
METALITE RESOURCES INC.
(Formerly RooGold Inc.)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Metalite Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Metalite Resources Inc.
(Formerly RooGold Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at,	March 31, 2023	December 31, 2022
ASSETS		
Current		
Cash and cash equivalents	\$ 252,086	\$ 471,064
Accounts receivables	74,429	67,831
Prepaid expenses	151,602	45,488
Total current assets	478,117	584,383
Site restoration deposits (note 3)	55,687	120,253
Vehicle (note 4)	28,073	31,028
Total assets	\$ 561,877	\$ 735,664
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 9)	\$ 588,436	\$ 126,947
Total liabilities	588,436	126,947
SHAREHOLDER'S (DEFICIENCY) EQUITY		
Share capital (note 5)	14,874,469	11,974,501
Shares to be issued	56,250	56,250
Share-based payments reserve	1,162,944	368,347
Accumulated other comprehensive loss	(11,539)	(11,358)
Deficit	(16,108,683)	(11,779,023)
Total shareholder's (deficiency) equity	(26,559)	608,717
Total liabilities and shareholder's (deficiency) equity	\$ 561,877	\$ 735,664

Nature of operations and going concern (note 1)

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

Metalite Resources Inc.
(Formerly RooGold Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months March 31,	
	2023	2022
Operating expenses		
Administration expenses (note 9)	\$ 60,398	\$ 20,952
Depreciation (note 4)	2,955	-
Exploration expenditures (note 3 and 9)	3,902,931	106,456
Management fees (note 9)	112,682	37,340
Marketing and shareholder communication	19,485	163,930
Professional fees	165,405	133,695
Transfer agent and filing fees	36,415	23,690
Share-based compensation (note 6)	83,316	100,646
Foreign exchange (gain) loss	4,066	(12,592)
Net loss for the period	4,387,653	574,117
Translation difference on foreign operations	(181)	(3,837)
Comprehensive loss for the period	\$ 4,387,472	\$ 570,280
Net loss per share		
- basic and diluted (note 8)	\$ 0.04	\$ 0.01
Weighted average number of common shares outstanding		
- basic and diluted (note 8)	103,170,723	71,682,046

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

Metalite Resources Inc.
(Formerly RooGold Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months March 31,	
	2023	2022
Operating activities		
Net loss for the period	\$ (4,387,653)	\$ (574,117)
<i>Items not affecting cash:</i>		
Shares and warrants issued for NextGen acquisition	3,669,242	-
Share-based compensation	83,316	100,646
Foreign exchange	(181)	(3,837)
Depreciation	2,955	-
<i>Changes in non-cash working capital items:</i>		
Accounts receivables	(6,598)	(77,600)
Prepaid expenses	(106,114)	(286,604)
Accounts payable and accrued liabilities	461,489	(57,478)
Net cash used in operating activities	(283,544)	(898,990)
Investing activities		
Return of site restoration deposits	64,566	-
Net cash provided by investing activities	64,566	-
Financing activities		
Proceeds from issuance of shares (net of issuance costs)	-	551,986
Subscription receipts (net of issuance costs)	-	(434,566)
Warrants exercised	-	28,330
Net cash provided by financing activities	-	145,750
Decrease in cash and cash equivalents	(218,978)	(753,240)
Cash and cash equivalents, beginning of period	471,064	2,433,753
Cash and cash equivalents, end of period	\$ 252,086	\$ 1,680,513

Supplemental information

Non-Cash investing and financing activities		
Common shares issued pursuant to NextGen (note 3(f))	\$ 2,899,968	\$ -
Fair value of warrants (note 3(f) and 5)	\$ 769,274	\$ 9,420
Acquisition costs within accounts payables and accrued liabilities	\$ -	\$ 25,000

