Financial Statements

September 30, 2021

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Core Assets Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Core Assets Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2021 and 2020, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has accumulated losses since its inception, expects to incur further losses in the development of its business, and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
January 11, 2022

Core Assets Corp.

Statements of Financial Position
As at September 30,
As expressed in Canadian dollars

		2021		2020
Assets				
Current				
Cash	**$**	**1,528,966**	$	232,832
Sales taxes and other receivables		**24,408**		6,536
Prepaid expenses		**72,499**		5,821
		1,625,873		245,189
Promissory notes (Note 9)		**81,970**		**-**
Exploration and evaluation assets (Note 6 and Note 9)		**1,307,716**		273,652
Reclamation bonds (Note 5)		**25,500**		13,500
	$	**3,041,059**	$	532,341
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**85,910**	$	5,003
Due to related parties (Note 9)		**17,912**		30,606
		103,822		35,609
Shareholders' Equity				
Share capital (Note 7)		**3,834,809**		674,259
Share subscriptions received		**31,500**		**-**
Reserves (Note 8)		**318,831**		**-**
Deficit		**(1,247,903)**		(177,527)
		2,937,237		496,732
	$	**3,041,059**	$	532,341

Approved and authorized by the Board of Directors on January 11, 2022:

"Nick Rodway"	*"David Hodge"*
Director	Director

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

Core Assets Corp.

Statements of Operations and Comprehensive Loss
As at September 30,
As expressed in Canadian dollars

		2021		2020
Expenses				
Accounting and audit fees	$	**10,500**	$	9,500
Administrative fees (Note 9)		**150,000**		25,000
Advertising and travel expenses		**39,679**		19,101
Consulting fees and salaries (Note 9)		**437,358**		14,611
Investor relations		**38,235**		-
Legal fees		**29,250**		59,880
Office and miscellaneous		**8,086**		1,533
Interest income		**(1,769)**		-
Professional fees		**8,784**		-
Share-based payments (Note 8)		**304,878**		-
Transfer agent and filing fees		**59,567**		29,874
Loss before income taxes		**1,084,568**		159,499
Deferred income tax recovery (Note 12 and 13)		**14,192**		-
		14,192		-
Net Loss and Comprehensive Loss for the Year		**1,070,376**		159,499
Basic and Diluted Loss Per Share	$	**(0.03)**	$	(0.01)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted		**32,630,600**		19,331,322

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

Core Assets Corp.

Statements of Changes in Equity
For the year ended September 30,
As expressed in Canadian dollars

	Number of Shares		Share Capital		Reserves		Shares Subscribed		Deficit		Total
Balance, September 30, 2019	**17,596,100**	**$**	**497,160**	**$**	**-**	**$**	**25,825**	**$**	**(18,028)**	**$**	**504,957**
Shares issued for cash (Note 7)	3,637,500		181,875		-		(25,825)		-		156,050
Shares returned to treasury (Note 7)	(17,000)		(850)		-		-		-		(850)
Share issuance costs	-		(3,926)		-		-		-		(3,926)
Net loss for the year	-		-		-		-		(159,499)		(159,499)
Balance, September 30, 2020	**21,216,600**	**$**	**674,259**	**$**	**-**	**$**	**-**	**$**	**(177,527)**	**$**	**496,732**
Shares issued for property (Note 7)	2,000,000		225,000		-		-		-		225,000
Shares issued (Note 7)	23,189,767		1,701,659		-		-		-		1,701,659
Shares issued – flow through (Note 7)	7,303,334		683,608		-		-		-		683,608
Share issuance costs	-		(53,384)		13,953		-		-		(39,431)
Bonus shares issued (Note 7)	2,000,000		280,000		-		-		-		280,000
Warrants exercised (Note 7)	2,157,778		323,667		-		-		-		323,667
Funds received for warrants (Note 7)	-		-		-		31,500		-		31,500
Share-based payments (Note 8)	-		-		304,878		-		-		304,878
Net loss for the year	-		-		-		-		(1,070,376)		(1,070,376)
Balance, September 30, 2021	**57,867,479**	**$**	**3,834,809**	**$**	**318,831**	**$**	**31,500**	**$**	**(1,247,903)**	**$**	**2,937,237**

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

Core Assets Corp.
Statements of Cash Flows
For the year ended September 30,
As expressed in Canadian dollars

