ALPHA COPPER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the Three-Months Ended December 31, 2022 and 2021

Stated in Canadian Dollars

(Unaudited)

ALPHA COPPER CORP.

INDEX TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the Three-Months Ended December 31, 2022 and 2021

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

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Statements of Consolidated Financial Position
(Stated in Canadian dollars)
(Unaudited)

		As at December 31, 2022		As at September 30, 2022
Assets				
Current assets:				
Cash	$	1,478,145	$	3,156,069
Restricted cash (Note 4)		28,750		-
Goods and services taxes receivable		178,844		75,842
Prepaid and deposits (Note 5)		141,843		410,000
Total current assets		1,827,582		3,641,911
Long-term deposit (Note 6)		38,794		-
Reclamation bond (Note 7)		109,500		-
Right-of-use asset (Note 8)		346,342		-
Property and equipment (Note 9)		25,631		26,042
Exploration and evaluation asset (Note 10)		9,576,387		1,868,219
Total assets	**$**	**11,924,236**	**$**	**5,536,172**
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 11)	$	310,724	$	190,100
Flow-through liability		128,633		168,146
Current portion of lease liability (Note 12)		72,913		-
Total current liabilities		512,270		358,246
Lease liability (Note 12)		397,821		-
Total liabilities		910,091		358,246
Shareholders' equity:				
Share capital (Note 13)		17,378,247		12,002,394
Reserves		3,473,048		1,942,635
Deficit		(9,837,150)		(8,767,103)
Total shareholder's equity		11,014,145		5,177,926
Total liabilities and shareholder's equity	**$**	**11,924,236**	**$**	**5,536,172**

Nature of operations and continuance of business (Note 1)

On behalf of the Board of Directors:

"Darryl Jones"
Director

"Sean Kingsley"
Director

ALPHA COPPER CORP.

Statements of Consolidated Loss and Comprehensive Loss
For the Three-Months Ended December 31,
(Stated in Canadian dollars)
(Unaudited)

	2022	2021
Expenses		
Consulting fees (Note 14)	$ 79,365	$ 31,500
Marketing and investor relations	1,018,994	10,500
Office and administration	31,905	15,963
Professional fees (Note 14)	97,679	9,781
Regulatory and filing	7,936	7,292
Depreciation	3,005	-
Net loss before other items	1,238,884	75,036
Flow-through recovery	168,837	-
Net loss and comprehensive loss for the period	$ (1,070,047)	$ (75,036)
Weighted average numbers of shares outstanding	61,276,590	15,256,049
Loss per share	$ (0.02)	$ (0.00)

ALPHA COPPER CORP.

Statements of Changes in Consolidated Shareholders’ Equity
(Stated in Canadian dollars)
(Unaudited)

	Share Capital		Reserves	Deficit	Total Equity
	# of shares	**$**	**$**	**$**	**$**
Balance, September 30, 2021	21,173,293	$ 2,343,401	$ 45,301	$ (1,186,394)	$ 1,202,308
Private placement	24,631,223	9,089,267	-	-	9,089,267
Flow-through premium	-	(301,656)	-	-	(301,656)
Share issue costs	-	(684,793)	308,046	-	(376,747)
Exercise of warrants	11,541,500	1,246,175	-	-	1,246,175
Shares issued for mineral properties	403,833	310,000	-	-	310,000
Share-based compensation	-	-	1,589,288	-	1,589,288
Net loss for the year	-	-	-	(7,580,709)	(7,580,709)
Balance, September 30, 2022	**57,749,849**	**$ 12,002,394**	**$ 1,942,635**	**$ (8,767,103)**	**$ 5,177,926**
Exercise of warrants	360,000	24,000	-	-	24,000
Acquisition of CAVU Energy Metals Corp.	24,485,016	5,351,853	1,530,413	-	6,882,266
Net loss for the period	-	-	-	(1,070,047)	(1,070,047)
Balance, December 31, 2022	**82,594,865**	**$ 17,378,247**	**$ 3,473,048**	**$ (9,837,150)**	**$ 11,014,145**

ALPHA COPPER CORP.

