

ETRUSCUS RESOURCES CORP.
Condensed Interim Financial Statements
September 30, 2022

(Expressed in Canadian Dollars)

ETRUSCUS RESOURCES CORP.
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For the three and six-month periods ended September 30, 2022
(Expressed in Canadian Dollars)

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MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND NOTICE OF NO AUDITOR REVIEW

The accompanying condensed interim financial statements of Etruscus Resources Corp. (the "Company") are the responsibility of management and have not been reviewed by the Company's auditors.

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

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

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

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Financial Position

As at September 30, 2022

(Expressed in Canadian Dollars)

(prepared by management)

	<i>September 30,</i> <i>2022</i> <i>(unaudited)</i>	<i>March 31,</i> <i>2022</i> <i>(audited)</i>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 367,659	\$ 1,152,650
Receivables <i>(Note 3)</i>	38,808	18,946
Deposits and prepaid expenses <i>(Note 4)</i>	35,500	91,335
Total current assets	441,967	1,262,931
Exploration and evaluation assets <i>(Note 5)</i>	4,593,550	3,779,966
Reclamation deposits	24,900	24,900
Property and equipment <i>(Note 6)</i>	51,090	8,053
Total assets	\$ 5,111,507	\$ 5,075,850
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 7)</i>	\$ 190,253	\$ 20,724
Due to related parties <i>(Note 9)</i>	1,289	-
Lease liability <i>(Note 7)</i>	16,202	5,029
Flow-through share premium liability <i>(Note 8)</i>	1,136	46,506
Total current liabilities	208,880	72,259
Lease liability <i>(Note 7)</i>	33,255	-
Total liabilities	242,135	72,259
EQUITY		
Share capital <i>(Note 8)</i>	7,131,186	7,087,436
Equity reserves	719,874	719,874
Deficit	(2,981,688)	(2,803,719)
Total equity	4,869,372	5,003,591
Total liabilities and equity	\$ 5,111,073	\$ 5,075,850

Nature of Operations and Going Concern *(Note 1)*

Events After the Reporting Period *(Note 13)*

Approved and authorized on behalf of the Board on November 29, 2022.

Gordon Lam Director

Fiore Aliperti Director

ETRUSCUS RESOURCES CORP.

**Condensed Interim Statements of Operations and Comprehensive Loss
For the three and six-month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	<i>Six months ended September 30, 2022</i>	<i>Six months ended September 30, 2021</i>	<i>Three months ended September 30, 2022</i>	<i>Three months ended September 30, 2021</i>
Operating Expenses:				
Advertising, marketing, promotion	\$ 15,030	\$ 50,512	\$ 15,030	\$ 15,895
Consulting fees (Note 9)	128,800	211,196	64,650	138,254
Depreciation (Note 6)	10,225	10,814	4,656	5,407
Investor relations fees	-	45,000	-	21,000
Office and general	27,565	30,606	13,775	17,916
Professional fees	12,918	18,034	12,918	18,034
Regulatory and transfer agent fees	20,330	9,230	16,870	5,816
Rent	8,542	7,867	4,207	3,934
Share-based compensation (Note 8)	-	11,606	-	2,937
Travel	1,269	-	308	-
Total operating expenses	(224,679)	(394,865)	(132,414)	(229,193)
Finance income	2,631	113	1,706	113
Accretion of lease liability discount	(1,291)	(744)	(1,258)	(325)
Other income from settlement of flow-through share premium liability	45,370	76,084	43,445	64,391
Loss and comprehensive loss for the period	\$ (177,969)	\$ (319,412)	\$ (88,521)	\$ (165,014)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding:				
Basic and diluted	37,606,402	23,175,151	37,834,992	24,719,972

ETRUSCUS RESOURCES CORP.
Condensed Interim Statements of Changes in Equity
For the periods ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)
(unaudited – prepared by management)

