ACME Lithium Inc

ACME LITHIUM INC.

CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

(In Canadian dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
ACME Lithium Inc.

Opinion

We have audited the accompanying consolidated financial statements of ACME Lithium Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2022 and 2021 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
January 24, 2023

ACME LITHIUM INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022 AND 2021
(Expressed in Canadian dollars)

	Notes	September 30, 2022	September 30, 2021
ASSETS			
Current assets			
Cash and cash equivalents		**$ 9,816,956**	$ 2,802,252
GST receivable		**61,030**	16,122
Prepaid expenses	4	**107,393**	178,707
		9,985,379	2,997,081
Prepaids and deposits	4	**210,165**	-
Property and equipment	5	**181,904**	-
Exploration and evaluation properties	6	**3,792,216**	945,699
Total assets		**$ 14,169,664**	$ 3,942,780
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**$ 246,258**	$ 202,334
Due to related parties	10	**93,705**	47,923
Flow-through premium liability	12	**594,615**	-
Total liabilities		**934,578**	250,257
Shareholders' equity			
Share capital	7	**15,219,436**	4,810,051
Subscription receivable	7	**-**	(48,000)
Reserves	8,9	**3,194,116**	822,744
Accumulated other comprehensive income		**237,801**	-
Deficit		**(5,416,267)**	(1,892,272)
Total shareholders' equity		**13,235,086**	3,692,523
Total shareholders' equity and liabilities		**$ 14,169,664**	**$ 3,942,780**

Nature and continuation of operations *(Note 1)*
Commitments *(Note 17)*
Subsequent events *(Note 20)*

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON JANUARY 24, 2023

/s/ Vivian Katsuris
Vivian Katsuris, Director

/s/ Ioannis Tsitos
Ioannis Tsitos, Director

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

ACME LITHIUM INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2022, AND 2021
(Expressed in Canadian dollars)

	Notes	September 30, 2022	September 30, 2021
Operating expenses			
Accounting	10	$ 90,024	$ 39,015
Conference and seminars		120,357	-
Corporate development		87,790	-
Depreciation	5	17,495	-
Director fees	10	7,500	-
Interest expense		927	6,824
Investor relations		96,076	15,885
Legal fees		53,695	92,236
Management fees	10	287,750	94,500
Marketing		1,060,693	122,278
Office and general		44,758	27,594
Property investigation		42,812	-
Regulatory and filing fees		78,584	121,732
Rent	3	36,000	23,500
Share-based compensation	8,10	2,108,191	822,744
Travel		37,476	4,797
		(4,170,128)	(1,371,105)
Amalgamation expense	7	-	(63,300)
Flow-through recovery	12	157,054	-
Foreign exchange loss		(3,619)	(5,508)
Gain on sale of royalty	6	684,352	-
Impairment loss	6	(253,528)	-
Interest income		61,874	1,995
Loss from continuing operations		(3,523,995)	(1,437,918)
Income from discontinued operations	18	-	820,461
Other comprehensive income:			
Foreign currency translation gain		237,801	-
Loss and comprehensive loss for the year		$ (3,286,194)	$ (617,457)
Weighted average number of shares – basic		45,985,574	22,646,320
Weighted average number of shares – diluted		45,985,574	36,024,305
Loss per share from continuing operations – basic and diluted		(0.07)	(0.06)
Earnings per share from discontinued operations - basic		-	0.04
Earnings per share from discontinued operations - diluted		-	0.02

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

ACME LITHIUM INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2022, AND 2021
(Expressed in Canadian dollars)

	SHARE CAPITAL						
	Number of shares	Amount	Reserves	Subscriptions receivable	Accumulated other comprehensive income	Deficit	Total
Balances, September 30, 2020	**613,646**	**$ 269,997**	**$ -**	**$ -**	**$ -**	**$(1,274,815)**	**$(1,004,818)**
Shares issued for:							
Private placement	19,334,167	3,922,667	-	-	-	-	3,922,667
Amalgamation	14,960,001	448,800	-	-	-	-	448,800
Mineral Properties	850,000	303,000	-	-	-	-	303,000
Shares issued to finders	490,000	14,700	-	-	-	-	14,700
Share issuance costs	-	(197,113)	-	-	-	-	(197,113)
Share-based compensation	-	-	822,744	-	-	-	822,744
Warrants exercised	80,000	48,000	-	(48,000)	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	-	(617,457)	(617,457)
Balances, September 30, 2021	**36,327,814**	**$ 4,810,051**	**$ 822,744**	**$ (48,000)**	**$ -**	**$(1,892,272)**	**$ 3,692,523**
Shares issued for:							
Private placement	8,772,628	9,689,309	-	48,000	-	-	9,737,309
Mineral Properties	750,000	855,000	-	-	-	-	855,000
Finder's warrants	-	(89,407)	89,407	-	-	-	-
Flow through premium liability	-	(751,669)	-	-	-	-	(751,669)
Residual value of warrants issued	-	(173,774)	173,774	-	-	-	-
Share issuance costs	-	(257,449)	-	-	-	-	(257,449)
Shares issued for warrants exercised	7,645,625	1,137,375	-	-	-	-	1,137,375
Share-based compensation	-	-	2,108,191	-	-	-	2,108,191
Net loss and comprehensive loss for the year	-	-	-	-	237,801	(3,523,995)	(3,286,194)
Balances, September 30, 2022	**53,496,067**	**$15,219,436**	**$3,194,116**	**$ -**	**$ 237,801**	**$(5,416,267)**	**$13,235,086**

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

ACME LITHIUM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in Canadian dollars)