Statements of Consolidated Cash Flows
For the Three-Months Ended December 31, 2022 and 2021
(Stated in Canadian dollars)

	2022	2021
Cash provided by (used in):		
Operating activities		
Net loss	$ (1,070,047)	$ (75,036)
Items not affecting cash:		
Depreciation	3,005	-
Flow-through recovery	(168,837)	-
Change in non-cash working capital		
Good and services taxes receivable	(55,847)	-
Prepaid and deposits	416,169	(51,385)
Accounts payable and accrued liabilities	(4,192)	43,024
Net cash used in operations	**(879,749)**	**(83,397)**
Investing activities		
Acquisition of exploration and evaluation assets	(920,238)	(12,551)
Cash acquired in corporate acquisition	98,063	-
Net cash from investing activities	**(822,175)**	**(12,551)**
Financing activities		
Issuance of common shares	24,000	1,347,000
Share issue costs	-	(20,054)
Net cash provided from financing activities	**24,000**	**1,326,946**
Increase in cash	(1,677,924)	1,230,998
Cash, beginning of period	3,156,069	1,006,724
Cash, end of period	**$ 1,478,145**	**$ 2,237,722**

Non-Cash Transactions	2022	2021
Shares issued for acquisition of CAVU Energy Metals Corp.	$ 5,351,853	$ -

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Alpha Copper Corp. (formerly Prophecy Potash Corp.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 29, 2019. The Company is in the business mineral property exploration and was listed on the Canadian Securities Exchange ("CSE") on August 9, 2019 after completing its initial public offering pursuant to a prospectus dated May 10, 2019. The Company's stock symbol is "ALCU".

The Company has an option agreement to earn an interest in mineral properties located in British Columbia (Note 4) and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

The Company's head office, principal address and registered and records office is located at 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L4.

The Company's ongoing operations are ultimately dependent upon the success of its business activities and its ability to attain profitable operations and generate funds therefrom and/or to raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to continue financing operating costs through public and private financing endeavors. However, the Company has no source of operating revenue, has incurred net losses since inception and as at December 31, 2022 has an operating deficit of $9,837,150 (September 30, 2022 - $8,767,103). The Company also has a significant commitment to complete exploration work prior to June 2023 (Note 4). These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. Its continued existence will be dependent on the receipt of related party debt or equity financing on terms which are acceptable to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

The financial statements were authorized for issue by the Board of Directors on February 20, 2023.

Basis of presentation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Intercompany balances and transactions are eliminated in preparing the consolidated financial statements. The following companies have been consolidated within these consolidated financial statements:

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Entity	Country of Incorporation	Holding	Functional Currency
Alpha Copper Corp.	Canada	Parent	Canadian Dollar
CAVU Energy Metals Corp.	Canada	100%	Canadian Dollar

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the change is identified, and prospectively in future periods.

Significant judgements

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in preparing the Company's consolidated financial statements include:

Going concern

In the preparation of these consolidated financial statements management is required to identify when events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern. Significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, twelve months from the balance sheet date. When the Company identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt. Management uses judgement to assess the Company's ability to continue as a going concern and the conditions that cast doubt upon the use of the going concern assumption. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

Indicators of impairment

The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation properties. Judgment is required to determine if the right to explore will expire in the near future or is not expected to be renewed, to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted, to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and the Company will discontinue such activities, and is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

(Stated Amounts in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based payments

Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

3. ACQUISITION

On September 30, 2022, the Company entered into an arrangement agreement to acquire all of the issued and outstanding shares of CAVU Energy Metals Corp. ("CAVU"), a publicly listed Canadian company (the "Transaction").

Under the terms of the Transaction, Alpha issued a total of 25,485,016 common shares to the shareholders of CAVU at an exchange ratio of 0.7 shares of Alpha for every one share of CAVU, as well as assumed 2,075,500 stock options and 14,093,234 common share purchase warrants, which were outstanding at the date of acquisition.

The Transaction was accounted for as an asset acquisition as the activities of CAVU did not meet the definition of a business under IFRS 3, *Business Combinations*.

