ETRUSCUS RESOURCES CORP.

Condensed Interim Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

ETRUSCUS RESOURCES CORP.

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For the three and nine-month periods ended December 31, 2022

(Expressed in Canadian Dollars)

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 December 31, 2022
(Expressed in Canadian Dollars)
(prepared by management)

	December 31, 2022 (unaudited)	*March 31, 2022 (audited)*
ASSETS		
Current assets		
Cash and cash equivalents	**$ 118,511**	$ 1,152,650
Receivables *(Note 3)*	**10,772**	18,946
Deposits and prepaid expenses *(Note 4)*	**32,500**	91,335
Total current assets	**161,783**	1,262,931
Exploration and evaluation assets (*Note 5*)	**4,707,289**	3,779,966
Reclamation deposits	**24,900**	24,900
Property and equipment *(Note 6)*	**46,436**	8,053
Total assets	**$ 4,940,408**	$ 5,075,850
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 7)*	**$ 54,445**	$ 20,724
Due to related parties *(Note 9)*	**64,325**	-
Lease liability *(Note 7)*	**16,202**	5,029
Flow-through share premium liability *(Note 8)*	**-**	46,506
Total current liabilities	**134,972**	72,259
Lease liability *(Note 7)*	**29,354**	-
Total liabilities	**164,326**	72,259
EQUITY		
Share capital *(Note 8)*	**7,131,186**	7,087,436
Equity reserves	**762,109**	719,874
Deficit	**(3,117,213)**	(2,803,719)
Total equity	**4,776,082**	5,003,591
Total liabilities and equity	**$ 4,940,408**	$ 5,075,850

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

Approved and authorized on behalf of the Board on January 19, 2023.
Gordon Lam Director

Fiore Aliperti Director

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss

For the three and nine-month periods ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	Nine months ended December 31, 2022	*Nine months ended December 31, 2021*	***Three months ended December 31, 2022***	*Three months ended December 31, 2021*
Operating Expenses:				
Advertising, marketing, promotion	**$ 16,733**	$ 50,512	**$ 1,703**	$ -
Consulting fees (*Note 9*)	**193,450**	343,613	**64,650**	132,417
Depreciation (*Note 6*)	**14,879**	16,221	**4,654**	5,024
Investor relations fees	**-**	60,000	**-**	15,000
Office and general	**37,721**	42,973	**10,156**	12,750
Professional fees	**15,423**	20,645	**2,505**	2,611
Property investigation		19,290	**-**	19,290
Regulatory and transfer agent fees	**26,524**	16,381	**6,194**	7,151
Rent	**13,000**	11,801	**4,458**	3,934
Share-based compensation (*Note 8*)	**42,235**	11,606	**-**	-
Travel	**961**	-	**(308)**	-
Total operating expenses	**(360,926)**	(593,042)	**(94,012)**	(198,177)
Finance income	**3,379**	4,244	**748**	4,131
Accretion of lease liability discount	**(2,453)**	(974)	**(1,162)**	(230)
Other income from settlement of flow-through share premium liability *(Note 8)*	**46,506**	90,880	**1,136**	14,796
Loss and comprehensive loss for the period	**$ (313,494)**	$ (498,892)	**$ (93,290)**	$ (179,480)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.01)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding:				
Basic and diluted	**37,743,440**	34,787,624	**38,011,622**	37,386,622

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Changes in Equity

For the periods ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	Number of Shares	*Amount*	*Equity Reserves*	*Deficit*	*Total Equity*
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- cash	-	(106,357)	-	-	(106,357)
Share issuance costs- fair value of finders' warrants	-	(68,051)	68,051	-	-
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	-	-	-	(498,892)	(498,892)
Balance at December 31, 2021	**37,386,622**	**$ 7,087,436**	**$ 719,874**	**$ (2,662,468)**	**$ 5,144,842**
Loss for the period	-	-	-	(141,251)	(141,251)
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
Share-based compensation	-	-	42,235	-	42,235
Loss for the period	-	-	-	(313,494)	(313,494)
Balance at December 31, 2022	**38,011,622**	**$ 7,131,186**	**$ 762,109**	**$ (3,117,213)**	**$ 4,776,082**