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

Metalite Resources Inc.
(Formerly RooGold Inc.)
Condensed Interim Consolidated Statements of Changes in (Deficiency) Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of shares	Share capital	Subscriptions receipts	Shares to be issued	Share-based payments reserve	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance, December 31, 2021	69,735,500	\$ 11,391,845	\$ 434,566	\$ -	\$ 132,925	\$ 2,865	\$ (9,597,347)	\$ 2,364,854
Private placement (net of cash issuance costs)	2,399,500	551,986	(434,566)	-	-	-	-	117,420
Fair-value of agent's warrants issued	-	(9,420)	-	-	9,420	-	-	-
Warrants exercised	424,950	40,090	-	-	(11,760)	-	-	28,330
Share-based compensation	-	-	-	-	100,646	-	-	100,646
Cumulative translation adjustment	-	-	-	-	-	3,837	-	3,837
Net loss for the period	-	-	-	-	-	-	(574,117)	(574,117)
Balance, March 31, 2022	72,559,950	\$ 11,974,501	\$ -	\$ -	\$ 231,231	\$ 6,702	\$ (10,171,464)	\$ 2,040,970
Balance, December 31, 2022	72,559,950	\$ 11,974,501	\$ -	\$ 56,250	\$ 368,347	\$ (11,358)	\$ (11,779,023)	\$ 12,387,740
Amalgamation of Next Generation Resources Inc.	72,499,200	2,899,968	-	-	769,274	-	-	3,669,242
Share-based compensation	-	-	-	-	83,316	-	-	83,316
Options expired	-	-	-	-	(57,993)	-	57,993	-
Cumulative translation adjustment	-	-	-	-	-	(181)	-	(181)
Net loss for the period	-	-	-	-	-	-	(4,387,653)	(4,387,653)
Balance, March 31, 2023	145,059,150	\$ 14,874,469	\$ -	\$ 56,250	\$ 1,162,944	\$ (11,539)	\$ (16,108,683)	\$ 11,752,464

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

Metalite Resources Inc.
(Formerly RooGold Inc.)
Notes to Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2023 and 2022
(In Canadian Dollars, except where noted)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

On April 1, 2019, Metalite Resources Inc. ("Metalite" or the "Company"; formerly RooGold Inc.) was incorporated under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources in Liberia, and New South Wales, Australia. Metalite is a public company whose common shares trade on the Canadian Securities Exchange ("CSE") under the symbol METL. On March 21, 2023, the Company changed its name to Metalite Resources Inc., and its symbol for the common shares traded on the CSE was changed to METL from ROO.

The Company's head office address is 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

Going concern of operations

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The unaudited condensed interim consolidated 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.

As of March 31, 2023, the Company has not generated any revenues and has an accumulated deficit of \$16,108,683 (December 31, 2022 - \$11,779,023) since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although these unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through equity or debt issuances.

2. BASIS OF PREPARATION

Statement of compliance

The Company applies 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").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These unaudited condensed interim consolidated financial statements were issued and effective as of May 29, 2023, the date the Board of Directors approved the statements.

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2. BASIS OF PREPARATION (continued)

Statement of compliance (continued)

The preparation of financial statements in accordance with International Accounting Standards (IAS) 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to these unaudited condensed interim consolidated financial statements were the same as those that applied to the Company's annual consolidated financial statements as at and for the year ended December 31, 2022, except for the below.

Basis of measurement

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

Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its 100% owned Canadian, Australian subsidiaries, and Liberia as listed in the table below. All significant inter-company transactions and balances have been eliminated on consolidation.

Name of Subsidiary	Place of Operation	Ownership Interest	Principal Activity
Southern Precious Metals Ltd.	Canada	100%	Holding company
1267248 B.C. Ltd	Canada	100%	Holding company
Aussie Precious Metals Corp.	Canada	100%	Holding company
Next Generation Resources Inc.	Canada	100%	Holding company
Southern Precious Metals Corp. Pty Ltd.	Australia	100%	Australian operating entity
Great Southern Precious Metals Pty Ltd.	Australia	100%	Australian operating entity
APMC Holdings Pty Ltd.	Australia	100%	Australian operating entity
Next Generation Resources Inc Liberia	Liberia	100%	Liberian operating entity

Functional currency and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. The functional currency of each individual entity is measured using the currency of the primary economic environment in which the entity operates.