	<i>Number of Shares</i>	<i>Amount</i>	<i>Equity Reserves</i>	<i>Deficit</i>	<i>Total Equity</i>
Balance at March 31, 2021	28,514,306	\$ 4,575,149	\$ 640,217	\$ (2,163,576)	\$ 3,051,790
Shares issued for cash- private placements	8,372,316	2,604,127	-	-	2,604,127
Share issuance costs	-	(174,408)	68,051	-	(106,357)
Flow-through share premium liability	-	(92,432)	-	-	(92,432)
Shares issued for property	500,000	175,000	-	-	175,000
Share-based compensation	-	-	11,606	-	11,606
Loss for the period	-	-	-	(319,412)	(319,412)
Balance at September 30, 2021	37,386,622	\$ 7,087,436	\$ 719,874	\$ (2,482,988)	\$ 5,324,322
Loss for the period	-	-	-	(320,731)	(320,731)
Balance at March 31, 2022	37,386,622	\$ 7,087,436	\$ 719,874	\$ (2,803,719)	\$ 5,003,591
Shares issued for property	625,000	43,750	-	-	43,750
Loss for the period	-	-	-	(177,969)	(177,969)
Balance at September 30, 2022	38,011,622	\$ 7,131,186	\$ 719,874	\$ (2,981,688)	\$ 4,869,372

ETRUSCUS RESOURCES CORP.
Condensed Interim Statements of Cash Flows
For the six-month periods ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)
(unaudited – prepared by management)

	2022	2021
Cash flows provided by (used in) operating activities		
Loss for the period	\$ (177,969)	\$ (319,412)
Add-back non-cash items:		
Depreciation	10,225	10,814
Share-based compensation	-	11,606
Accretion of lease liability discount	1,291	744
Other income from settlement of flow-through share premium liability	(45,370)	(76,084)
Changes in non-cash working capital items:		
Receivables	(19,862)	(20,178)
Retainers, deposits and prepaid expenses	55,835	(138,800)
Accounts payable and accrued liabilities	10,210	51,322
Due to related parties	1,289	(5,095)
Net cash used in operating activities	<u>(164,351)</u>	<u>(485,083)</u>
Cash flows used in investing activities		
Investment in exploration and evaluation assets	(610,515)	(555,109)
Payment of reclamation deposit	-	(4,900)
Net cash used in investing activities	<u>(610,515)</u>	<u>(560,009)</u>
Cash flows provided by (used in) financing activities		
Shares issued for cash	-	2,604,127
Share issuance costs	-	(106,357)
Lease payments	(10,125)	(10,125)
Net cash provided by (used in) financing activities	<u>(10,125)</u>	<u>2,487,645</u>
Increase (decrease) in cash and cash equivalents during the period	(784,991)	1,442,553
Cash and cash equivalents, beginning of period	1,152,650	31,106
Cash and cash equivalents, end of period	\$ 367,659	\$ 1,473,659
Cash and cash equivalents consist of:		
Bank deposits	\$ 367,659	\$ 1,473,659

Supplemental Disclosure with Respect to Cash Flows (*Note 12*)

(the accompanying notes are an integral part of these condensed interim financial statements)

ETRUSCUS RESOURCES CORP.

Notes to the Condensed Interim Financial Statements For the six-month period ended September 30, 2022 (Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Etruscus Resources Corp. (“the Company”) was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company’s registered office is located at Suite #1400 - 1125 Howe St., Vancouver, British Columbia, V6Z 2K8, and its operating office is located at Suite #604 - 850 West Hastings St., Vancouver, British Columbia V6C 1E1. The Company’s common shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “ETR”.

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

These financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, as at September 30, 2022, the Company has incurred an accumulated deficit since its inception of \$3.0 million. The ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to ultimately develop profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

Since incorporation on July 1, 2017, the Company raised equity financing from investors to provide for its early-stage exploration and working capital needs. The Company may also consider convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of Company’s exploration activities. To the extent future financing is not available, future working capital commitments may not be satisfied and future exploration programs would face curtailment and could result in a loss of property ownership or earning opportunities for the Company.

There can be no assurance that the Company will be able to raise the funds necessary to continue future operations beyond 2022. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. These condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has maintained operations and continued its exploration throughout the COVID-19 pandemic. As it evolves into an endemic, the Company will continue to follow public health guidelines and prioritize the health and safety of its workers, recognizing that the disease keeps mutating into new variants. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of this disease, nor its future impacts on the Company’s business or operations.

ETRUSCUS RESOURCES CORP.

**Notes to the Condensed Interim Financial Statements
For the six-month period ended September 30, 2022
(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are presented in Canadian dollars which is the financial currency of the Company. These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are classified as fair value through profit or loss. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim financial statements should be read in conjunction with the Company's annual financial statements and notes thereto for the year ended March 31, 2022. These condensed interim financial statements do not include all disclosures required in annual financial statements but rather they follow recommendations for condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of their application as those followed in the March 31, 2022 annual financial statements.