	September 30, 2022		September 30, 2021	
OPERATING ACTIVITIES				
Net loss for the year	**$**	**(3,523,995)**	$	(1,437,918)
Adjustments for:				
Amalgamation expense		**-**		63,300
Depreciation		**17,495**		-
Flow-through recovery		**(157,054)**		-
Gain on sale of royalty		**(684,352)**		-
Interest on promissory note payable		**-**		4,049
Impairment loss		**253,528**		-
Share-based compensation		**2,108,191**		822,744
Changes in non-cash working capital items:				
Accounts receivable		**(44,908)**		(14,087)
Prepaid expenses		**(62,369)**		(178,707)
Accounts payable and accrued liabilities		**137,509**		149,708
Cash used in operating activities		**(1,955,955)**		(590,911)
INVESTING ACTIVITIES				
Acquisition costs		**-**		(303,947)
Acquisition of machinery and equipment		**(199,399)**		-
Sale of intangible asset		**-**		1
Exploration and evaluation expenditures		**(2,268,072)**		(338,752)
Advances for exploration expenses		**(76,482)**		-
Sale of GOR royalty		**833,526**		-
Transaction costs		**-**		(15,000)
Cash acquired from amalgamation		**-**		358,500
Cash used in investing activities		**(1,710,427)**		(299,198)
FINANCING ACTIVITIES				
Proceeds from issuance of common shares		**10,874,684**		3,922,667
Proceeds from loan		**-**		42,000
Share issuance costs		**(257,449)**		(182,413)
Repayment of due to Kona Bay		**-**		(80,000)
Repayment of shareholder loan		**-**		(12,800)
Cash provided by financing activities		**10,617,235**		3,689,454
Change in cash and cash equivalents in the year		**6,950,853**		2,799,345
Effect of foreign exchange rate in cash		**63,851**		-
Cash and cash equivalents, beginning of year		**2,802,252**		2,907
Cash and cash equivalents, end of year	**$**	**9,816,956**	$	2,802,252
Cash	**$**	**2,751,445**	$	2,719,145
Cash equivalents	**$**	**7,065,511**	$	83,107

Supplemental cash flow information *(Note 16)*

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ACME Lithium Inc. (the "Company") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017. On November 23, 2020, the Company changed its name from Hapuna Ventures Inc. to ACME Lithium Inc. and changed its principal business from technology to a mineral exploration company.

The Company's corporate office is located at 318 - 1199 W Pender St, Vancouver, British Columbia, Canada, V6E 2R1 and its registered and records office address is at 2900-733 Seymour Street, Vancouver, British Columbia, Canada V6B 0S6. The Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "ACME" and on the OTCQX Best Market ("OTCQX") under the symbol "ACLHF".

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of natural resource properties located in the State of Nevada, USA, and Manitoba, Canada. To date, no mineral development projects have been completed and no commercial development or production has commenced.

As at September 30, 2022, the Company has not yet determined whether the properties are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company is a reporting issuer in the Province of British Columbia. All public filings for the Company can be found on the SEDAR website www.sedar.com

Background

The Company was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017, as a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay") whose line of business was in technology. By December 19, 2020, the Company had disposed of all of its digital business and related outstanding obligations to an arm-length purchaser.

On December 29, 2020, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with 1281524 B.C. Ltd. ("Subco") and 1266291 B.C. Ltd. ("Fundco") which closed on December 30, 2020. Pursuant to the Amalgamation Agreement, the following occurred: (i) Subco and Fundco amalgamated. (ii) The unit holders of Fundco received an equivalent number of units of the Company; and (iii) The amalgamated Company, "Amalco" became a wholly owned subsidiary of the Company.

Going concern

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at September 30, 2022, the Company had a deficit of $5,416,267 (2021 - $1,892,272) and a working capital of $9,050,801 (2021 –$2,746,824).

As the Company is in early-stage exploration and it does not generate revenues, the continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating commitments as they come due and generating profitable operations in the future. As at September 30, 2022, the Company had sufficient working capital to cover its expenditures over the next 12 months.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

COVID-19

As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19 as the Company's operations are identification of exploration and evaluation assets, and this sector was not impacted by COVID-19 significantly. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on January 24, 2023.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, classified as financial instruments at fair value through profit or loss which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Basis of Consolidation

These financial statements include the accounts of the Company and its subsidiary, ACME Lithium US Inc. ("ACME US"). Effective December 16, 2021, the Company amalgamated with its previously wholly owned subsidiary, 1266291 BC Ltd., and will continue to act as one company under the name ACME Lithium Inc. (the "Amalco"). The financial statements of the Company's subsidiaries have been consolidated from the date that control commenced. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain the benefits from its activities. All intercompany balances and transactions and income and expenses have been eliminated upon consolidation.

2. BASIS OF PREPARATION (continued)

d) Presentation and Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the parent Company. The functional currency of the Company's wholly owned US subsidiary, ACME US, is in US dollars.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates prevailing on the dates of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

For the purpose of presenting financial statements, the assets and liabilities of ACME US are expressed in Canadian dollars using the exchange rates prevailing at the end of each reporting period. The assets and liabilities are translated into Canadian dollars at the spot rate at the date of the statement of financial position. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and reported as a currency translation adjustment in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Critical accounting judgments, estimates and assumptions – The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Judgments

Going concern of operations **-** Management has made the determination that the Company will continue as a going concern for the following year.

Title to exploration assets **-** Although the Company has taken steps to verify title to its exploration properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

Flow-through shares - the Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium.

Estimates

Share-based compensation - Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates (continued)

Finders warrants - Finders warrants are valued using the Black-Scholes option pricing model with assumptions such as volatility, risk free rate, and expected dividend. These assumptions are made based on the conditions prevalent on the date of issuance.

Sale of Royalty - Management's assessments related to the recognition of revenues for arrangements are based on estimates and assumptions. Where deferral of cash consideration in regards to gross revenue royalty agreement is deemed appropriate, subsequent revenue recognition is often determined based on certain assumptions and estimates, the Company's continuing involvement in the arrangement and the benefits expected to be derived by the purchaser.

Impairment of exploration and evaluation assets - The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available.

Deferred income taxes - The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Useful lives of property and equipment – Management exercises professional judgement when determining the useful life and residual values of property and equipment. Management estimates these inputs based on industry standards and previous experience assessing similar capital assets.

Cash and cash equivalents - The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents. As at September 30, 2022, the Company had a total of $Nil held in trust classified as cash equivalents (September 30, 2021 – $83,107).