The net assets acquired by the Company were estimated at a fair value of $6,882,267, as follows:

Fair value of Common Shares issued (25,485,016 shares)	$	5,351,853
Fair value of CAVU Warrants assumed by Alpha		1,208,368
Fair value of CAVU Stock Options assumed by Alpha		322,046
Fair value of consideration paid by Alpha	**$**	**6,882,267**

The fair value of the net assets acquired was allocated as follows:

Cash	$	98,063
Restricted cash		28,750
Amounts receivable		47,156
Prepaids and deposits		148,012
Right-of-use asset		348,936
Long-term deposits		38,794
Reclamation bond		109,500
Exploration and evaluation assets		6,787,930
Accounts payable and accrued liabilities		(124,816)
Flow-through liability		(129,324)
Lease obligations		(470,734)
Fair value of consideration paid by Alpha	**$**	**6,882,267**

(Stated Amounts in Canadian dollars)

4. RESTRICTED CASH

The Company's restricted cash consists of an amount deposited in a variable rate guaranteed investment certificate (GIC). The GIC is held with a financial institution as security over a corporate credit card the financial institution has issued to the Company. The GIC is redeemable following the cancellation of the credit card, which can be cancelled at any time.

5. PREPAIDS AND DEPOSTS

		December 31, 2022		September 30, 2022
Consulting	$	14,500	$	5,000
Rent		5,000		5,000
Marketing expense		122,343		350,000
Drilling deposit		-		50,000
	$	**141,843**	**$**	**410,000**

6. Deposit

The Company has a deposit with a third party relating to the security deposit on the office lease, which is to be held by the landlord until August 2027.

7. RECLAMATION BOND

On July 27, 2022, the Company has a reclamation bond relating associated with the Star property. The total amount of the bond is $219,000, of which the Company has paid $109,500 and the other $109,500 has been insured with a third party insurance agency.

8. RIGHT-OF-USE ASSET

Cost		
Balance, September 30, 2022	$	-
Additions resulting from the acquisition of CAVU		371,081
Balance, December 31, 2022	**$**	**371,081**
Accumulated Depreciation		
Balance, September 30, 2022	$	-
Additions resulting from the acquisition of CAVU		22,145
Depreciation		2,594
Balance, December 31, 2022	**$**	**24,739**
Net Book Value September 30, 2022	**$**	**-**
Net Book Value December 31, 2022	**$**	**346,342**

(Stated Amounts in Canadian dollars)

9. PROPERTY AND EQUIPMENT

		Furniture and equipment
Cost		
Balance, September 30, 2021	$	-
Additions		27,413
Balance, September 30, 2022 and December 31, 2022	**$**	**27,413**
Accumulated Depreciation		
Balance, September 30, 2021	$	-
Depreciation		1,371
Balance, September 30, 2022		1,371
Depreciation		411
Balance, December 31, 2022	**$**	**1,782**
September 30, 2022	**$**	**26,042**
December 31, 2022	**$**	**25,631**

10. EXPLORATION AND EVALUATION ASSETS

Indata Property, British Columbia, Canada

In June 2018, the Company entered into an agreement with Eastfield Resources Ltd. (“Eastfield”) whereby it obtained the option to acquire an undivided 60% interest in Eastfield’s 91.2% - owned Indata copper-gold property (“Indata Property”) located 120 kilometres northwest of the community of Fort St. James, British Columbia. The Indata Property comprises 16 mineral claims totaling 3,189 hectares. The residual 8.8% interest in the Indata Property is held by Imperial Metals Corporation. Eastfield and the Company have a director in common. Refer also to Note 7.

To earn the 60% interest, the Company is required to complete $2,000,000 in exploration work, make cash payments of $250,000 ($120,000 paid) and issue common shares at an aggregate value of $150,000 (313,530 shares valued at $110,000 issued) over a five -year term. An aggregate $2,000,000 exploration program is required to be completed over a five-year term and a minimum $75,000 exploration program is required to be completed in the first year (completed).