Future changes in accounting policies

Certain new accounting standards and interpretations have been published, but are not mandatory for the September 30, 2022 reporting period. These standards have been assessed by the Company and would not be expected to have a significant impact on the Company's financial statements, had they been adopted.

3. RECEIVABLES

	<i>September 30, 2022</i>	<i>March 31, 2022</i>
Recoverable sales taxes and payroll credits	\$ 38,808	\$ 18,946
Total receivables	\$ 38,808	\$ 18,946

ETRUSCUS RESOURCES CORP.

**Notes to the Condensed Interim Financial Statements
For the six-month period ended September 30, 2022
(Expressed in Canadian Dollars)**

4. DEPOSITS AND PREPAID EXPENSES

The deposits and prepaid expenses of the Company consist of the following:

	September 30, 2022	March 31, 2022
Deposit on 2023 helicopter contract	\$ 25,000	\$ 84,538
Prepaid insurance	10,500	6,797
	\$ 35,500	\$ 91,335

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	<i>Lewis Gold Property</i>	<i>Rock & Roll Property</i>	<i>Sugar Property</i>	<i>Total</i>
Balance, March 31, 2021	\$ -	\$ 2,761,011	\$ 75,978	\$ 2,836,989
<i>Additions:</i>				
Acquisition costs	285,000	-	-	285,000
Accommodation and camp costs	36,597	61,340	7,755	105,692
Assays and laboratory analysis	61,120	29,458	2,416	92,994
Community relations	-	40,000	-	40,000
Field expenses	2,923	29,667	-	32,590
Geological and geophysical consulting	162,412	144,649	8,487	315,548
Helicopters and aircraft support	-	67,234	28,665	95,899
Licenses, claim fees and permits	-	2,652	-	2,652
Surveys	-	4,936	-	4,936
Less: Recoveries	-	(32,334)	-	(32,334)
<i>Subtotal – net additions</i>	<i>548,052</i>	<i>347,602</i>	<i>47,323</i>	<i>942,977</i>
Balance, March 31, 2022	\$ 548,052	\$ 3,108,613	\$ 123,301	\$ 3,779,966
<i>Additions:</i>				
Acquisition costs	193,750	682	-	194,432
Accommodation and camp costs	-	55,207	-	55,207
Assays and laboratory analysis	84	176	-	260
Field expenses	-	879	-	879
Community relations	-	20,000	-	20,000
Geological and geophysical consulting	29,145	82,783	-	111,928
Helicopters and aircraft support	-	99,934	-	99,934
Licenses, claim fees and permits	400	14,925	-	15,325
Surveys	203,607	112,012	-	315,619
<i>Subtotal – net additions</i>	<i>426,986</i>	<i>366,598</i>	<i>-</i>	<i>793,584</i>
Balance, September 30, 2022	\$ 975,038	\$ 3,495,211	\$ 123,301	\$ 4,593,550

ETRUSCUS RESOURCES CORP.

Notes to the Condensed Interim Financial Statements For the six-month period ended September 30, 2022 (Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Lewis Gold Property, Newfoundland, Canada

In July 2021, the Company announced it had entered into an agreement (the “Lewis Option Agreement”) to earn a 100% interest in the Lewis Gold Property (the “Lewis Property”) in central Newfoundland from a group of three vendors independent to the Company. The Lewis Property consists of two claim blocks in the heart of the Peyton Linear gold trend: the Peyton South claims and the Linear claims. Together, the Lewis Property totals 25.67 square kilometers (2,567 Hectares (“Ha”)) and establishes the Company in a key location within central Newfoundland’s highly active exploration region. Each claim block carries a two percent (2%) Net Smelter Returns royalty, subject to the purchase of one percent (1%) for \$2,000,000 on or before commercial production.

The Lewis Option Agreement requires aggregate staged payments each year over a four-year period as follows:

Date	Cash	Shares
Acceptance Date	\$110,000	500,000
First Anniversary	\$150,000	625,000
Second Anniversary	\$150,000	650,000
Third Anniversary	\$195,000	650,000
Fourth Anniversary	\$265,000	675,000
Total	\$870,000	3,100,000

To date, the Company has paid the Acceptance Date and First Anniversary cash and issued the respective shares to the vendors; in July 2021, 500,000 shares were issued at a fair value of \$0.35 per share and in July 2022, 625,000 shares were issued at a fair value of \$0.07 per share.

