental agency is asked to approve a "discretionary project". The approval of a Reclamation Plan is a "discretionary project" under CEQA. Other necessary ancillary permits like the California Department of Fish and Wildlife ("CDFW") Streambed Alteration Agreement (if applicable) also triggers CEQA compliance.

In this situation, the lead agency for the purposes of CEQA would be the County. Other public agencies in charge of administering specific legislation will also need to approve aspects of the Project, such as the CDFW (the California Endangered Species Act), the Air Pollution Control District (Authority to Construct and Permit to Operate), and the Regional Water Quality Control Board (National Pollutant Discharge Elimination System (authorized to state governments by the US Environmental Protection Agency) and Report of Waste Discharge). However, CEQA's Guidelines provide that if more than one agency must act on a project, the agency that acts first is generally considered the lead agency under CEQA. All other agencies are considered "responsible agencies." Responsible agencies do need to consider the environmental document approved by the lead agency, but they will usually accept the lead agency's document and use it as the basis for issuing their own permits. There is no assurance that other agencies will not require additional assessments in their decision-making process. If such assessments are required, additional time and costs will delay the execution of, and may even require us to re-evaluate the feasibility of, our business plan.

Our activities are subject to environmental laws and regulations that may increase our costs of doing business and restrict our operations.

All phases of our operations are subject to environmental regulation in the jurisdictions in which we operate. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Compliance with environmental laws and regulations, and future changes in these laws and regulations, may require significant capital outlays and may cause material changes or delays in our operations and future activities. It is possible that future changes in these laws or regulations could have a significant adverse impact on our properties or some portion of our business, causing us to re-evaluate those activities at that time.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on our business.

A number of governments or governmental bodies have introduced or are contemplating legislative and/or regulatory changes in response to concerns about the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on us, on our future venture partners, if any, and on our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs necessary to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the emotional and political significance and uncertainty surrounding the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation will ultimately affect our financial condition, operating performance, and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain, could be particular to the geographic circumstances in areas in which we operate and may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels, and changing temperatures. These impacts may adversely impact the cost, production, and financial performance of our operations.

Land reclamation requirements for our properties may be burdensome and expensive.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance.

Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents;
- treat ground and surface water to drinking water standards; and
- reasonably re-establish pre-disturbance landforms and vegetation.

In order to carry out reclamation obligations imposed on us in connection with our potential development activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. We plan to set up a provision for our reclamation obligations on our properties, as appropriate, but this provision may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected.

We face intense competition in the mining industry.

The mining industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large established mining companies with substantial capabilities and with greater financial and technical resources than ours, we may be unable to acquire additional properties, if any, or financing on terms we consider acceptable. We also compete with other mining companies in the recruitment and retention of qualified managerial and technical employees. If we are unable to successfully compete for qualified employees, our exploration and development programs may be slowed down or suspended. We compete with other companies that produce our planned commercial products for capital. If we are unable to raise sufficient capital, our exploration and development programs may be jeopardized or we may not be able to acquire, develop, or operate additional mining projects.

A shortage of equipment and supplies could adversely affect our ability to operate our business.

We are dependent on various supplies and equipment to carry out our mining exploration and, if warranted, development operations. Any shortage of such supplies, equipment, and parts could have a material adverse effect on our ability to carry out our operations and could therefore limit, or increase the cost of, production.

Joint ventures and other partnerships, including offtake arrangements, may expose us to risks.

We may enter into joint ventures, partnership arrangements, or offtake agreements, with other parties in relation to the exploration, development, and production of the properties in which we have an interest. Any failure of such other companies to meet their obligations to us or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on us, the development and production at our properties, including the I-M Mine Property, and on future joint ventures, if any, or their properties, and therefore could have a material adverse effect on our results of operations, financial performance, cash flows and the price of our common stock.

We may experience difficulty attracting and retaining qualified management to meet the needs of our anticipated growth, and the failure to manage our growth effectively could have a material adverse effect on our business and financial condition.

We are dependent on a relatively small number of key employees, including our Chief Executive Officer and Chief Financial Officer. The loss of any officer could have an adverse effect on us. We have no life insurance on any individual, and we may be unable to hire a suitable replacement for them on favorable terms, should that become necessary.

Our results of operations could be affected by currency fluctuations.

Our properties are currently all located in the United States and while most costs associated with these properties are paid in U.S. dollars, a significant amount of our administrative expenses are payable in Canadian dollars. There can be significant swings in the exchange rate between the U.S. dollar and the Canadian dollar. There are no plans at this time to hedge against any exchange rate fluctuations in currencies.

Title to our properties may be subject to other claims that could affect our property rights and claims.

There are risks that title to our properties may be challenged or impugned. Our I-M Mine Property is located in California and may be subject to prior unrecorded agreements or transfers and title may be affected by undetected defects.

We may be unable to secure surface access or purchase required surface rights.

Although we obtain the rights to some or all of the minerals in the ground subject to the mineral tenures that we acquire, or have the right to acquire, in some cases we may not acquire any rights to, or ownership of, the surface to the areas covered by such mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities; however, the enforcement of such rights through the courts can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to carry on mining activities, we will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore we may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, we may need to rely on the assistance of local officials or the courts in such jurisdiction the outcomes of which cannot be predicted with any certainty. Our inability to secure surface access or purchase required surface rights could materially and adversely affect our timing, cost, or overall ability to develop any mineral deposits we may locate.