Okeover Property, British Columbia, Canada

In January 2022, the Company entered into an agreement with Eastfield Resources Ltd. (“Eastfield”) and Northwest Copper Corp. (“Northwest”) the property titleholder, whereby it was assigned Northwest’s option to acquire a 100% interest in the Okeover Copper-Molybdenum Project (the “Okeover Project”) located in British Columbia. The Okeover Project comprises 12 mineral claims totaling 4,614 hectares. To earn the 100% interest, the Company is required:

(a) to issue common shares to Northwest as follows:

- (i) common shares with a value of $250,000 on the closing date (paid);
- (ii) additional common shares with a value of $500,000 on or before the first anniversary of the closing date;
- (iii) additional common shares with a value of $750,000 on or before the second anniversary of the closing date; and

10. EXPLORATION AND EVALUATION ASSETS (continued)

(iv) additional common shares such that Northwest holds 10% of the Company's issued and outstanding common shares on the date prior to such issuance on or before the third anniversary of the closing date.

(b) to incur expenditures of not less than $5,000,000 as follows:

(i) $500,000 on or before the first anniversary of the closing date;

(ii) an additional $1,500,000 on or before the second anniversary of the closing date; and

(iii) an additional $3,000,000 on or before the third anniversary of the closing date.

Northwest retains a 2% net smelter return ("NSR") royalty, half of which may be bought back by the Company at any time prior to commencing commercial production for $1,000,000.

Hopper Project, Yukon, Canada

In December 2022, the Company assumed the Hopper Property option to acquire 70% interest in the property on the acquisition of CAVU. To exercise the option and earn 70% interest in the property, the Company is required to complete the following:

(a) to issue common shares and make cash payments to the option holder as follows:

(i) to issue 100,000 common shares and pay $25,000 or before seven calendar days after March 31, 2021 (issued and paid);

(ii) to 100,000 common shares and pay $75,000 on or before March 31, 2022 (issued and paid);

(iii) to issue 100,000 common shares and pay $150,000 on or before March 31, 2023;

(iv) to issue 100,000 common shares and pay $200,000 on or before March 31, 2024; and

(v) to issue 100,000 common shares and pay $250,000 on or before March 31, 2025.

(b) To incur expenditures of not less than $5,000,000 as follows:

(i) to make an aggregate exploration expenditure of $1,000,000 on or before March 31, 2023 (completed);

(ii) to make an aggregate exploration expenditures of $2,000,000 on or before March 31, 2024;

(iii) to make an aggregate exploration expenditures of $2,000,000 on or before March 31, 2025.

Quesnel Property, British Columbia, Canada

In December 2022, the Company assumed the Quesnel Property on the acquisition of CAVU. The property was originally acquired through staking.

Star Property, British Columbia, Canada

In December 2022, the Company assumed the Star Property on the acquisition of CAVU. CAVU purchased a 49% working interest in the property, in addition CAVU entered into an option agreement to acquire the remaining 51% interest in the Star Property. To exercise the option and earn the additional 51% interest in the property, the Company is required to complete the following:

(Stated Amounts in Canadian dollars)

10. EXPLORATION AND EVALUATION ASSETS (continued)

(a) to issue common shares and make cash payments to the option holder as follows:

(i) to issue 1,250,000 common shares and pay $100,000 or before seven calendar days after May 16, 2022 (issued and paid);

(ii) to pay $285,000 on or before July 1, 2022 (paid);

(iii) to pay $385,000 on or before May 16, 2023; and

(iv) to pay $385,000 on or before May 16, 2024;

Should the Company not exercise the 51% option in full, Prosper Gold Corp. shall have a 30-day period from the termination date to purchase the Company's 49% interest in the Star Project for a lump sum cash payment of $500,000.

The Star Project is subject to a royalty with certain legacy owners representing 2% of net smelter returns upon commercial production. One-half of the royalty may be repurchased from the royalty holders for a price of $2,000,000.