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

ETRUSCUS RESOURCES CORP.
Condensed Interim Statements of Cash Flows
For the nine-month periods ended December 31, 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	**$ (313,494)**	$ (498,892)
Add-back non-cash items:		
Depreciation	**14,879**	16,221
Share-based compensation	**42,235**	11,606
Accretion of lease liability discount	**2,453**	974
Other income from settlement of flow-through share premium liability	**(46,506)**	(90,880)
Changes in non-cash working capital items:		
Receivables	**8,174**	(10,863)
Retainers, deposits and prepaid expenses	**58,835**	(80,747)
Accounts payable and accrued liabilities	**12,210**	(8,604)
Due to related parties	**15,649**	(19,979)
Net cash used in operating activities	**(205,565)**	(681,164)
Cash flows provided by (used in) investing activities		
Investment in exploration and evaluation assets	**(814,821)**	(689,685)
Tax credit received	**1,435**	236,411
Payment of reclamation deposit	**-**	(4,900)
Net cash used in investing activities	**(813,386)**	(458,174)
Cash flows provided by (used in) financing activities		
Shares issued for cash	**-**	2,604,127
Share issuance costs	**-**	(106,357)
Lease payments	**(15,188)**	(15,187)
Net cash provided by (used in) financing activities	**(15,188)**	2,482,583
Increase (decrease) in cash and cash equivalents during the period	**(1,034,139)**	1,343,245
Cash and cash equivalents, beginning of period	**1,152,650**	31,106
Cash and cash equivalents, end of period	**$ 118,511**	$ 1,374,351

Cash and cash equivalents consist of:		
Bank deposits	**$ 118,511**	$ 1,374,351

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

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

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. The Company has maintained operations and continued its field exploration each summer and fall since incorporation, including through the COVID-19 pandemic. Since incorporation on July 1, 2017, the Company raised equity financing from investors to provide for its early-stage exploration and working capital needs. Aside from private placement equity issuances of shares and units, other financial arrangements and structures may also be utilized in the future to fulfill the Company's capital management objectives.

As an exploration stage company, as at December 31, 2022, the Company has incurred an accumulated deficit since its inception of $3.1 million. The ability of the Company to continue as a going concern depends upon its ability to continue to raise adequate financing and to ultimately develop profitable operations. 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. 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.

There can be no assurance that the Company will be able to raise the funds necessary to finance its 2023 exploration programs and working capital through 2023. 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.

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.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets was amended, effective for annual periods beginning on or after January 1, 2022 to clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. There was no material impact on the Company from these changes. Other amendments have been excluded as they have no impact on the Company.

Future changes in accounting policies

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended effective for annual periods beginning on or after January 1, 2023, to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. No material impacts on the Company are expected once the amendments are adopted on April 1, 2023.

3. RECEIVABLES

	December 31, 2022	*March 31, 2022*
Recoverable sales taxes and payroll credits	$ 10,772	$ 18,946
Total receivables	$ 10,772	$ 18,946

(Expressed in Canadian Dollars)

4. DEPOSITS AND PREPAID EXPENSES

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

	December 31, 2022	March 31, 2022
Deposit - 2023 helicopter contract	**$ 25,000**	$ -
Advances- exploration survey	**-**	84,538
Prepaid insurance	**7,500**	6,797
	$ 32,500	$ 91,335

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	Lewis Gold Property	*Rock & Roll Property*	*Sugar Property*	*Total*
Balance, March 31, 2021	$ -	$ 2,761,011	$ 75,978	$ 2,836,989
Additions:				
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)
Subtotal – net additions	548,052	347,602	47,323	942,977
Balance, March 31, 2022	$ 548,052	$ 3,108,613	$ 123,301	$ 3,779,966
Additions:				
Acquisition costs	193,750	682	-	194,432
Accommodation and camp costs	-	76,531	-	76,531
Assays and laboratory analysis	84	7,183	-	7,267
Field expenses	-	879	-	879
Community relations	-	20,000	-	20,000
Geological and geophysical consulting	50,770	98,110	-	148,880
Helicopters and aircraft support	-	126,349	-	126,349
Licenses, claim fees and permits	580	19,516	-	20,096
Surveys	222,312	112,012	-	334,324
Less: Recoveries	-	(1,435)	-	(1,435)
Subtotal – net additions	467,496	459,827	-	927,323
Balance, December 31, 2022	$ 1,015,548	$ 3,568,440	$ 123,301	$ 4,707,289

(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 contiguous mineral claims for a total of 42 claims at Rock & Roll.