The functional currency of Southern Precious Metals Corp. Pty Ltd, Great Southern Precious Metals Pty Ltd, and APMC Holdings Pty Ltd., are Australian dollars.

The functional currency of Next Generation Resources Inc Liberia is the Liberian dollar.

All other entities functional currency is the Canadian Dollar.

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2. BASIS OF PREPARATION (continued)

Adoption of new accounting policies

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

The Company adopted the amendment on January 1, 2023, the adoption of these amendments did not have any material impact on the Company's unaudited condensed interim consolidated financial statements.

3 EXPLORATION AND EVALUATION

Exploration and acquisition costs for the three months ended March 31, 2023 is as follows:

	Acquisition costs	Assays	Claim costs ⁽²⁾	Field costs	Geological	Total
Imperial (d) ⁽¹⁾	\$ -	\$ -	\$ -	\$ 1,337	\$ -	\$ 1,337
Malebo (a)	-	-	231	-	-	231
Solomons (a)	-	-	231	-	-	231
Glenrock (e)	-	-	231	-	-	231
Goodwins Reef (b)	-	-	231	-	-	231
Arthur's Seat (b)	-	1,869	-	-	5,044	6,913
Castle Rag (b)	-	-	-	-	2,033	2,033
Silver Creek (b)	-	-	231	-	-	231
Dingo (b)	-	-	-	-	10,166	10,166
Gold Star (b)	-	1,869	-	-	9,161	11,030
Trilby (c)	-	-	231	-	-	231
Lorne (c)	-	-	231	-	-	231
Liberia (f)	3,746,130	-	72,421	-	51,284	3,869,835
Total	\$ 3,746,130	\$ 3,738	\$ 74,038	\$ 1,337	\$ 77,688	\$ 3,902,931

⁽¹⁾ Cost for reclamation of roads and drill sites built.

⁽²⁾ Costs for relinquishment of title.

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3. EXPLORATION AND EVALUATION (continued)

Exploration and acquisition costs for the three months ended March 31, 2022 is as follows:

	Claim costs	Field costs	Geological	Total
Malebo (a)	\$ 520	\$ -	\$ -	\$ 520
Solomons (a)	373	-	-	373
Gold belt (b)	518	3,579	-	4,097
Easedowns (b)	216	-	-	216
Blue Bell (b)	312	-	-	312
Goodwins Reef (b)	353	-	-	353
Arthur's Seat (b)	216	-	-	216
Castle Rag (b)	642	-	-	642
Silver Creek (b)	216	-	-	216
Dingo (b)	711	9,085	2,585	12,381
Gold Star (b)	422	26,428	2,585	29,435
Trilby (c)	1,028	-	29,127	30,155
Lorne (c)	505	1,325	25,710	27,540
Total	\$ 6,032	\$ 40,417	\$ 60,007	\$ 106,456

(a) Malebo and Solomons, New South Wales, Australia

During the three months ended March 31, 2023 the Company relinquished the title to Malebo and Solomons.

(b) Gold Belt, Easedowns, Blue Bell, Goodwins Reef, Arthur's Seat, Castle Rag, Silver Creek, Dingo and Gold Star Properties, New South Wales, Australia

During the three months ended March 31, 2023 the Company relinquished the title to Blue Bell, Goodwins Reef, Silver Creek. Subsequent to the period end the Company relinquished title to Goldbelt, Castle Rag, and Dingo.

(c) Trilby and Lorne Properties, New South Wales

During the three months ended March 31, 2023 the Company relinquished the title to Trilby and Lorne.

(d) Imperial Property, Nevada

The Company abandoned the project during the year ended December 31, 2021.

(e) Glenrock

During the three months ended March 31, 2023 the Company relinquished the title to Glenrock.

(f) Liberia

On February 21, 2023, the Company closed the acquisition of Next Generation Resources Inc. ("NextGen"). The transaction was structured as a three-cornered amalgamation completed pursuant to an amalgamation agreement (the "Definitive Agreement") entered into between the Company, a newly incorporated wholly-owned subsidiary of the Company and NextGen. Pursuant to the terms of the Definitive Agreement, in connection with the amalgamation Metalite issued a total of 72,499,200 common shares, 29,901,600 common share purchase warrants and 1,688,000 agent warrants.