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the year	**$ (1,070,376)**	$ (159,499)
Add (deduct) items not affecting cash:		
Bonus shares issued	**280,000**	-
Share-based compensation	**304,878**	-
Deferred income tax recovery	**(14,192)**	-
Changes in non-cash working capital items related to operations:		
Sales taxes and other receivables	**(17,872)**	(2,115)
Prepaid expenses	**(66,678)**	(5,821)
Due to related parties	**(12,694)**	30,606
Promissory notes	**(81,970)**	-
Accounts payable and accrued liabilities	**11,265**	(27,816)
Net cash flows used in operating activities	**(667,639)**	(164,645)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Share subscriptions received	**31,500**	-
Issue of common shares, net	**2,723,126**	155,200
Share issuance costs	**(39,431)**	(3,926)
Net cash flows from financing activities	**2,715,195**	151,274
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Reclamation bond	**(12,000)**	(500)
Mining tax credit	-	14,322
Exploration and evaluation costs	**(739,422)**	(52,417)
Net cash flows used in investing activities	**(751,422)**	(38,595)
Increase (decrease) in cash	**1,296,134**	(51,966)
Cash, beginning of year	**232,832**	284,798
Cash, end of year	**$ 1,528,966**	$ 232,832

Supplemental cash flow information (Note 11)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Core Assets Corp. ("Core" or the "Company") was incorporated on April 20, 2016, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company is in the exploration stage and has interests in properties located in British Columbia ("BC"), Canada. The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

On July 8, 2020, the Company received a final receipt from the British Columbia Securities Commission for its Long Form Prospectus dated July 7, 2020. On July 27, 2020, the Company's shares were listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CC". The Company's shares also trade on the OTCQB under the symbol "CCOOF" and on the Frankfurt Stock Exchange under the symbol "A2QCCU".

These financial statements were authorized for issue by the Audit Committee and Board of Directors on January 11, 2022.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has working capital of $1,522,051 at September 30, 2021 (2020: $209,580), has accumulated losses since its inception, expects to incur further losses in the development of its business, and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company's exploration and development programs. There is no assurance that these initiatives will be successful.

In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans, however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favourable to the Company. These financial statements do not include any adjustments to the carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that might be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of Measurement

These financial statements have been prepared on a historical costs 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, this financial statement has been prepared using the accrual basis of accounting.

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income; and
- Management’s assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

Judgments

The critical judgments that the Company’s management has made in the process of applying the Company’s accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company’s financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

  Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS - continued

- Provisions for reclamation

  Management assesses its provision for reclamation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

- Going concern

  The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

Foreign currency translation

The Company's presentation currency and functional currency is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Cash

Cash consists of amounts held in banks and cashable highly liquid investments with limited interest and credit risk.

Short-term investments

Short-term investments are investments which are transitional or current in nature, with an original maturity greater than three months but less than one year.

Exploration and evaluation costs

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Exploration and evaluation costs - continued

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation costs incurred are capitalized. All capitalized exploration and evaluation costs are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statement of operations and comprehensive loss to the extent that they are not expected to be recovered.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to “Mines under construction”. There is no amortization during the exploration and evaluation phase.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Mining rights

Mining rights acquired separately are measured on initial recognition at cost in accordance with *IAS 38 – Intangible Assets*. The cost of mining rights acquired is their fair value as at the date of acquisition. Mining rights include licenses, permits or other legal rights which permit the Company to carry out exploration activities within the subject area of these rights. The Company records mining rights separate from exploration and evaluation assets when there are no initial plans or intentions to carryout exploration activities upon acquisition.

Following initial recognition, mining rights are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of mining rights are assessed as either finite or indefinite. Mining rights with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the mining rights may be impaired. Mining rights with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Reclamation bonds

Reclamation bonds are required by the Ministry of Natural Resources and are mostly represented by Guaranteed Interest Certificates (“GIC”) held in the Company’s name at a bank. The Company is entitled to interest on the GICs which is earned at an interest rate ranging from 0.60% to prime minus 2.6%. The reclamation bonds cannot be withdrawn by the Company without the consent of the Ministry of Natural Resources.

Mining tax credits

Mining tax credits and mining duties are recorded in the accounts when they are received. These refundable mining tax credits are earned in respect to exploration costs incurred in BC, Canada and are recorded as a reduction of the related deferred exploration expenditures.

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 as follows:

Financial Assets	
Cash	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss are recognized in the statements of loss and comprehensive loss.

As at September 30, 2021 and 2020, the Company had no financial instruments recorded at fair value.

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and are priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Income taxes - continued

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries and associates to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

Earnings (loss) per share

The Company presents basic and diluted earnings/loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Related party transactions

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

Impairment of non-current assets

Non-current assets are evaluated at least annually by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in income to the extent that the carrying amount exceeds the recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of non-current assets - continued

In calculating the recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

Decommissioning liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of loss. The liability is assessed at each reporting date for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after October 1, 2020 or later periods. All are not applicable or will not have a significant impact to the Company and have been excluded.

5. RECLAMATION BOND

At September 30, 2021, the Company has a reclamation security deposit of $25,500 (2020: $13,500) with the Ministry of Energy, Mines and Petroleum Resources for the proposed exploration program on the Blue Property.

6. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's property interests and related spending commitments:

Blue Property

On December 10, 2018, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu"), a related party (see Note 9), whereby the Company can earn a 100% interest in and to the Blue Property, in British Columbia. For its participation in the transaction, the Company paid $100,000 and issued 3,000,000 common shares of the Company in staged payments (1,000,000 shares with a fair value of $50,000 issued during the year ended September 30, 2019 and 2,000,000 with a fair value of $225,000 were issued during the year ended September 30, 2021). Zimtu will retain a 2% Net Smelter Return (NSR) royalty. The Company has the right to buy back 1% of the NSR within 5 years of the agreement by paying $1,000,000. The original agreement was amended June 10, 2021 to change the date of the final payment from December 10, 2020 to June 15, 2021. Subsequent to September 30, 2021, the Company and Zimtu signed an agreement to remove the 2% NSR royalty from the original and amended agreements.

In August 2020, the Company acquired 8 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu ($23,025). Zimtu will retain a 2% NSR royalty, of which the Company shall have the right to buy back 1% within 5 years of the agreement by paying $1,000,000. The addition of these claims expanded and consolidated the Blue Property and the Silver Lime Property into one contiguous property that will continue to be called the Blue Property. Subsequent to September 30, 2021, the Company and Zimtu signed an agreement to remove the 2% NSR royalty from the original and amended agreements.

In June 2021, the Company acquired 6 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu of $26,095 plus 20% interest for a total of $31,314.

During the year ended September 30, 2021, the Company staked an additional 82,257 ha of land, increasing its land package to approximately 108,337 ha. The cost of the staking was $140,950.

Silver Lime Property

On August 1, 2019, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu"), a related party (see Note 9), whereby the Company can earn a 100% interest in and to the Silver Lime Property, in British Columbia by issuing 1,000,000 common shares (issued) of the Company. Zimtu will retain a 2% Net Smelter Return (NSR) royalty. The Company has the right to buy back 1% of the NSR within 5 years of the agreement by paying $1,000,000.

The Company originally acquired the Silver Lime property for the purpose of resale and was recorded in accordance with IAS 38. Subsequent to the purchase, the Company acquired additional claims that combine the Blue Property and the Silver Lime Property into one contiguous property and the Silver Lime Property is now considered part of the Company's Blue Property.

Expressed in Canadian dollars

6. EXPLORATION AND EVALUATION ASSETS - continued

		Blue Property
Balance, September 30, 2019	$	184,902
Acquisition costs – cash		23,025
Transfer of property from mining rights held		50,000
Geological expenses		16,890
Reports and other		13,157
BC METC credit		(14,322)
Balance, September 30, 2020	$	273,652
Acquisition costs – shares		225,000
Acquisition costs – cash		222,264
Assays		14,906
Drilling		1,621
Field supplies		21,276
Geological expenses		95,456
Geophysical survey		353,190
Reports and other		7,000
Travel and accommodation		93,351
Balance, September 30, 2021	$	1,307,716

7. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value.

b) Issued and outstanding: The total issued and outstanding shares of the Company total 57,867,479 as at September 30, 2021 (September 30, 2020: 21,216,600).

During the year ended September 30, 2021:

i. On December 10, 2020, 1,000,000 common shares with a fair value of $90,000 were issued in connection with the Blue Property (See Note 6).

ii. On March 17, 2021, the Company closed a non-brokered private placement (the “Offering”), issuing 12,177,767 units (each, a “Unit”) at a price of $0.09 per Unit for gross proceeds of $1,095,999. Each Unit is comprised of one common share (each, a “Share”) in the capital of the Company and one non-transferable share purchase warrant (each, a “Warrant”). Each Warrant will entitle the holder to purchase one additional Share (each, a “Warrant Share”) in the capital of the Company for a period of 24 months from the closing date at an exercise price of $0.15 per Warrant Share in first year and $0.25 per Warrant Share in second year. The Company paid cash finder’s fees of $8,779 and issued 91,770 finder’s warrants (each, a “Finder’s Warrant”) to certain finders in connection with the Offering. The Finder’s Warrants have the same terms and conditions as the Warrant.