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.

(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 the Company's 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

	Right-of-use assets	*Computers and software*	*Furniture and fixtures*	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, December 31, 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	14,231	84	564	14,879
Maturity of lease	(60,827)	-	-	(60,827)
Balance, December 31, 2022	$ 8,878	$ 4,822	$ 7,002	$ 20,702
Net book value - March 31, 2022	$ 5,353	$ 200	$ 2,500	$ 8,053
Net book value – December 31, 2022	**$ 44,384**	**$ 116**	**$ 1,936**	**$ 46,436**

(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:

	December 31, 2022	*March 31, 2022*
Accounts payable	$ 21,945	$ 724
Accrued liabilities	32,500	20,000
	$ 54,445	$ 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 previous 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)	(10,126)	(15,188)
Accretion of lease liability discount	33	2,420	2,453
Balance, December 31, 2022	**$ -**	**$ 45,556**	**$ 45,556**

(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	29,354
Balance, December 31, 2022	$ 45,556

Fixed lease payment obligations remaining over the next five years:

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	-
Year ended December 31, 2027	-
Total	$ 51,301

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 December 31, 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.

(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 issuance of flow-through common shares in 2021 as described above resulted in flow-through share premium liabilities which are reduced pro-rata by the incurrence of qualifying exploration expenses. As at December 31, 2022, the Company had no remaining obligations to incur qualifying exploration costs in British Columbia.

Changes in Flow-through premium liability:	Nine months ended December 31, 2022	Year ended March 31, 2022
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	(46,506)	(99,770)
Balance, end of period	$ -	$ 46,506

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Stock options:

At the Company's Annual and Special Meeting on November 1, 2022, the shareholders re-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.

On October 26, 2022 the Company granted 1,475,000 stock options of which 800,000 options were to consultants and 675,000 options were to directors and officers. No stock options were granted for investor relations services. The options are exercisable at $0.15 per share for a five-year period.

The following parameters were used for valuing recent stock option grants:

	Period ended December 31, 2022	Year ended March 31, 2022
Weighted average assumptions:		
Risk-free interest rate	3.37%	0.97%
Expected dividend yield	-	-
Expected option life (years)	5.0	3.5
Expected stock price volatility	79%	81%
Weighted average share price at grant date	$0.06	$0.33
Weighted average fair value at grant date	$0.29	$0.345
Expected forfeiture rate	-	-

Number of stock options outstanding:	Number of Stock options	Weighted average exercise price
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 granted	1,475,000	0.15
Options terminated	(100,000)	0.25
Balance at December 31, 2022	3,650,000	$ 0.23

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Stock options: (continued)

The following table shows outstanding and vested stock options as at December 31, 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	1.04
January 21, 2024	60,000	60,000	0.25	1.06
March 15, 2024	50,000	50,000	0.28	1.21
February 27, 2025	60,000	60,000	0.25	2.16
May 25, 2025	230,000	230,000	0.25	2.40
September 21, 2025	625,000	625,000	0.36	2.73
October 26, 2027	1,475,000	1,475,000	0.15	4.82
Total outstanding options	3,650,000	3,650,000		2.96

Warrants:

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

Schedule of changes in share purchase warrants:	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	(2,218,625)	0.42
Balance at December 31, 2022	8,844,046	$ 0.46

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Warrants: (continued)

As at December 31, 2022, the following warrants are outstanding:

Expiry Date	Number of Warrants outstanding	Exercise Price ($)	Weighted average remaining contractual life (years)
May 19, 2023	270,000	0.40	0.38
May 19, 2023	636,072	0.45	0.38
May 19, 2023	68,400	0.33	0.38
June 8, 2023	534,166	0.40	0.44
June 8, 2023	103,250	0.45	0.44
June 8, 2023	58,450	0.33	0.44
June 30, 2023	2,457,669	0.40	0.50
June 30, 2023	185,000	0.45	0.50
June 30, 2023	351,423	0.33	0.50
August 6, 2023	3,130,000	0.50	0.60
August 6, 2023	53,861	0.45	0.60
August 6, 2023	276,444	0.60	0.60
September 4, 2023	390,000	0.50	0.68
September 4, 2023	318,111	0.60	0.68
September 4, 2023	11,200	0.45	0.68
Total	8,844,046		0.53

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 December 31, 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 December 31, 2022.