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3. EXPLORATION AND EVALUATION (continued)

(f) Liberia (continued)

The 2,152,000 warrants with an exercise price of \$0.025 contain an accelerated expiry provision such that if the closing price of the common shares in the capital of the Company on the Canadian Stock Exchange is in excess of \$0.025 for a period of 10 consecutive trading days then the expiry date shall be accelerated to the date that is 30 days following the date that is 7 days after the end of the 10 consecutive trading day period referenced above. The 1,688,000 agent warrants also have an exercise price of \$0.025 and are subject to the same acceleration clause. 25,749,600 of the common share purchase warrants have an exercise price of \$0.10 until February 21, 2024 and an exercise price of \$0.125 from February 22, 2024 until February 21, 2025. The final 2,000,000 warrants have an exercise price of \$0.0625. All of such warrants expire on February 21, 2025. The fair value of these warrant at the date of grant was estimated at \$769,274 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.04; risk free interest rate – 4.23%; expected volatility – 149.1% - 150.9%; expected dividend yield - nil; expected life - 2 - 2.14 years.

The transaction does not constitute a business combination as NextGen and its subsidiary does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of these entities has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing of the transaction, NextGen and its subsidiary became a subsidiaries of the Company. The net assets acquired pursuant to the acquisition are as follows:

Preliminary purchase price allocation of net assets acquired:

Cash	\$	215,271
Prepaid expenses		39,468
Exploration and evaluation assets		3,746,130
Accounts payables and accrued liabilities		(331,627)
Total net assets acquired	\$	3,669,242

Purchase price:

Issuance of shares	\$	2,899,968
Warrants issued		769,274
Total purchase price	\$	3,669,242

In accordance with the Company's accounting policy all exploration and evaluation assets acquired are expensed.

Deposits

As at March 31, 2023, the Company has deposits with the Ministry of New South Wales of \$55,687 (60,000 AUD) (December 31, 2022 - \$120,253 (130,000 AUD)).

4. VEHICLES

	Cost	Depreciation	Net book value
Balance, December 31, 2021	\$ -	\$ -	\$ -
Additions	39,400	(8,372)	31,028
Balance, December 31, 2022	39,400	(8,372)	31,028
Additions	-	(2,955)	(2,955)
Balance, March 31, 2023	\$ 39,400	\$ (11,327)	\$ 28,073

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5. COMMON SHARES

Authorized

As at March 31, 2023 and 2022, the authorized share capital of the Company is an unlimited number of common shares without par value.

Issued share capital

	Number of shares	Share capital
Balance, December 31, 2021	69,735,500	\$ 11,391,845
Private placement (net of cash issuance costs) (ii)	2,399,500	551,986
Fair-value of agent's warrants issued (ii)	-	(9,420)
Warrants exercised (i)	424,950	40,090
Balance, March 31, 2022	72,559,950	\$ 11,974,501
Balance, December 31, 2022	72,559,950	\$ 11,974,501
Acquisition of NextGen (note 3(f))	72,499,200	2,899,968
Balance, March 31, 2023	145,059,150	\$ 14,874,469

(i) During the three months ended March 31, 2022, 424,950 share purchase warrants were exercised at \$0.067 for gross proceeds of \$28,330. Upon the exercise of 424,950 Agents' warrants the fair value of \$11,760 was transferred from share-based payments reserve to share capital.

(ii) On January 20, 2022, the Company closed a second tranche of its previously announced non-brokered unit private placement, on a post-consolidation basis, by issuing 2,399,500 units at \$0.25 per unit and raising \$599,875. Each unit consists of a common share and a half (1/2) a common share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at \$0.40 per share for a two year period from closing. The term of the Warrants is subject to an accelerator clause that the Company can elect to trigger if the Company's share price trades above \$0.50 for 30 consecutive trading days. In connection with the private placement, the Company incurred closing cost of \$47,889, and 69,760 agent warrants, each agent warrant entitling the holder to purchase a common share at \$0.32 for a two year period. The term of the agent's warrants is subject to an accelerator clause that the Company can elect to trigger if Metalite's shares trade above \$0.50 for 30 consecutive trading days.