Rock & Roll Property, Liard Mining Division, Northwest British Columbia, Canada

The Rock & Roll Property (“Rock & Roll”) consists of forty one (41) contiguous mineral claims totaling 23,089 Ha situated in the Liard Mining Division of British Columbia, in the Iskut River Valley of the Coast Mountains in northwestern British Columbia.

In 2018, the Company acquired the first 14 contiguous claims totalling 4,723 Ha from Equity Exploration Consultants Ltd. (“Equity”), for \$50,000 cash and 800,000 common shares of the Company at a value of \$0.10 per share, for a total initial acquisition cost of \$130,000. Those claims are subject to a 2% net smelter return (“NSR”) royalty, held by a group of six parties (the “Royalty Holders”). The Company received an option to purchase one-half of the 2% NSR (the “NSR Buyout Option”) for a future payment of \$2,000,000 to the Royalty Holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier. The NSR Buyout Option was granted to the Company by the issuance of 300,000 shares to the Royalty Holders immediately after the Listing Date, issued at a fair value of \$0.25 per share for a total fair value of \$75,000, capitalized to exploration and evaluation assets. During the year ended March 31, 2020, the Company staked an additional 25 mineral claims. Recent staking added two more claims for a total of 41 claims.

Equity has notified the Company that there may be unregistered royalties on Rock & Roll in favour of Prime Equities International Corporation. To the Company’s best information and belief, such royalties (i) are not evidenced by any completed legal instrument and (ii) have not been the subject of any notice or claim to Equity asserting such royalties. The Company has agreed to indemnify Equity against all costs, charges, and expenses, including any amount paid to settle a threatened or an actual action or to satisfy a judgment, reasonably incurred by Equity in the event that such possible royalties are validated as existing legal obligations binding on the Property.

ETRUSCUS RESOURCES CORP.

**Notes to the Condensed Interim Financial Statements
For the six-month period ended September 30, 2022
(Expressed in Canadian Dollars)**

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Sugar Property - Liard Mining Division, Northwest British Columbia, Canada

A group of 11 contiguous claims totalling 5,181 Ha known as the Sugar Property (“Sugar”) is located approximately 7 km northwest of Rock & Roll and 25 km southwest of Teck Resources/Newmont Gold’s Galore Creek joint venture project. The claims were staked by the Company in 2019/2020. No historical drilling has been recorded at Sugar.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties, and, to the best of its knowledge, titles are in good standing.

6. PROPERTY AND EQUIPMENT

	<i>Right-of-use assets</i>	<i>Computers and software</i>	<i>Furniture and fixtures</i>	Total
Cost:				
Balance, March 31, 2021 and 2022	\$ 60,827	\$ 4,938	\$ 8,938	\$ 74,703
Additions during the period	53,262	-	-	53,262
Maturity of lease	(60,827)	-	-	(60,827)
Balance, September 30, 2022	\$ 53,262	\$ 4,938	\$ 8,938	\$ 67,138
Accumulated depreciation:				
Balance, March 31, 2021	\$ 35,166	\$ 4,490	\$ 5,366	\$ 45,022
Depreciation for year	20,308	248	1,072	21,628
Balance, March 31, 2022	55,474	4,738	6,438	66,650
Depreciation for period	9,793	56	376	10,225
Maturity of lease	(60,827)	-	-	(60,827)
Balance, September 30, 2022	\$ 4,440	\$ 4,794	\$ 6,814	\$ 16,048
Net book value - March 31, 2022	\$ 5,353	\$ 200	\$ 2,500	\$ 8,053
Net book value – September 30, 2022	\$ 48,822	\$ 144	\$ 2,124	\$ 51,090

ETRUSCUS RESOURCES CORP.

**Notes to the Condensed Interim Financial Statements
For the six-month period ended September 30, 2022
(Expressed in Canadian Dollars)**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

Accounts payable and accrued liabilities for the Company are comprised as follows:

	<i>September 30, 2022</i>	<i>March 31, 2022</i>
Accounts payable	\$ 139,753	\$ 724
Accrued liabilities	50,500	20,000
	\$ 190,253	\$ 20,724

Lease liability:

The Company entered into a three-year premises sublease on July 1, 2022 following the maturity on June 30, 2022 of its prior 3-year lease agreement. The lessor is Metallis Resources Inc. (“MTS”), a public company related by two common directors and a common officer. The sublease is for ½ of the space leased by MTS. The office location remains the same. The fixed sublease costs remain the same as the prior lease for the first 2 years at \$1,688 per month, and rises to \$1,744 per month for the 3rd year.