	Hopper Property	Quesnel Project	Star Project	Indata Property	Okeover Property	Total
	$	$	$	$	$	$
Balance, September 30, 2021	**-**	**-**	**-**	**269,581**	**-**	**269,581**
Acquisition costs	-	-	-	115,000	250,000	365,000
Permitting	-	-	-	-	1,681	1,681
Transportation costs	-	-	-	6,762	7,448	14,210
Drilling costs	-	-	-	420,238	-	420,238
Geological and consulting	-	-	-	673,227	124,282	797,509
Balance, September 30, 2022	**-**	**-**	**-**	**1,484,808**	**383,411**	**1,868,219**
Acquisition costs	4,949,067	44,627	1,794,236	-	-	6,787,930
Staking	-	-	-	2,383	-	2,383
Exploration expenses	-	-	2,516	107,880	807,459	917,855
Balance, December 31, 2022	**4,949,067**	**44,627**	**1,796,752**	**1,595,071**	**1,190,870**	**9,576,387**

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

	December 31, 2022	September 30, 2022
Trade accounts payable	$ 241,024	$ 163,100
Accrued accounts payable	69,700	27,000
	$ 310,724	**$ 190,100**

(Stated Amounts in Canadian dollars)

12. LEASE OBLIGATION

Lease Liability

The Company's leases comprise only fixed payments over the term of the lease. The Company recorded interest expense of $2,497 (2021 – nil) for the three-months ended December 31, 2022.

		Office
Lease liability		
Balance, September 30, 2022	$	-
Addition, on acquisition of CAVU		470,734
Balance, December 31, 2022	$	470,734
Maturity analysis – contractual undiscounted cash flows		
Less than one year	$	103,984
One to two years		138,902
Two to three years		141,726
Three to four years		141,983
Four to five years		132,740
Thereafter		-
Total undiscounted lease liabilities		659,335
Effect of discounting		(188,601)
Total lease liabilities		470,734
Less current portion		(72,913)
Long-term portion	$	397,821

13. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value.

Issued Shares

On February 23, 2022, the Company completed a non-brokered private placement of 12,540,186 units at a price of $0.50 per unit for gross proceeds of $6,270,093. Each unit consists of one common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $1.00 per share for a period of 24 months.

The Company paid cash share issuance costs of $356,693 related to the February 23, 2022, share issuances. In addition, the Company granted 397,125 broker warrants, exercisable at $1.00 for a two-year period. These warrants have a fair value of $308,046 using the Black-Scholes pricing model with the following inputs: i) exercise price: $1.00; ii) share price: $0.86; iii) term: 2 years: iv) volatility: 241%; v) discount rate: 1.45%.

During the year ended September 30, 2022, 11,541,500 warrants were exercised for total gross proceeds of $1,246,175.

During the year ended September 30, 2022, 403,833 common shares were issued with a fair value of $310,000 for the acquisition of the Indata and the Okeover properties.

During the quarter ended December 31, 2022, the Company issued 360,000 common shares on the exercise of 360,000 warrants for gross proceeds of $43,200, of which $19,200 was collected subsequent to December 31, 2022.

(Stated Amounts in Canadian dollars)

13. SHARE CAPITAL *(continued)*

Stock Option Plan

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the Company's issued and outstanding shares at the date of grant of the options. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the greater of the closing market price of the Company's shares on the CSE on (a) the date on which the Board of Directors grants and announces options (the "Award Date") and (b) the day prior to the Award Date. The Board of Directors may at any time and from time to time, fix limits, vesting requirements or restrictions in respect of which an Option Holder may exercise part of any Option held by him/her.

On January 13, 2022, the Company granted 1,900,000 stock options to directors and officers. These options have a fair value of $1,022,513 using the Black Scholes model with the following inputs: i) exercise price: $0.60; ii) share price: $0.59; iii) term: 2 years; iv) volatility: 246%; v) discount rate: 1.08%.

On June 24, 2022, the Company granted 1,850,000 stock options to directors and officers. These options have a fair value of $486,676 using the Black Scholes model with the following inputs: i) exercise price: $0.27; ii) share price: $0.27; iii) term: 5 years; iv) volatility: 238%; v) discount rate: 3.19%.

On June 24, 2022, the Company granted 400,000 stock options to certain consultants of the Company. These options have a fair value of $80,099 using the Black Scholes model with the following inputs: i) exercise price: $0.27; ii) share price: $0.27; iii) term: 2 years; iv) volatility: 163%; v) discount rate: 3.12%.