The fair value of the agent's warrants was calculated to be \$9,420 using the Black-Scholes method which was charged to share issue costs. The fair value of the agent's warrants at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.25; risk free interest rate - 0.47%; expected volatility - 116.40% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years.

Shares held in escrow

When the Company's shares were listed on the Exchange (the "Listing Date"), 4,500,000 shares were held in escrow. 10% of these escrowed shares were released on the listing date with the balance to be released from escrow in equal blocks of 15% at six-month intervals over the 36 months following the Listing Date. At March 31, 2023, 675,000 (December 31, 2022 - 2,227,500) common shares remain held in escrow. Further, there are 7,000,000 shares held in escrow in connection with the acquisitions of APMC and GSPM.

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6. STOCK OPTIONS

The Company has implemented a stock option plan ("the Plan") to be administered by the Board of Directors. Pursuant to the Plan the Board of Director's has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall be not less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than ten years after the grant date. No related persons shall be granted or cumulatively have options in excess of 5% of the total shares issued and outstanding.

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2021	575,000	0.265
Granted (ii)(iii)(iv)	2,100,000	0.282
Balance, March 31, 2022	2,675,000	0.278
Balance, December 31, 2021	7,241,667	0.092
Forfeited (iii)(iv)	(416,667)	0.270
Balance, March 31, 2023	6,825,000	0.081

(i) On November 5, 2021, the Company granted stock options to consultants of the Company for the purchase of a total of 575,000 common shares. The options are exercisable for a period of two years at an exercise price of \$0.265 per share and vest after three months. The fair value of these options at the date of grant was estimated at \$74,210 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.265; risk free interest rate - 0.54%; expected volatility - 108% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years. During the three months ended March 31, 2023, the Company recognized \$nil in share-based compensation (March 31, 2022 - \$29,038), in connection with the options granted.

(ii) On February 9, 2022, the Company granted 750,000 stock options to the former VP of Exploration. The stock options vested 250,000 on February 9, 2022, and the remainder vesting 250,000 each year on the anniversary. The stock options have an exercise price of \$0.25 and are exercisable for a period of five years, expiring February 9, 2027. The fair value of these options at the date of grant was estimated at \$118,775 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.20; risk free interest rate - 1.13%; expected volatility - 116.73%; expected dividend yield - nil; expected life - 5 years. During the three months ended March 31, 2023, the Company recognized \$nil (March 31, 2022 - \$47,727) in share-based compensation, in connection with the option grant. In October 2022, the VP of Exploration left the Company, and 500,000 of the unvested option were forfeited immediately, with the remainder being forfeited in January 2023.

(iii) On March 4, 2022 the Company granted 1,000,000 stock options to the former Chief Executive Officer ("CEO"), and President, of which 166,667 stock options vest every six months starting on September 4, 2022. The stock options have an exercise price of \$0.30 and are exercisable for a period of five years, expiring March 4, 2027. The fair value of these options at the date of grant was estimated at \$110,410 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.15; risk free interest rate - 1.14%; expected volatility - 115.73%; expected dividend yield - nil; expected life - 5 years. During the three months ended March 31, 2023, the Company recognized \$nil (March 31, 2022 - \$22,344) in share-based compensation, in connection with the option grant. In November 2022, the former CEO left the Company, and 833,333 of the unvested option were forfeited immediately, with the remainder being forfeited in February 2023.

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6. STOCK OPTIONS (continued)

(iv) On March 17, 2022, the Company granted 350,000 stock options to a Director of which 87,500 stock options vest every six months starting September 17, 2022. The stock options have an exercise price of \$0.30 and are exercisable for a period of five years, expiring March 17, 2027. The fair value of these options at the date of grant was estimated at \$41,380 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.15; risk free interest rate – 1.15%; expected volatility – 116.20%; expected dividend yield - nil; expected life - 5 years. During the three months ended March 31, 2023, the Company recognized \$5,124 (March 31, 2022 - \$1,537), in share-based compensation, in connection with the option grant. Subsequent to March 31, 2023 the remaining unvested options received accelerated vesting terms.