The lease liability was measured at the present value of the remaining lease payments, discounted at the Company’s incremental borrowing rate of 10%, the same discount rate as that used by MTS for its head lease accounting. At the inception of the sublease, the Company recognized on the statement of financial position a lease liability of \$53,262 and a corresponding Right of Use (“ROU”) asset of the same amount.

The following schedule shows recent changes in lease liabilities:

Lease liability:	Lease term: 7/1/19 – 6/30/22	Lease term: 7/1/22 – 6/30/25	Total
Balance, March 31, 2021	\$ 24,172	\$ -	\$ 24,172
Lease payments	(20,250)	-	(20,250)
Accretion of lease liability discount	1,107	-	1,107
Balance, March 31, 2022	5,029	-	5,029
Additions	-	53,262	53,262
Lease payments	(5,062)	(5,063)	(10,125)
Accretion of lease liability discount	33	1,258	1,291
Balance, September 30, 2022	\$ -	\$ 49,457	\$ 49,457

ETRUSCUS RESOURCES CORP.

**Notes to the Condensed Interim Financial Statements
For the six-month period ended September 30, 2022
(Expressed in Canadian Dollars)**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

The following table summarize the lease liability recognized in the financial statements:

Short-term portion of lease liability	\$ 16,202
Long-term portion of lease liability	<u>33,255</u>
Balance, September 30, 2022	<u>\$ 49,457</u>

Fixed lease payment obligations remaining over the next five years:

Year ended December 31, 2022	\$ 5,063
Year ended December 31, 2023	20,250
Year ended December 31, 2024	20,588
Year ended December 31, 2025	10,463
Year ended December 31, 2026	-
Total	<u>\$ 56,364</u>

8. SHARE CAPITAL

Authorized: Unlimited number of common shares, without par value.

Issued: 38,011,622 common shares (March 31, 2022 – 37,386,622 common shares)

Transactions for the period ended September 30, 2022:

In July 2022, the Company issued 625,000 common shares to the vendors of the Lewis Property pursuant to the Lewis Option Agreement. The shares were issued at a fair value of \$0.07 per share, for total share compensation valued at \$43,750.

Transactions for the year ended March 31, 2022:

- a) On June 30, 2021, the Company completed a non-brokered private placement for total gross proceeds of \$2,604,127. The financing consisted of 6,523,672 non-flow-through units at a price of \$0.30 per unit for proceeds of \$1,957,102 and 1,848,644 flow-through units at a price of \$0.35 per unit for proceeds of \$647,025. Each non-flow-through unit consists of one common share and ½ of a common share purchase warrant exercisable at \$0.40 per share for a period of 2 years. Each flow-through unit consists of one flow-through common share and ½ of a non-flow-through common share purchase warrant exercisable at \$0.45 per share for a period of 2 years. No residual value was assigned to the warrant component of either the flow-through or non-flow-through units.

ETRUSCUS RESOURCES CORP.

**Notes to the Condensed Interim Financial Statements
For the six-month period ended September 30, 2022
(Expressed in Canadian Dollars)**

8. SHARE CAPITAL (continued)

Transactions for the year ended March 31, 2022: (continued)

The Company recorded a flow-through premium liability of \$92,432 as a deduction from share capital, being the difference between the amounts recognized in common shares and the amounts investors paid for the units. Total issuance costs of the private placement were \$106,357 plus 478,273 finders' warrants valued at \$68,051 were issued to arm's length parties, as permitted by securities law. The finders' warrants are exercisable at \$0.33 per share for a two-year period. The issuance costs include finders' fees of \$90,832.

All shares issued under the private placement completed by the Company were subject to a hold period of four months and one day from the date of issuance. Proceeds from the non-flow-through financing are used for exploration and general working capital. Proceeds from the flow-through financing are only used to fund Canadian Exploration Expenses (within the meaning of the *Income Tax Act (Canada)*) which shall qualify as "flow-through mining expenditures", for purposes of the *Income Tax Act (Canada)*. The Company renounced these expenses of \$647,025 to the purchasers as required under the Act, with an effective date of December 31, 2021.

- b) On each of July 15, 2021 and January 15, 2022, 1,500,000 common shares were released from escrow.
- c) On July 23, 2021, the Company issued 500,000 common shares to the vendors of the Lewis Property pursuant to the Lewis Option Agreement. The shares were fair valued at \$0.35 per share, for total share compensation of \$175,000.