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 CEO of the Company who remains a director of the Company, providing 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, providing such services commensurate with the position;

d) Maxus Management Corp. is a company controlled by a director who is a former President and former CEO of the Company, which provided consulting services to the Company during those terms;

e) Wetherup Geological Consultants is a business operated by the Company's Vice-President of Exploration, providing 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 a former Vice-President of Exploration and which provided the Company with geological consulting services until 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 subleases one-half of MTS' office premises. The Company and MTS also shared an exploration camp facility in BC's Golden Triangle region in 2022 and 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 with the balances payable on demand.

Amounts owing to all related parties at December 31, 2022 is $64,325 (March 31, 2022 - $Nil) is detailed below:

(Expressed in Canadian Dollars)

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 nine-month period ended December 31, 2022	Transactions for the year ended March 31, 2022	**Balance payable as at December 31, 2022**	Balance payable as at March 31, 2022
Short-term benefits:					
Hatch 8 Consulting	**(a)**	**$ 54,000**	$ 90,000	**$ 12,600**	$ -
Lever Capital Corp.	**(b)**	**40,500**	54,000	**-**	-
Avanti Consulting Inc.	**(c)**	**54,000**	48,000	**-**	-
Maxus Management Corp.	**(d)**	**-**	54,000	**-**	-
Wetherup Geological Consultants	**(e)**	**56,000**	72,000	**-**	-
DRW Geological Consultants Ltd.	**(f)**	**-**	5,000	**-**	-
Total		**$ 204,500**	$ 323,000	**$ 12,600**	$ -

II) During the period ended December 31, 2022, the company entered into transactions with MTS as follows:

	Due to MTS, March 31, 2022	Invoiced	Paid	**Due to MTS, December 31, 2022**
Rent	$ -	$ 28,188	$ 28,076	**$ 113**
Office expenses, net	-	5,367	2,430	**2,937**
Exploration costs	-	56,175	7,500	**48,675**
Total	$ -	$ 89,730	$ 38,006	**$ 51,725**

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.

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.

(Expressed in Canadian Dollars)

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 December 31, 2022, the Company's maximum credit risk is equal to $154,183. 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 December 31, 2022:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3-5 years
Accounts payable and accrued liabilities	$ 54,445	$ 54,445	$ 54,445	$ -	$ -
Demand loans to related parties	64,325	64,325	64,325	-	-
Lease liabilities	45,556	51,300	20,250	20,588	10,462
Total	$ 164,326	$ 170,070	$ 139,020	$ 20,588	$ 10,462

As at December 31, 2022, the Company has working capital of $26,811. Additional financing is 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. For the near term in particular, management believes it would not be subject to material risks if and when interest rates rise further mainly because the Company has no long-term debt.

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 December 31, 2022, the Company held no short-term money market investments, with all of its investable funds in interest-bearing cash deposits.

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 December 31, 2022.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the nine-month period ended December 31, 2022 were as follows:

a) The Company's exploration costs incurred during the period included $325,545 of qualifying expenses which reduced the flow-through premium liability from $56,506 to $Nil and which was recognized as other income on settlement of flow-through premium liability for the period ended December 31, 2022; and

b) The Company issued 625,000 common shares under the Lewis Agreement, recorded at a value of $43,750 as a property acquisition cost.

The significant non-cash investing and financing transactions during the nine-month period ended December 31, 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 $90,880 debit against the flow-through premium liability; and

c) The Company acquired the option on the Lewis Gold Project by issuing the initial 500,000 common shares to the vendors valued at $0.35 for a total of $175,000, recorded as an acquisition cost.