(v) On December 29, 2022, the Company granted 5,900,000 stock options to Officers and Directors of which 2,562,500 stock options vest on June 29, 2023, and the remainder vest immediately. The stock options have an exercise price of \$0.05 and are exercisable for a period of five years, expiring December 29, 2027. The fair value of these options at the date of grant was estimated at \$216,090 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.05; risk free interest rate – 3.37%; expected volatility – 116.67%; expected dividend yield - nil; expected life - 5 years. During the three months ended March 31, 2023, the Company recognized \$78,192 (March 31, 2022 - \$nil), in share-based compensation, in connection with the option grant. During the three months ended March 31, 2023 options totaling 2,437,500 received accelerated vesting terms due primarily to the departure of certain directors. The balance of options will vest on June 29, 2023.

The following table reflects the stock options issued and outstanding as of March 31, 2023:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
November 5, 2023	0.265	0.60	575,000	575,000
March 17, 2027	0.300	3.96	350,000	175,000
December 29, 2027	0.050	4.75	5,900,000	4,962,500
	0.081	4.36	6,825,000	5,712,500

7. WARRANTS

Share Purchase Warrants

The following table reflects the continuity of share purchase warrants for the periods presented:

	Number of share warrants	Weighted average exercise price (\$)
Balance December 31, 2021	21,340,000	0.150
Issued (note 5(ii))	1,199,750	0.400
Balance, March 31, 2022	22,539,750	0.160
Balance December 31, 2022	22,539,750	0.163
Issued (note 3(f))	27,749,600	0.100
Balance, March 31, 2023	50,289,350	0.149

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7. WARRANTS (continued)

Share purchase warrants outstanding as at March 31, 2023 are:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of warrants Outstanding
October 1, 2023	0.40	0.50	4,705,000
October 8, 2023	0.40	0.52	560,000
January 20, 2024	0.40	0.81	1,199,750
July 17, 2024	0.067	1.54	16,075,000
February 21, 2025	0.625	1.90	2,000,000
April 13, 2025	0.100	2.04	25,749,600
Total	0.149	1.68	50,289,350

Agent Warrants

The following table reflects the continuity of agent warrants for the periods presented:

	Number of agent warrants	Weighted average exercise price (\$)
Balance December 31, 2021	1,113,750	0.220
Exercised (note 5)	424,950	0.067
Issued (note 5(ii))	69,760	0.320
Balance, March 31, 2022	1,608,460	0.310
Balance December 31, 2022	734,560	0.320
Issued (note 3(f))	3,840,000	0.025
Balance, March 31, 2023	4,574,560	0.070

Agent warrants outstanding as at March 31, 2023 are:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of warrants Outstanding
October 1, 2023	0.32	0.50	664,800
January 20, 2024	0.32	0.81	69,760
February 21, 2025	0.025	1.90	3,840,000
Total	0.07	1.68	4,574,560

8. LOSS PER SHARE

For the three months ended March 31, 2023, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$4,387,653 (three months ended March 31, 2022 - 574,117) and the weighted average number of common shares outstanding of 103,170,723 (three months ended March 31, 2022 - 71,682,046). Diluted loss per share did not include the effect of 6,825,000 options outstanding (March 31, 2022 - 2,675,000) or the effect of 50,289,350 share purchase warrants outstanding (March 31, 2022 - 22,539,750), 4,574,560 agent purchase warrants outstanding (March 31, 2022 - 1,608,460) and as they are anti-dilutive.