Flow-through share premium liability:

The Company's issuances of flow-through common shares in 2021 as described above results in flow-through share premium liabilities which are reduced pro-rata by the incurrence of qualifying exploration expenses. As at September 30, 2022, the Company had remaining obligations to incur qualifying exploration costs in British Columbia in calendar 2022 totalling \$7,953. Upon such costs being incurred, the current flow-through premium liability of \$1,136 will be extinguished, with the amount recorded as other income on settlement of flow-through premium liability.

	Six months ended September 30, 2022	Year ended March 31, 2022
<i>Changes in Flow-through premium liability:</i>		
Balance, beginning of period	\$ 46,506	\$ 53,844
Liability incurred on flow-through shares issued	-	92,432
Amortization of flow-through premium upon incurring eligible expenditures	(45,370)	(99,770)
Balance, end of period	\$ 1,136	\$ 46,506

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**Notes to the Condensed Interim Financial Statements
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8. SHARE CAPITAL (continued)

Stock options:

At the Company's Annual General Meeting on October 22, 2021, the shareholders adopted a 10% Rolling Stock Option Plan ("SOP") under which the Company is authorized to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option equals the market price of the Company's stock as calculated on the date of grant. The options vest upon grant, except for investor relations options which vest over a minimum of a one-year period, pursuant to regulations. The fair value of the option grants is determined, and the vested portion is recorded, over time, as a credit to equity reserves pursuant to the Black-Scholes option pricing model.

No stock options were granted by the Company during the period ended September 30, 2022 or the year ended March 31, 2022.

The following parameters were used for valuing stock options that vested during the year ended March 31, 2022:

	Year ended March 31, 2022	
<i>Weighted average assumptions:</i>		
Risk-free interest rate	0.97%	
Expected dividend yield	-	
Expected option life (years)	3.5	
Expected stock price volatility	81%	
Weighted average share price at grant date	\$0.33	
Weighted average fair value at grant date	\$0.345	
Expected forfeiture rate	-	
<i>Number of stock options outstanding:</i>	<i>Number of Stock options</i>	<i>Weighted average exercise price</i>
Balance at March 31, 2021	2,525,000	\$ 0.28
Options terminated	(250,000)	0.27
Balance at March 31, 2022	2,275,000	0.28
Options terminated	(100,000)	0.25
Balance at September 30, 2022	2,175,000	\$ 0.28

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8. SHARE CAPITAL (continued)

Stock options: (continued)

The following table shows outstanding and vested stock options as at September 30, 2022:

Expiry Date	Number of Outstanding Stock Options	Number of Vested Stock Options	Exercise Price (\$)	Weighted average remaining contractual life (years)
January 15, 2024	1,150,000	1,150,000	0.25	1.29
January 21, 2024	60,000	60,000	0.25	1.31
March 15, 2024	50,000	50,000	0.28	1.46
February 27, 2025	60,000	60,000	0.25	2.41
May 25, 2025	230,000	230,000	0.25	2.65
September 21, 2025	625,000	625,000	0.36	2.98
Total outstanding options	2,175,000	2,175,000		1.96

Warrants:

Through certain unit offerings that completed, the Company has issued warrants in addition to shares. Warrant transactions are summarized as follows:

<i>Schedule of changes in share purchase warrants:</i>	Number of warrants	Weighted average exercise price
Balance at March 31, 2021	7,315,491	\$ 0.47
Warrants issued	4,664,430	0.40
Warrants expired	(917,250)	0.42
Balance at March 31, 2022	11,062,671	0.45
Warrants expired	(1,225,000)	0.40
Balance at September 30, 2022	9,837,671	\$ 0.45

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8. SHARE CAPITAL (continued)

Warrants: (continued)

As at September 30, 2022, the following warrants are outstanding:

Expiry Date	Number of Warrants outstanding	Exercise Price (\$)	Weighted average remaining contractual life (years)
December 18, 2022	365,000	0.40	0.22
December 18, 2022	445,625	0.50	0.22
December 18, 2022	50,000	0.285	0.22
December 30, 2022	125,000	0.40	0.25
December 30, 2022	8,000	0.285	0.25
May 19, 2023	270,000	0.40	0.63
May 19, 2023	636,072	0.45	0.63
May 19, 2023	68,400	0.33	0.63
June 8, 2023	534,166	0.40	0.69
June 8, 2023	103,250	0.45	0.69
June 8, 2023	58,450	0.33	0.69
June 30, 2023	2,457,669	0.40	0.75
June 30, 2023	185,000	0.45	0.75
June 30, 2023	351,423	0.33	0.75
August 6, 2023	3,130,000	0.50	0.85
August 6, 2023	53,861	0.45	0.85
August 6, 2023	276,444	0.60	0.85
September 4, 2023	390,000	0.50	0.93
September 4, 2023	318,111	0.60	0.93
September 4, 2023	11,200	0.45	0.93
Total	9,837,671		0.73

9. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

As at September 30, 2022, the directors of the Company continue to be Fiore Aliperti, Jason Leikam, Gordon Lam and Michael Sikich. There were no changes to the management team during the period ended September 30, 2022.