On December 18, 2022, the Company assumed 2,075,500 on the acquisition of CAVU. These options were estimated to have a fair value of $322,046 using the Black Scholes model with the following weighted average inputs: i) exercise price: $0.50; ii) share price: $0.21; iii) term: 2.65 years; iv) volatility: 183%; v) discount rate: 3.37%.

The continuity of stock options for the period ended December 31, 2022, is as follows:

	Number	Weighted Average Exercise Price
		$
Balance, September 30, 2021	280,000	0.28
Granted	4,150,000	0.42
Balance, September 30, 2022	4,430,000	0.41
Assumed on acquisition of CAVU	2,075,500	0.50
Balance, December 31, 2022	6,505,500	0.44

(Stated Amounts in Canadian dollars)

13. SHARE CAPITAL *(continued)*

The following stock options were outstanding as at June 31, 2022:

Expiry date	Number of options	Exercise price	Remaining life (years)
August 7, 2024	280,000	$0.28	1.61
January 13, 2024	1,900,000	$0.60	1.03
June 24, 2024	400,000	$0.27	1.48
June 24, 2027	1,850,000	$0.27	4.48
January 24, 2025	927,500	$0.67	2.07
July 6, 2026	49,000	$0.59	3.52
October 1, 2024	35,000	$0.81	1.75
February 24, 2026	1,064,000	$0.34	3.15
Balance, December 31, 2022	6,505,500	$0.44	2.58

Warrants

The continuity of share purchase warrants for the period ended December 31, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, September 30, 2021	17,808,000	0.11
Issued	25,028,348	0.70
Exercised	(11,541,500)	0.11
Balance, September 30, 2022	31,294,848	0.58
Assumed on acquisition of CAVU	14,093,234	0.53
Exercised	(360,000)	0.12
Balance, September 30, 2022	45,028,082	**0.57**

The following share purchase warrants were outstanding as at December 31, 2022:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
		$	
April 30, 2023	6,040,000	0.12	0.33
December 6, 2023	9,946,500	0.25	0.93
February 22, 2024	14,948,348	1.00	1.15
March 26, 2023	1,100,050	0.71	0.23
February 16, 2023	1,281,000	0.21	0.13
September 29, 2025	3,290,000	0.04	2.75
January 1, 2021	6,283,944	0.86	1.06
July 18, 2024	572,833	0.71	1.55
June 27, 2024	655,407	0.71	1.49
October 9, 2025	910,000	0.04	2.78
	45,028,082	**0.58**	**1.09**

(Stated Amounts in Canadian dollars)

14. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officer and directors.

During the three-months ended December 31, 2022, the Company paid a privately held company owned by the Chief Executive Officer $45,000 (2021 – $15,750) for consulting services. These amounts are included in consulting fees.

During the three-months ended December 31, 2022, the Company paid a privately held company owned by the Chief Financial Officer $9,000 (2021 – $2,205) for consulting services. These amounts are included in professional fees.

During the three-months ended December 31, 2022, the Company paid a privately held company owned by one of the Company directors $31,453 (2021 – $12,551) for geological consulting services. These amounts are included in exploration and evaluation assets.

During the year ended September 30, 2022, a Company director participated in the subscription of 80,000 flow-through common shares.

As at December 31, 2022 and September 30, 2022, $37,328 and $85,185 were owed to related parties.

All related party amounts were incurred in the normal course of operations, bear no interest, and have no fixed terms of repayment.

15. RISK AND CAPITAL MANAGEMENT

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

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

- Level 1 – Unadjusted quoted prices in active markets 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.

	Level	2022	2021
		$	$
Cash	1	1,478,145	3,156,069
Restricted cash	1	28,750	-
Reclamation bond	1	109,500	-

The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

15. RISK AND CAPITAL MANAGEMENT *(continued)*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

16. CAPITAL DISCLOSURES AND MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its projects. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, enter into joint venture arrangements, borrow, acquire or dispose of assets.