Property and equipment - On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company.

Property and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

The Company utilizes the straight-line basis method of amortization. The amortization rates applicable to each category of property and equipment are as follows:

Machinery and equipment	straight-line basis	6 years
Furniture and fixtures	straight-line basis	7 years
Vehicle	straight-line basis	5 years

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. The depreciation method, useful life and residual values are assessed annually. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statements of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets - At each statement of financial position date, in accordance with IAS 36 "Impairment of Assets", the Company assesses whether there is any indication that any of those assets have suffered an impairment loss. If any indication exists, the Company estimates the asset's recoverable amount.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the reporting period. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or CGU shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognized and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The recoverable amount is the greater of an asset's or CGU fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Exploration and evaluation assets – Once the legal right to explore a property has been acquired, all expenditures related to acquisition, exploration and evaluation of the properties ("E&E assets") (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production. Costs not directly attributable to exploration and evaluation activities, are expensed in the period in which they occur. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves.

Management assesses carrying values of properties for which events and circumstances may indicate possible impairment on an annual basis. Impairment of a property is generally considered to have occurred if (1) the period for which the entity has the right to explore the area has expired or is not expected to be renewed; (2) substantive expenditures on further exploration is neither budgeted nor planned; (3) exploration has not led to discovery of commercially viable quantities; or (4) the carrying amount is unlikely to be recovered in full from successful development or sale. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written down to profit or loss.

Any option payments received by the Company from third parties or any proceeds received by the Company from the sale of royalties on its properties from third parties are credited to the capitalized cost of the E&E assets. If payments received exceed the capitalized cost of the E&E assets, the excess is recognized as income in the period received.

Restoration and environmental obligations - The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As of September 30, 2022, and 2021, the Company did not have any decommissioning liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital- The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

Finders' warrants - Warrants issued to agents and brokers in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged to share issue costs associated with the offering with an offsetting credit to reserves in shareholders' equity.

Flow-through shares - Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow through share and ii) share capital. Upon eligible exploration expenditures being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds after the end of the first year as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is accrued as flowthrough share tax expense until paid.

Income taxes - Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

The Company provides for income taxes using the liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that management has determined it is probable to be realized.

Revenue recognition - The Company may recognize other income from the sale of royalty interests on its wholly owned exploration properties. In these arrangements, the consideration received is based on a pre-determined fixed fee paid up front and is allocated to the performance obligations in the contracts. Fees associated with the purchase that are collected prior to being earned are recorded as deferred revenues. Revenue is recognized as the performance obligations are satisfied.

Share-based payments - The Company records all share-based payments at their fair value. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is charged to reserves. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The share-based payments costs are charged to operations over the stock option vesting period. Agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to reserves.

Earnings (Loss) per share - The Company uses the treasury stock method in computing earnings (loss) per share. Under this method, basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of in-the-money stock options and warrants. Diluted loss per share excludes all dilutive potential equity instruments if their effect is anti-dilutive.

Financial instruments – The Company determines the classification of its financial instruments at initial recognition. The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial instruments are classified and measured at either:

i. Amortized cost;
ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

<u>Impairment</u>

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Assets carried at amortized cost. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Related party transactions - Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Leases - At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

As at September 30, 2022, the Company recognized $36,000 in short-term leases as rent expense in its statement of loss and comprehensive loss (2021 – $23,500). The rent deposit amount of $24,000 is included in prepaids (2021 – $3,000) (Note 4). Subsequent to year end, the Company entered into a new lease agreement that qualifies under IFRS 16 (Note 17).

New accounting pronouncements - During the year ended September 30, 2022, there are no new standards adopted in the year. The following accounting standards interpretations have been issued but are not yet effective:

IAS 1 –Presentation of Financial Statements ("IAS 1"), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023, with early application permitted. The Company is currently assessing the impact of this amendment on its consolidated financial statements.

(Expressed in Canadian dollars)

4. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses for the years ended September 30, 2022 and 2021 are composed of the following:

		September 30, 2022		September 30, 2021
Advertising and Promotions	**$**	**57,600**	$	157,137
Rent		**24,000**		3,000
Others		**25,793**		18,570
	$	**107,393**	$	178,707

Included in long-term prepaids and deposits is $76,481 in exploration advances (2021 - $nil), prepaid equipment of $103,123 (2021 - $nil), and $30,561 (US$24,197) (2021 - $nil) for a reclamation bond on the Company's Nevada properties. The bond can be refunded upon the faithful performance of the conditions and stipulations as set forth in the bond, the plan of operations and the regulations of the State of Nevada.

5. PROPERTY AND EQUIPMENT

		Machinery and Equipment		**Furniture and fixtures**		**Vehicle**		**Total**
Costs:								
Balance, September 30, 2021 and 2020	$	-	$	-	$	-	$	-
Additions		108,308		22,392		68,699		199,399
Disposal		-		-		-		-
Balance, September 30, 2022	$	108,308	$	22,392	$	68,699	$	199,399
Accumulated depreciation:								
Balance, September 30, 2021 and 2020	$	-	$	-	$	-	$	-
Depreciation		9,026		1,599		6,870		17,495
Balance, September 30, 2022	$	9,026	$	1,599	$	6,870	$	17,495
Net book value:								
September 30, 2021	$	-	$		$	-	$	-
September 30, 2022	**$**	**99,282**	**$**	**20,793**	**$**	**61,829**	**$**	**181,904**

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation expenditures for the year ended September 30, 2022, are as follows:

	Fish Lake Valley, Nevada	Clayton Valley, Nevada	Cat Elucid and Shatford, Manitoba	Birse Lake, Manitoba	Warm Springs, Oregon	Total
Acquisition costs						
Balance, September 30, 2021	$ 71,867	$ 433,947	$ 120,000	-	$ -	$ 625,814
Additions - cash	72,924	64,035	-	20,000	100,334	257,293
Additions - common shares	-	855,000	-	-	-	855,000
Foreign currency translation	3,274	85,561	-	-	-	88,835
Balance, September 30, 2022	**$ 148,065**	**$ 1,438,543**	**$ 120,000**	**$ 20,000**	**$ 100,334**	**$ 1,826,942**
Exploration and evaluation costs						
Balance, September 30, 2021	$ 35,093	$ 257,792	$ 27,000	$ -	$ -	$ 319,885
Consulting	71,418	157,832	162,509	31,004	-	422,763
Geological surveys	29,965	158,821	532,817	35,000	153,194	909,797
Drilling	-	415,612	44,583	-	-	460,195
Maintenance fees	-	30,809	-	-	-	30,809
Reports and administration	1,822	109,564	-	-	-	111,386
Travel	1,098	26,928	-	-	-	28,026
Foreign currency translation	(283)	85,398	-	-	-	85,115
Balance, September 30, 2022	**$ 139,113**	**$ 1,242,756**	**$ 766,909**	**$ 66,004**	**$ 153,194**	**$ 2,367,976**
Impairment	**-**	**-**	**-**	**-**	**(253,528)**	**(253,528)**
Sale of GOR royalty	**-**	**-**	(149,174)	**-**	**-**	**(149,174)**
Total, September 30, 2022	**$ 287,178**	**$ 2,681,299**	**$ 737,735**	**$ 86,004**	**$ -**	**$ 3,792,216**

The Company's exploration and evaluation expenditures for the year ended September 30, 2021, are as follows:

	Fish Lake Valley, Nevada	Clayton Valley, Nevada	Euclid and Shatford Lake, Manitoba	Total
Acquisition costs				
Balance, September 30, 2020	$ -	$ -	$ -	$ -
Additions – cash	68,867	133,947	120,000	322,814
Additions – shares	3,000	300,000	-	303,000
Balance, September 30, 2021	**$ 71,867**	**$433,947**	**$ 120,000**	**$625,814**
Exploration and evaluation costs				
Balance, September 30, 2020	$ -	$ -	$ -	$ -
Consulting	29,361	2,569	-	31,930
Geological	860	221,535	27,000	249,395
Maintenance fees	-	29,886	-	29,886
Travel	4,872	3,802	-	8,674
Balance, September 30, 2021	**$ 35,093**	**$ 257,792**	**$ 27,000**	**$ 319,885**
Total, September 30, 2021	**$ 106,960**	**$ 691,739**	**$ 147,000**	**$ 945,699**

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

FLV Property (Fish Lake Valley, Nevada)

On November 9, 2020, the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party, whereby the Company acquired 81 lode mining claims located in Esmeralda County, Nevada, USA. Under the terms of the FLV agreement, the right, title and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares (issued with a fair value of $3,000).

On October 9, 2021, the Company staked 63 new claims by paying $34,982 (US$ 28,047).

Clayton Valley, Nevada

On May 12, 2021, the Company entered into an assignment agreement with an arm's length party to acquire a 100% interest in 64 claims, comprising the CC, CCP and SX placer lithium claims (the "Project Claims"), located in Clayton Valley, Esmeralda County, Nevada. Under the terms of the agreement, the Company needs to undertake the following to exercise its option: pay cash payments of US$278,500 ($174,080 – US $138,500 paid), issue 5,250,000 common shares (1,500,000 issued), and incur a total of US$2,750,000 in exploration and development expenditures ($984,964 – US $704,326 incurred). The Company also paid the initial deposit of $6,416 (US$5,000) to reimburse the arm's length party. The property is subject to a 3.0% Gross Overriding Royalty. The Company has the right to buyback one-half of the royalty for US$1,500,000 for a period of 3 years following the commencement of commercial production.

The following are the terms of the agreement:

	Cash Payment	Common Shares	Exploration expenditures
	$ (in USD)	#	$ (in USD)
On the Approval Date March 2, 2021 (paid and issued)	78,500	750,000	-
On or before March 2, 2022 (paid and issued)	50,000	750,000	250,000
On or before March 2, 2023	50,000	750,000	500,000
On or before March 2, 2024	50,000	1,000,000	1,000,000
On or before March 2, 2025	50,000	2,000,000	1,000,000
Total	**278,500**	**5,250,000**	**2,750,000**

In connection with the option agreement entered with the arm's length party, the Company is required pay the Vendor an advance royalty payment of US$200,000 on the 5th anniversary of the effective date of the agreement, and continuing on each annual anniversary date thereafter, until he the property is in production. The cash advances will be credited against future royalty payments due.

In June 2021, the Company staked 58 new claims. The total cost incurred to obtain the claims was $23,902 (US$19,362).

6. EXPLORATION AND EVALUATION ASSETS (continued)

Manitoba Properties

Cat-Euclid and Shatford Lake Properties

On September 9, 2021, the Company entered into a staking agreement to acquire mineral rights in Euclid and Shatford Lake areas of Southeast Manitoba. The Euclid groups has 6 claim blocks and Shatford group has 21 claim blocks. These claims are royalty-free and not subject to any agreement. For the year ended September 30, 2022, initial staking, claim fees and geological surveys were incurred for two properties in Manitoba – the Euclid Lake and Shatford Lake properties.

During the year ended September 30, 2022, the Company entered into a term sheet with an arm's length party for the purchase of royalties in the Manitoba Properties. The Company received $833,526 (US$650,000) in cash for the purchase of a 2% gross overriding revenue royalty. The proceeds from this transaction were recorded as a reduction to the E&E assets. As the proceeds exceeded the capitalized cost of the E&E assets of $149,174 as at April 5, 2022, the excess proceeds of $684,352 is recognized as a gain on sale of royalty in the statement of loss and comprehensive loss.

Birse Lake Property

The Company has staked 10 new claims, located east of Shatford lake. These claims are royalty-free and not subject to any agreement.

Oregon Properties

On March 23, 2022, the Company staked 340 new mining claims located in southeast Oregon. During the year ended September 30, 2022, expenditures incurred on the property totaled $253,528 (2021 – $Nil). During the year ended September 30, 2022, the Company decided to focus on other properties and recorded an impairment loss of $253,528 (2021 – $Nil) relating to this property.