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9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The following related parties for the periods presented include officers, directors and key management personnel, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

- a) Hatch 8 Consulting is a company controlled by a former Chief Executive Officer who resigned from that position on July 1, 2021 but remains a director of the Company and provides consulting services to the Company;
- b) Lever Capital Corp. is a company owned by the Chief Financial Officer and provides consulting services to the Company;
- c) Avanti Consulting Inc. is a company controlled by the President and CEO of the Company who was appointed by the Board of Directors on November 23, 2021, providing such services to the Company commensurate with the position;
- d) Maxus Management Corp. is a company controlled by a director who was also the Company's President and Chief Executive Officer from July 1, 2021 to November 23, 2021, and who provided consulting services to the Company during his term as the President and CEO;
- e) Wetherup Geological Consultants is a business operated by the Company's Vice-President of Exploration who was appointed by the Board of Directors on July 15, 2021 and provides the Company with geological consulting services. Amounts billed are recognized as either capitalized under exploration and evaluation assets or expensed under Property investigation;
- f) DRW Geological Consultants Ltd. is a company controlled by the Company's former Vice-President of Exploration and which provided the Company with geological consulting services up to March 31, 2021, the amounts of which were capitalized under exploration and evaluation; and
- g) Metallis Resources Inc. ("MTS") is a public company that has two directors and an officer in common with the Company. Etruscus has subleased one-half of MTS' office premises. The Company and MTS also shared their exploration camp facilities in BC's Golden Triangle region in 2021, as their respective properties lie about 35 – 40 km apart from each other. Consequently, some administrative and exploration costs are accordingly shared or reimbursable, occasionally resulting in non-material period-end intercompany balances.

Amounts owing to all related parties at September 30, 2022 is \$1,289 (March 31, 2022 - \$Nil), comprised entirely of amounts owing to MTS, as shown below:

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9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- I) The aggregate value of key management compensation and outstanding balances relating to the officers noted above are as follows:

		Transactions for the six-month period ended September 30, 2022	Transactions for the year ended March 31, 2022	Balance payable as at September 30, 2022	Balance payable as at March 31, 2022
Short-term benefits:					
Hatch 8 Consulting	(a)	\$ 36,000	\$ 90,000	\$ -	\$ -
Lever Capital Corp.	(b)	27,000	54,000	-	-
Avanti Consulting Inc.	(c)	36,000	48,000	-	-
Maxus Management Corp.	(d)	-	54,000	-	-
Wetherup Geological Consultants	(e)	48,000	72,000	-	-
DRW Geological Consultants Ltd.	(f)	-	5,000	-	-
Total		\$ 147,000	\$ 323,000	\$ -	\$ -

- II) During the period ended September 30, 2022, the company entered into transactions with MTS as follows:

	Due to MTS, March 31, 2022	Invoiced	Paid	Due to MTS, September 30, 2022
Rent	\$ -	\$ 18,667	\$ 18,667	\$ -
Office expenses, net	-	1,289	-	1,289
Exploration costs	-	-	-	-
Total	\$ -	\$ 19,956	\$ 18,667	\$ 1,289

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments consist of financial assets and financial liabilities and are accounted for under *IFRS 9 – Financial Instruments*. Financial instruments are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

The Company classifies its financial assets and financial liabilities in the following measurement categories:

- i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- ii) those to be measured at amortized cost.

ETRUSCUS RESOURCES CORP.

**Notes to the Condensed Interim Financial Statements
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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The classification of financial assets depends on the business model for managing the financial assets 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 the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company's financial assets are cash and cash equivalents, and reclamation deposits. Cash and cash equivalents and reclamation deposits are classified as fair value through profit or loss on a recurring basis and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. The fair values of these financial instruments equal their carrying values.

- Financial liabilities comprise accounts payable, lease liability and amounts due to related parties which are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable. The fair values of these financial instruments approximates their carrying values due to their short term maturities.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data, with fair value measurement derived from valuation techniques.