9. RELATED PARTY TRANSACTIONS

Related parties include Officers, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions involving officers and directors for the three months ended March 31, 2023 and 2022:

- (i) Management fees of \$4,635 (2022 - \$4,635) were paid or accrued for CFO services to the CFO of the Company.
- (ii) Management fees of \$nil (2022 - \$12,000) were paid or accrued to a company controlled by a former Director of the Company.
- (iii) Management fees of \$32,500 (2022 - \$nil) were paid or accrued to a company controlled by the former interim CEO and Director of the Company.
- (iv) Management fees of \$40,000 (2022 - \$nil) were paid or accrued to a company controlled by a former Director of the Company.
- (v) Management fees of \$nil (2022 - \$18,750) were incurred to the previous CEO and President of the Company. The Company has committed to issuing \$56,250 in common shares to the previous CEO and President upon completion of its next equity financing raising a minimum \$100,000.
- (vi) Geological fees of \$nil (2022 - \$41,295 (AUD 45,000)) were paid to the former VP of Exploration of the Company.
- (vii) Management fees of \$7,300 (2022 - \$nil) were paid or accrued to a company controlled by the CEO and Director of the Company.
- (viii) Management fees of \$27,235 (2022 - \$nil) were paid or accrued to a company controlled by the VP of Exploration of the Company.
- (ix) Refer to note 6.

Included in accounts payable and accrued liabilities at March 31, 2023 is \$12,850 (December 31, 2022 - \$25,172) owed to related parties. The amounts owed to related parties are unsecured, non-interest bearing and due on demand.

The Company has a cost sharing agreement with Gem Rocks Mining Resources Inc. ("GRM"), a company related by a common officer and director, whereby the Company shares services and other expenses. During three months ended March 31, 2023 the Company was allocated \$18,812 (March 31, 2022 - \$nil) for its share of these expenses, of which \$45,410 (December 31, 2022 - \$nil) was payable to Zodiac.

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10. SEGMENTED INFORMATION

The Company operates in one industry segment, namely exploration of mineral resources in three geographic regions, Canada, Liberia, and Australia. Prior to February 21, 2023, the Company operated in two geological regions, Canadian and Australia. All of the Company's site restoration deposits are located in Australia. Geographical segmentation of the Company's assets and liabilities is as follows:

As at, March 31, 2023	Canada	Liberia	Australia	Total
Total non-assets	\$ -	\$ -	\$ 83,760	\$ 83,760

As at, December 31, 2022	Canada	Liberia	Australia	Total
Total non-assets	\$ -	\$ -	\$ 151,281	\$ 151,281

Geographical segmentation of the expenses is as follows:

Three Months March 31, 2023				
Expenses	Canada	Liberia	Australia	Total
Administration expenses	\$ 52,439	\$ -	\$ 7,959	\$ 60,398
Depreciation	-	-	2,955	2,955
Exploration expenditures	3,763,596	107,576	31,759	3,902,931
Management fees	112,682	-	-	112,682
Marketing and shareholder communication	19,485	-	-	19,485
Professional fees	158,922	-	6,483	165,405
Transfer agent and filing fees	36,415	-	-	36,415
Share-based compensation	83,316	-	-	83,316
Foreign exchange loss	4,066	-	-	4,066
Net loss for the period	4,230,920	107,576	49,156	4,387,653
Cumulative translation adjustment	-	5,660	(5,841)	(181)
Comprehensive loss for the period	\$ 4,230,920	\$ 113,236	\$ 43,315	\$ 4,387,472

Three Months March 31, 2022				
Expenses	Canada	Liberia	Australia	Total
Administration expenses	\$ 5,291	\$ -	\$ 15,661	\$ 20,952
Exploration expenditures	8,810	-	97,646	106,456
Management fees	37,340	-	-	37,340
Marketing and shareholder communication	163,930	-	-	163,930
Professional fees	123,497	-	10,198	133,695
Transfer agent and filing fees	23,413	-	277	23,690
Share-based compensation	100,646	-	-	100,646
Foreign exchange gain	(12,592)	-	-	(12,592)
Net loss for the period	450,335	-	123,782	574,117
Cumulative translation adjustment	-	-	(3,837)	(3,837)
Comprehensive loss for the period	\$ 450,335	\$ -	\$ 119,945	\$ 570,280