Our properties and operations may be subject to litigation or other claims.

From time to time our properties or operations may be subject to disputes that may result in litigation or other legal claims. We may be required to take countermeasures or defend against these claims, which will divert resources and management time from operations. The costs of these claims or adverse filings may have a material effect on our business and results of operations.

We do not currently insure against all the risks and hazards of mineral exploration, development, and mining operations.

Exploration, development, and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities, or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses, and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. We may elect not to insure where premium costs are disproportionate to our perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Risks Related to Our Common Stock

Our share price may be volatile and as a result you could lose all or part of your investment.

In addition to volatility associated with equity securities in general, the value of your investment could decline due to the impact of any of the following factors upon the market price of our common stock:

- Disappointing results from our exploration efforts;
- Decline in demand for our common stock;
- Downward revisions in securities analysts' estimates or changes in general market conditions;
- Technological innovations by competitors or in competing technologies;
- Investor perception of our industry or our prospects; and
- General economic trends.

Our share price on the CSE and the OTCQX has experienced significant price and volume fluctuations. Stock markets in general have experienced extreme price and volume fluctuations, and the market prices of securities have been highly volatile. These fluctuations are often unrelated to operating performance and may adversely affect the market price of the Shares. As a result, you may be unable to sell any Shares you acquire at a desired price.

We have never paid dividends on our common stock.

We have not paid dividends on our common stock to date, and we do not expect to pay dividends for the foreseeable future. We intend to retain our initial earnings, if any, to finance our operations. Any future dividends on common stock will depend upon our earnings, our then-existing financial requirements, and other factors, and will be at the discretion of the Board.

Investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share of common stock if we issue additional employee/director/consultant options or if we sell additional common stock and/or warrants to finance our operations.

In order to further expand our operations and meet our objectives, any additional growth and/or expanded exploration activity will likely need to be financed through sale of and issuance of additional common stock, including, but not limited to, raising funds to explore the I-M Mine Property. Furthermore, to finance any acquisition activity, should that activity be properly approved, and depending on the outcome of our exploration programs, we likely will also need to issue additional common stock to finance future acquisitions, growth, and/or additional exploration programs of any or all of our projects or to acquire additional properties. We will also in the future grant to some or all of our directors, officers, and key employees and/or consultants options to purchase common stock as non-cash incentives. The issuance of any equity securities could, and the issuance of any additional common stock will, cause our existing stockholders to experience dilution of their ownership interests.

If we issue additional common stock or decide to enter into joint ventures with other parties in order to raise financing through the sale of equity securities, investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share of common stock depending on the price at which such securities are sold.

The issuance of additional shares of common stock may negatively impact the trading price of our securities.

We have issued common stock in the past and will continue to issue common stock to finance our activities in the future. In addition, newly issued or outstanding options, warrants, and broker warrants to purchase common stock may be exercised, resulting in the issuance of additional common stock. Any such issuance of additional common stock would result in dilution to our stockholders, and even the perception that such an issuance may occur could have a negative impact on the trading price of the common stock.

We are subject to the continued listing criteria of the CSE, and our failure to satisfy these criteria may result in delisting of our common stock from the CSE.

Our common stock is currently listed for trading on the CSE. In order to maintain the listing on the CSE or any other securities exchange we may trade on, we must maintain certain financial and share distribution targets, including maintaining a minimum number of public shareholders. In addition to objective standards, these exchanges may delist the securities of any issuer if, in the exchange's opinion, our financial condition and/or operating results appear unsatisfactory; if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing inadvisable; if we sell or dispose of our principal operating assets or cease to be an operating company; if we fail to comply with the listing requirements; or if any other event occurs or any condition exists which, in their opinion, makes continued listing on the exchange inadvisable.

If the CSE or any other exchange or market were to delist the common stock, investors may face material adverse consequences, including, but not limited to, a lack of trading market for the common stock, reduced liquidity, decreased analyst coverage, and/or an inability for us to obtain additional financing to fund our operations.

We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds $700 million as of any July 31 before that time, in which case we would no longer be an emerging growth company as of the following January 31. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The Company made no unregistered sales of securities during the quarter covered by this report that have not previously been disclosed on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The following exhibits are filed herewith:

3.1	Articles of Incorporation, as amended through March 29, 2017 (1)
3.2	Certificate of Change made effective December 16, 2019 (2)
3.3	Certificate of Amendment dated September 18, 2020 (2)
3.4	Bylaws (3)
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance File
101.SCH	XBRL Taxonomy Schema Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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(1) Included as an exhibit to our registration statement on Form S-1 filed on September 5, 2017 and incorporated herein by reference.

(2) Included as an exhibit to our Form 10-K annual report filed on October 29, 2020 and incorporated herein by reference.

(3) Included as an exhibit to our registration statement on Form S-1 filed on February 19, 2008 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

By: */s/ Benjamin Mossman*

Benjamin Mossman
Chief Executive Officer and President
(Principal Executive Officer)

By: */s/ Vincent Boon*

Vincent Boon
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Date March 17, 2023