The fair values of cash and cash equivalents and reclamation deposit are measured at fair value on a recurring basis based on Level 1 inputs of the fair value hierarchy.

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is exposed to credit risk through its cash and cash equivalents, receivables and reclamation deposits. As at September 30, 2022, the Company's maximum credit risk is equal to \$431,367. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables have historically consisted primarily of goods and services taxes for which management believes the collectability of these amounts to be assured.

Liquidity risk

Liquidity risk is related to the ability of the Company to meet its obligations as they come due. The Company's basic approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital as required but may also enter into earn-in arrangements or the sale of certain property interests. However, there can be no assurance the Company will be able to obtain its future financing needs on acceptable terms. The ability of the Company to continue on this course will depend, in part, on the prevailing general market conditions and the specific market interest in financing the Company's mineral property exploration programs. The following are the contractual maturities of financial liabilities as at September 30, 2022:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	\$ 190,253	\$ 190,253	\$ 190,253	\$ -	\$ -
Demand loans to related parties	1,289	1,289	1,289	-	-
Lease liabilities	49,457	56,362	20,250	20,419	15,693
Total	\$ 240,999	\$ 247,904	\$ 211,792	\$ 20,419	\$ 15,693

As at September 30, 2022, the Company has working capital of \$233,521. There is sufficient liquidity to meet day-to-day operating obligations for the balance of the fiscal year. Additional financing will be required for 2023 working capital and exploration programs.

Interest rate risk

The Company is not exposed to material risk in the event of interest rate fluctuations. Recent interest rate increases still leave the current interest rate below historical norms. The Company has no long-term debt, has not entered into any interest rate swaps or other financial arrangements to mitigate the exposure to interest rate fluctuations, and earns interest income on excess cash. For these reasons, the Company believes it is not subject to material risks if and when interest rates rise further.

Market risk

The Company is subject to limited market risk as the price of short-term money market investments it may hold fluctuates due to market forces. The Company has no control over their fluctuating prices, does not hedge its investments and the fluctuations are limited in scope and volatility. As at September 30, 2022, the Company held no short-term money market investments.

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign currency risk

The Company's functional currency is the Canadian dollar, and an immaterial amount of transactions are in other currencies. Management believes the foreign exchange risk derived from currency conversions is immaterial and therefore does not need to hedge its foreign exchange risk.

11. CAPITAL MANAGEMENT

Capital is comprised of all components of equity, and the Company is not subject to externally imposed capital requirements. The Company's objectives when managing capital are to fund critical exploration work, meet its on-going liabilities, continue as a going concern, maintain creditworthiness and to ultimately maximize returns for shareholders over the long term. Meeting current and future liabilities and obligations as a non-revenue early-stage explorer requires management to plan for its current and future cash needs while continually monitoring the Company's internal, exploration and financing risks. The Company endeavors to maintain capital balances over the periods to alleviate unexpected cash flow shortfalls and remains confident that sufficient financing will continue to be raised, ensuring that working capital needs are met and future exploration funds are available. Management has strived to minimize shareholder dilution through executing future financings at the highest equity prices possible, within the context of the market.

The capital for operations and the acquisition and exploration of exploration and evaluation assets has historically come from the issuance of common shares.

There were no changes in the Company's capital management objectives during the period ended September 30, 2022.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transaction during the period ended September 30, 2022 was as follows:

- a) The Company's exploration costs incurred during the period included \$317,592 of qualifying expenses which reduced the flow-through premium liability by \$45,370 and which was recognized as other income on settlement of flow-through premium liability for the period ended September 30, 2022;

The significant non-cash investing and financing transactions during the period ended September 30, 2021 were as follows:

- a) The Company's completion of a flow-through private placement during the period resulted in an increase of the flow-through premium liability of \$92,432, recorded as a reduction from share capital;
- b) Exploration costs incurred during the period resulted in a \$76,084 debit against the flow-through premium liability; and
- c) As at September 30, 2021, BC METC receivable of \$236,411 was included in exploration and evaluation assets as a recovery.

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13. EVENTS AFTER THE REPORTING PERIOD

On October 26, 2022, the Company granted 1,475,000 stock options to its consultants, officers, and directors subject to CSE approval. The options are exercisable at \$0.15 per share for a five-year period.

On November 1, 2022, the Company held its Annual and Special Meeting of the shareholders, wherein all resolutions passed.