7. SHARE CAPITAL

Authorized
The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if and when they are declared by the Board of Directors.

Issued and Outstanding Common Shares
As of September 30, 2022, the Company has a total issued and outstanding common shares: 53,496,067 (2021 – 36,327,814).

Private Placement Financing and Share Issuances

During the year ended September 30, 2022, the Company had the following capital transactions:

For the year ended September 30, 2022, 6,900,000 warrants were exercised into common shares at $0.10 per share for total gross proceeds of $690,000 and 745,625 warrants were exercised into common shares at $0.60 per share for total gross proceeds of $447,375.

7. SHARE CAPITAL (continued)

On May 19, 2022, the Company completed its second and final tranche of its non-brokered private placement financing through the issuance of 231,482 units (the “Units”) at a price of $1.08 per Unit for aggregate gross proceeds of $250,000. The Units consist of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years.

Also on May 19, 2022, the Company completed a non-brokered flow-through financing with another arm’s length party. The Flow-Through Private Placement (“FT Private Placement”) consisted of 666,668 units (the “FT Units”) at a price of $1.50 per Unit for aggregate gross proceeds of $1,000,002. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.80 per share for two years. The Company paid aggregate finder’s fee of $95,900 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for two years at $1.08.

On May 13, 2022, the Company completed a non-brokered private placement (the “Private Placement”) through the issuance of 3,194,976 units (the “Units”) at a price of $1.08 per Unit for aggregate gross proceeds of $3,450,574. The Units consist of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years. A residual value of $143,774 was assigned to the warrants.

Also on May 13, 2022, the Company completed a non-brokered flow-through financing with another arm’s length party. The Flow-Through Private Placement (“FT Private Placement”) consisted of 666,668 units (the “FT Units”) at a price of $1.50 per Unit for aggregate gross proceeds of $1,000,002. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.80 per share for two years. The Company paid aggregate finder’s fee of $91,550 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for two years at $1.08. A residual value of $30,000 was assigned to the warrants.

On March 9, 2022, the Company issued 3,179,500 units (the “Units”) in a non-brokered private placement at a price of $0.94 per Unit for gross proceeds of $2,988,730. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for two years at a price of $1.22 per share.

On March 2, 2022, the Company issued 750,000 shares at a fair value of $1.14 per share for the Clayton Valley Project (Note 6).

7. SHARE CAPITAL (continued)

On December 16, 2021, the Company closed its flow-through financing – a non-brokered private placement – through the issuance of 833,334 units at a price of $1.20 per unit for aggregate proceeds of $1,000,001. Part of the proceeds were recognized as Flow-through premium liability amounting to $183,333 and shall be recognized as income over a period of 12 months from closing date (Note 12). Each Unit consists of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.50 per share for two years. Finders' fees totaling $70,000 cash and 58,333 compensation warrants exercisable for two years at an exercise price of $1.20 were paid to an arm's length party.

During the year ended September 30, 2021, the Company had the following capital transactions:

On September 2, 2021, the Company issued 80,000 common shares for gross proceeds of $48,000 through the exercise of share purchase warrants.

On July 2, 2021, the Company issued 2,388,650 units at a price of $0.40 per unit for gross proceeds of $955,460 from the second tranche of a non-brokered private placement financing. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.60 per share and expires on July 2, 2023. Finder's fees and other share issuance costs totaling $30,028 in cash were paid to third parties.

On June 21, 2021, the Company closed a private placement of 6,645,517 units at a price of $0.40 per unit for gross proceeds of $2,658,207. Each unit consisted of one common share and one half-warrant. Each full warrant is exercisable at $0.60 for one common share until June 21, 2023. In connection with the private placement, the Company paid $140,385 in finders' fees.

On May 13, 2021, the company issued 750,000 common shares at a price of $0.40 per share to GeoXplor Corp. for a total value of $300,000 in relation to an option agreement for the acquisition of 100% interest of several mineral claims located in Clayton Valley, Nevada (Note 6).

On January 25, 2021, the Company issued 13,350,001 units in relation to its Amalgamation agreement in exchange for all the outstanding common shares of Fundco at a price of $0.03 per share (see Amalgamation below) for a total value of $400,500. In connection with the Amalgamation, the Company also issued 1,610,000 common shares priced at $0.03 per share for a total value of $48,300 as finder's fee.

On January 14, 2021, the Company issued 100,000 at a price of $0.03 per share for a total value of $3,000 to an arm's length party in connection with the FLV Mineral Property (Note 6).

On November 27, 2020, the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for proceeds of $309,000. Each unit consisted of one common share and one half-warrant. Each full warrant is exercisable at $0.10 for one common share until November 27, 2022. In connection with the private placement, the Company issued 490,000 common shares with a total value of $14,700 as finders' fee. The Company also paid $12,000 in legal fees.

On November 23, 2020, the Company completed a 7:1 share consolidation of its common shares. All common share and per share amount in these financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Amalgamation

On December 30, 2020, the Company entered into an Amalgamation Agreement (Note 1). The asset purchase agreement did not meet the definition of a business and therefore, was accounted for as an asset acquisition in accordance with IFRS 2.

Under the terms of the agreement, the Company issued 13,350,001 units in exchange for the issued and outstanding common shares of Fundco at a price of $0.03 per unit. Each unit consists of one common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10, of which 6,525,001 had an expiry date of November 27, 2022, and 150,000 warrants had an expiry date of October 9, 2022. The warrants were assigned a residual value of $nil on the transaction. In connection with the transaction, the Company also issued, 1,610,000 common shares as finder's fees with a total value of $48,300 ($0.03 per share) and paid $15,000 in legal fees. A breakdown of the transaction is as follows:

		September 30, 2021
Consideration		
Common shares (13,350,001 units – issued on January 25, 2021)	$	400,500
Finders' fees (1,610,000 common shares)		48,300
Legal fees		15,000
		463,800
Assets acquired		
Cash		358,500
Loan receivable		42,000
		400,500
Amalgamation expense	**$**	**63,300**

During the year ended September 30, 2021, the Company received a working capital advance of $42,000 from Fundco in advance of closing the Amalgamation Agreement. On the closing of the transaction, the loan payable balance on the Company's books was offset with the loan receivable acquired.

Shares held in Escrow

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 3,242,244 common shares held by principals of the Company were placed under escrow. Of that number, as of September 30, 2022, a total of 1,945,346 remained in escrow. Of the remaining shares held in escrow, 486,337 will be released every six months with the final shares being released on April 28, 2024.

8. STOCK OPTIONS

The Company has a stock option plan for directors, officers, employees, and consultants. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted. The number of shares reserved for issuance to any individual director, officer or consultant shall not exceed 5% of the issued and outstanding common shares. The number of incentive stock options granted to any one consultant, or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The exercise price of each option is determined by the Board.

(Expressed in Canadian dollars)

8. STOCK OPTIONS (continued)

On April 14, 2022, the Company granted an aggregate of 2,000,000 incentive stock options to directors, consultants, and employees as per the Company's Stock Option Plan, with an exercise price of $1.28 per share for a period of five years from the date of grant. 1,500,000 options were fully vested on grant date and the remaining 500,000 options vested on August 14, 2022. The estimated fair value of the options was $1,910,992. The Company expensed the entire amount as share-based compensation during the year ended September 30, 2022. The options were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 2.58%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On April 28, 2022, the Company granted an aggregate of 225,000 incentive stock options to a consultant as per the Company's Stock Option Plan, with an exercise price of $1.30 per share for a period of three years from the date of grant. The options vested on August 28, 2022. The estimated fair value of the options was $174,658. The Company expensed the entire amount as share-based compensation during the year ended September 30, 2022. The options were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 2.58%; expected life – 3 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On July 9, 2021, the Company granted $1,325,000 incentive stock options to directors and a consultant with an exercise price of $0.80 per share for a period of five years from date of grant. A total of 1,250,000 options vested immediately. The remaining 75,000 options were fully vested by November 9, 2021. The estimated fair value of the options was $845,285, of which $822,744 has been recorded during the year ended September 30, 2021 and the remaining balance $22,541 has been recorded during the year ended September 30, 2022, in connection with the issuance of these options. The options were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.94%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

As at September 30, 2022, the Company has 3,550,000 incentive stock options outstanding (September 30, 2021 – 1,325,000). A summary of the movements of the stock options is presented below:

Year ended	**September 30, 2022**		September 30, 2021	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning	**1,325,000**	**$ 0.80**	-	$ -
Granted	**2,225,000**	**1.28**	1,325,000	0.80
Outstanding, end	**3,550,000**	**1.10**	1,325,000	0.80
Exercisable	**3,550,000**	**$ 1.10**	1,325,000	$ 0.80

The following table summarizes information regarding stock options outstanding as of September 30, 2022:

Date issued	**Number of options outstanding**	**Exercise price**	**Expiration date**
July 9, 2021	1,325,000	$ 0.80	July 9, 2026
April 14, 2022	2,000,000	1.28	April 14, 2027
April 28, 2022	225,000	1.30	April 28, 2025
Total options outstanding	**3,550,000**		
Total options exercisable	**3,550,000**		

(Expressed in Canadian dollars)

9. WARRANTS

The following table summarizes information regarding share purchase warrants outstanding as of September 30, 2022:

Date issued	Number of warrants	Exercise price	Expiry date
February 21, 2018	142,857	$ 0.70	February 21, 2023
November 27, 2020	4,775,000	0.10	November 27, 2022
December 30, 2020	150,000	0.10	October 9, 2022*
June 21, 2021	2,635,883	0.60	June 21, 2023
July 2, 2021	1,055,575	0.60	July 2, 2023
December 16, 2021	416,667	1.50	December 16, 2023
December 16, 2021	58,333	1.20	December 16, 2023
March 9, 2022	1,589,750	1.22	March 9, 2024
May 13, 2022	16,204	1.08	May 13, 2024
May 13, 2022	46,667	1.50	May 13, 2024
May 13, 2022	333,334	1.80	May 13, 2024
May 13, 2022	1,597,488	1.40	May 13, 2025
May 19, 2022	16,204	1.08	May 19, 2024
May 19, 2022	46,667	1.50	May 19, 2024
May 19, 2022	115,741	1.40	May 19, 2025
May 19, 2022	333,334	1.80	May 19, 2024
	13,329,704		

*expired unexercised subsequent to year end

The weighted average exercise price of the warrants as at September 30, 2022, is $0.69, and the remaining life of the warrants is 0.91 years (September 30, 2021 – $0.24 and 1.31 years, respectively).

Finders' warrants

On May 19, 2022, the Company granted 16,204 warrants to finders with an exercise price of $1.08 per share and 46,667 warrants exercisable at $1.50 for a period of two years from date of grant. The estimated fair value of the warrants was $33,533, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 2.71%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

Also on May 13, 2022, the Company granted 16,204 warrants to finders with an exercise price of $1.08 per share and 46,667 warrants exercisable at $1.50 for a period of two years from date of grant. The estimated fair value of the warrants was $29,081, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 2.68%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On December 16, 2021, the Company granted 58,333 warrants to finders with an exercise price of $1.20 per share for a period of two years from date of grant. The estimated fair value of the warrants was $26,793, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.90%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

(Expressed in Canadian dollars)

9. WARRANTS (continued)

A summary of changes in the Company's share purchase warrants outstanding for the periods ended September 30, 2022 and 2021 is as follows:

	September 30, 2022		September 30,2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning	16,404,940	$ 0.24	142,857	$ 0.70
Granted	4,570,389	1.40	16,342,083	0.24
Exercised	(7,645,625)	0.15	(80,000)	0.60
Outstanding, end of period	13,329,704	$ 0.69	16,404,940	$ 0.24

Warrants held in escrow

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 1,575,000 warrants held by principals of the Company were placed under escrow. Of that number, as of September 30, 2022, a total of 945,000 remained in escrow. Of the remaining warrants, 236,250 will be released every six months with the final warrants being released on April 28, 2024.

10. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

As at September 30, 2022, the Company has $93,705 (2021 – $47,923) due to related parties broken down as follows:

As at	September 30, 2022	September 30, 2021
CEO	$ 79,000	$ 36,767
CFO and Corporate Secretary	14,705	11,103
Director	-	53
Total	$ 93,705	$ 47,923

During the periods ended September 30, 2022 and 2021, the Company entered into the following transactions with related parties:

Year ended	September 30, 2022	September 30, 2021
Management fees	$ 287,750	$ 94,500
Accounting fees	43,157	21,442
Director fees	7,500	-
Share-based compensation	1,433,244	797,439
Total	$ 1,771,651	$ 913,381

(a) Management fees were paid or accrued to the following:

	September 30, 2022	September 30, 2021
Company controlled by the CEO	$ 211,000	$ 45,000
Company controlled by the CFO	76,750	45,000
Company controlled by the former CFO	-	4,500
Total	$ 287,750	$ 94,500

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (continued)

(b) Accounting fees of $43,157 were paid to a company controlled by the Company's CFO and Corporate Secretary (2021 – $21,442).

(c) Director fees of $7,500 were paid to a company controlled by the Director (2021 - $Nil).

(d) Share-based compensation was paid or accrued to the following:

	September 30, 2022		September 30, 2021	
	Number of options	**Share-based payments**	Number of options	Share-based payments
CEO	**750,000**	**$ 716,622**	500,000 250,000	$ 318,975
CFO and Corporate Secretary	**250,000**	**238,874**		159,489
Directors	**500,000**	**477,748**	575,000	318,975
Total	**1,500,000**	**$ 1,433,244**	1,325,000	$ 797,439

On July 2, 2021, management and a board member participated in a non-brokered private placement financing of units for gross proceeds of $10,000 at a price of $0.40 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.60 per share and expires on July 2, 2023.

11. SETTLEMENT OF DEBT

On October 15, 2020, the Company entered into a series of debt settlement agreements to extinguish most of the Company's accounts payable and accrued liabilities and loan balances with related parties.

The Company paid a total of $166,350 to settle $418,950 in accounts payables and accrued liabilities, $225,385 due to Kona Bay, $12,800 in shareholder loan and the $383,650 promissory note payable, resulting in a gain on settlement of $874,435. The total debt and settlement for each party is as follows:

	Total Debt	**Settlement Amount**	**Gain on Settlement**
Former CEO	$ 217,550	$ 43,510	$ 174,040
Former Consultant	214,200	42,840	171,360
Kona Bay	609,035	80,000	529,035
Total Debt	**$ 1,040,785**	**$ 166,350**	**$ 874,435**

Concurrent with the debt settlement, the Company offset the balance due from ACT360 Media Inc. of $45,658 against the remaining amounts owed to Kona Bay. The Company wrote-off $8,316 of GST receivable related to certain accrued expenditures from related parties. These were all reported as part of income from discontinued operations during the period ended September 30, 2021.

12. FLOW-THROUH PREMIUM LIABILITY

December 16, 2021 FT Financing
On December 16, 2021, the Company issued 833,334 flow-through units for gross proceeds of $1,000,001 and recognized a deferred flow-through premium of $191,667, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units.

(Expressed in Canadian dollars)

12. FLOW-THROUH PREMIUM LIABILITY (Continued)

As at September 30, 2022, the flow-through premium liability outstanding relating to these flow-through shares was $34,613 (September 30, 2021 – $Nil). The Company is required to spend approximately $180,588 in eligible exploration expenditures as at September 30, 2022.

For the year ended September 30, 2022, the Company recognized flow-through income of $157,054 (2021 – $Nil).

May 13, 2022 FT Financing
On May 13, 2022, the Company issued 666,668 flow-through units for gross proceeds of $1,000,002 and recognized a deferred flow-through premium of $280,001, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units.

As at September 30, 2022, the flow-through premium liability outstanding relating to these flow-through shares was $280,001 (September 30, 2021 – $Nil). The Company is required to spend approximately $1,000,002 in eligible exploration expenditures as at September 30, 2022.

For the year ended September 30, 2022, the Company recognized flow-through income of $Nil (2021 – $Nil).

May 19, 2022 FT Financing
On May 19, 2022, the Company issued 666,668 flow-through units for gross proceeds of $1,000,002 and recognized a deferred flow-through premium of $280,001, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units.

As at September 30, 2022, the flow-through premium liability outstanding relating to these flow-through shares was $280,001 (September 30, 2021 – $Nil). The Company is required to spend approximately $1,000,002 in eligible exploration expenditures as at September 30, 2022.

For the year ended September 30, 2022, the Company recognized flow-through income of $Nil (2021 – $Nil).

13. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares of $15,219,436. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As of September 30, 2022, the Company had a working capital of $9,050,801 (September 30, 2021 – $2,746,824). Management expects to raise additional capital from the capital markets or from private placements of securities.

14. SEGMENT INFORMATION

The Company operates in one business segment, the exploration of mineral properties. The Company conducts its operations in Canada and the USA. Geographic information is as follows:

September 30, 2022	**Canada ($)**	**USA ($)**	**Total ($)**
Total assets	**10,008,210**	**4,161,454**	**14,169,664**
Loss for the year	**(3,239,933)**	**(284,062)**	**(3,523,995)**

September 30, 2021	Canada ($)	USA ($)	Total ($)
Total assets	3,144,081	798,699	3,942,780
Loss for the year	1,437,918	-	1,437,918

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value of the Company's financial instruments approximates their carrying values due to their short term to maturity. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

Risk Management

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		September 30, 2022	September 30, 2021
Cash and cash equivalents	USD$	843,975	13,099
Reclamation bond	USD$	24,197	-
Accounts payable and accrued liabilities	USD$	6,579	47,103

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $86,159 (September 30, 2021 - $4,332) in loss and comprehensive loss.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists of cash and cash equivalents. The majority of the Company's cash and cash equivalents is maintained with a federally regulated financial institution with reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal as of September 30, 2022.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

(Expressed in Canadian dollars)

16. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing and operating transactions during the years ended September 30, 2022, and 2021:

	September 30, 2022	September 30, 2021
	$	$
Shares issued for exploration activities	**855,000**	303,000
Flow-through premium liability	**751,669**	-
Fair value of warrants issued for finders	**173,774**	
Shares issued to finders	**-**	14,700
Shares issued for amalgamation	**-**	448,800
Deferred revenue applied against exploration property	**149,174**	-
Exploration and evaluation expenses outstanding in accounts payable and accrued liabilities	**9,997**	57,800

During the period ended September 30, 2022, the Company paid $Nil in interest and $Nil in taxes (2021 – interest of $Nil; taxes of $Nil).

17. COMMITMENTS

On April 27, 2022, the Company entered into an agreement with an arm's length party for marketing of the Company to targeted investors and advisors. The Company shall pay a monthly fee of $10,000 for an initial term of 12 months with a minimum total transaction fee of $75,000 before termination. In addition, the Company has granted this third party a total of 225,000 incentive stock options exercisable at $1.30 per share for a period of three years, vesting four months from the date of grant.

On July 6, 2022 the company entered into an agreement with an arm's length party for the Geophysical survey on its Manitoba properties. The contract commenced on July 12, 2022, and contract value is $291,927.

The Company has certain commitments in connection with its mineral properties (Note 6).

The Company also entered into three flow-through share subscription agreements. These agreements indicate that the value received must be spent on mineral explorations within the province of Manitoba (Note 12).

On December 1, 2022, the Company entered into a 5-year lease agreement for its office premises with annual fees of $54,567 beginning in December 2022, with a 1.8% increase each year during the 5-year term.

(Expressed in Canadian dollars)

18. DISCONTINUED OPERATION

A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or (iii) is a subsidiary acquired exclusively with a view to resell.

On November 23, 2021, the Company disposed its technology operations and changed its business to mineral exploration. As a result of the change in operations, the technology segment has been recorded as a discontinued operation on the statement of loss and comprehensive loss and as cash flow from discontinued operations respectively, for each of the years ended September 30, 2022, and 2021.

Net income (loss) from discontinued operations:

	September 30, 2022	September 30, 2021
	$	$
Gain on settlement of debt	**-**	874,435
Write-off of due from ACT360	**-**	(45,658)
Write-off of GST receivable	**-**	(8,316)
	-	820,461

19. DEFERRED INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	**2021**
Loss from continuing operations	$ (3,286,194)	$ (1,437,918)
Gain from discontinued operations	-	820,461
Loss for the year	(3,286,194)	(617,457)
Expected income tax recovery	(887,000)	(388,000)
Share issuance costs	(70,000)	-
Change in statutory, foreign tax, foreign exchange rates and other	92,000	52,000
Permanent differences	322,000	239,000
Impact of flow through share	221,000	-
Adjustment to prior years provision versus statutory tax returns	84,000	-
Change in unrecognized deductible temporary differences	238,000	97,000
Income tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets are as follows:

Deferred tax assets:	**2022**	**2021**
Non-capital losses available for future periods	$ 617,000	$ 149,000
Exploration and evaluation assets	(135,000)	256,000
Property and equipment	115,000	-
Share issue costs	85,000	39,000
	682,000	444,000
Unrecognized deferred tax assets	(682,000)	(444,000)
Net deferred tax assets	$ -	$ -

(Expressed in Canadian dollars)

19. DEFERRED INCOME TAXES (Continued)

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

Temporary differences:	2022	2021
Non-capital loss available for future periods	$ 2,295,000	$ 552,000
Exploration and evaluation assets	(498,000)	946,000
Property and equipment	425,000	-
Share issue costs	315,000	147,000

Based upon the level of historical taxable income and projections for future taxable income over the years in which the potential deferred tax assets are deductible, management has not recognized any deferred income tax assets.

Subject to certain restrictions, the Company has non-capital losses of $2,295,000 available to reduce future Canadian and US taxable income. The non-capital losses expire as follows:

Year		
2042	$ 2,264,000	Canada
2040	$ 31,000	USA

20. SUBSEQUENT EVENTS

Subsequent to September 30, 2022, 4,775,000 common shares were issued for warrants exercised at $0.10 for gross proceeds of $477,500.

On October 28, 2022, 486,337 common shares and 236,250 warrants were released from escrow.

On December 5, 2022, the company entered into a purchase agreement to acquire 100% interest in the 5 mineral claims in north central region of Saskatchewan, Canada. To exercise this option, ACME must pay a consideration of (i) $9,476 on closing (paid on December 7, 2022), and (ii) the grant of a 1% Net Smelter Return Royalty of the gross value of all products derived and shipped from the property.

On December 6, 2022, the company entered into an option agreement to acquire 100% interest in the 13 mineral claims in Bailey Lake, located in the northeastern region of Saskatchewan, Canada. To exercise this option, ACME must pay to the owner an aggregate of $450,000, issue and deliver an aggregate of 450,000 shares and incur an aggregate of $1,554,000 in expenditures on the property in accordance with the following schedule:

	Cash Payment	Common Shares	Exploration expenditures
	$	#	$
On or before December 7, 2022 (paid and issued)	100,000	100,000	-
On or before December 5, 2023	150,000	150,000	388,500
On or before December 5, 2024	200,000	200,000	518,000
On or before December 5, 2025	-	-	647,500
Total	**450,000**	**450,000**	**1,554,000**

20. SUBSEQUENT EVENTS (Continued)

The property is subject to a 2.0% Net Smelter Return Royalty of the gross value of all products derived and shipped from the property. The Company has the right to buy-back one-half of the royalty (1% NSR) for $2,000,000 for a period of 24 months following the commencement of commercial production.