7. SHARE CAPITAL - continued

During the year ended September 30, 2021: - continued

iii. On March 17, 2021, the Company closed a non-brokered flow-through private placement (the "Flow-through Offering"), issuing 2,838,334 Shares, issued on a "flow-through basis" pursuant to the Income Tax Act (Canada), at a price of $0.12 per Share for aggregate gross proceeds of $340,600. The Company paid cash finder's fees of $8,064. and issued 67,200 finder's warrants to certain finders in connection with the Flow-through Offering. Each finder's warrants will entitle the holder to purchase one additional share in the capital of the Company for a period of 24 months from the closing date at an exercise price of $0.15 per warrant in first year and $0.25 per warrant in second year.

iv. On June 11, 2021, 2,000,000 common shares with a fair value of $280,000 were issued to directors and a consultant in connection with bonus (see Note 9)

v. On June 15, 2021, 1,000,000 common shares with a fair value of $135,000 were issued in connection with the Blue Property (See Note 6).

vi. On August 25, 2021, the Company closed a non-brokered private placement (the "Offering"), issuing 11,012,000 units (each, a "Unit") at a price of $0.055 per Unit for gross proceeds of $605,660. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one-half of one transferable share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder to purchase one additional Share (each, a "Warrant Share") in the capital of the Company for a period of 24 months from the closing date at an exercise price of $0.25 per Warrant Share. All shares issued in connection with this private placement have a twelve month hold period.

vii. On August 25, 2021, the Company closed a non-brokered flow-through private placement (the "Flow-through Offering"), issuing 4,465,000 Shares, issued on a "flow-through basis" pursuant to the Income Tax Act (Canada), at a price of $0.08 per Share for aggregate gross proceeds of $357,200. All shares issued in connection with this private placement have a twelve month hold period.

viii. During the year ended September 30, 2021, 2,157,778 share purchase warrants priced at $0.15 were exercised for total gross proceeds of $323,667.

ix. During the year ended September 30, 2021, $31,500 was received for the exercise of warrants. The warrant documents were received in October 2021 and the shares were issued subsequent to September 30, 2021.

During the year ended September 30, 2020:

i. On October 8, 2019, 426,000 common shares were issued at $0.05 per share for gross proceeds of $21,300.

ii. On January 22, 2020, 115,500 common shares were issued at $0.05 per share for gross proceeds of $5,775.

iii. On March 5, 2020, 1,100,000 common shares were issued at $0.05 per share for gross proceeds of $55,000.

iv. On June 9, 2020, 1,860,000 common shares were issued at $0.05 per share for gross proceeds of $93,000.

v. On June 24, 2020, 136,000 common shares were issued at $0.05 per share for gross proceeds of $6,800.

vi. On June 24, 2020, 17,000 common shares previously issued and priced at $0.05 per share for gross proceeds of $850 were cancelled and returned to treasury.

Expressed in Canadian dollars

7. SHARE CAPITAL - continued

c) Share purchase warrants / finder's warrants:

The following is a summary of warrant transactions for the years ended September 30, 2021 and 2020:

	2021			2020		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Balance, beginning of year	-	$	-	-	$	-
Granted	17,842,737		0.18	-		-
Exercised	(2,157,778)		0.15	-		-
Balance, end of year	15,684,959	$	0.19	-	$	-

The following warrants were outstanding and exercisable as at September 30, 2021:

Expiry Date	Exercise Price	Number of Warrants	Contractual Life (Years)
March 17, 2023	$0.15/$0.25*	10,019,989	1.46
March 17, 2023**	$0.15/$0.25*	158,970	1.46
August 25, 2023	$0.25	5,506,000	1.90
Total Outstanding		15,684,959	
Total Exercisable		10,178,959	

*Price is $0.15 in year 1 and $0.25 in year 2
**indicates finder's warrants

The following assumptions were used for the Black-Scholes pricing model calculations for the finder's warrants:

	March 17, 2021
Risk-free interest rate	0.27%
Expected stock price volatility	158.23%
Expected option life in years	2 years
Dividend rate	Nil

8. SHARE-BASED PAYMENTS

The Company has a stock option plan for officers, directors, employees and consultants. Options are granted with an exercise price determined by the Board of Directors, which may not be less than 25% of the Company's stock price on the date of the grant. Options granted to directors, employees and consultants other than consultants engaged in investor relations activities will vest immediately. However, for options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

Expressed in Canadian dollars

8. SHARE-BASED PAYMENTS - continued

The following is a summary of option transactions under the Company's stock option plan for the years ended September 30, 2021 and 2020:

	2021		2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	-	$ -	-	$ -
Granted	3,635,000	0.12	-	-
Balance, end of year	3,635,000	$ 0.12	-	$ -

The following stock options were outstanding and exercisable as at September 30, 2021:

Expiry Date	Exercise Price	Number of Options	Contractual Life (Years)
December 21, 2022	$0.10	1,935,000	1.22
June 11, 2023	$0.14	1,700,000	1.70
Total Outstanding		3,635,000	
Total Exercisable		1,935,000	

On December 21, 2020, the Company granted an aggregate of 1,935,000 stock options to certain directors, officers, employees and consultants of the Company for the purchase of up to 1,935,000 common shares of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 2 years at a price of $0.10 per common share and vests immediately.

On June 11, 2021, the Company granted an aggregate of 1,700,000 stock options to certain directors, officers, employees and consultants of the Company for the purchase of up to 1,700,000 common shares of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 2 years at a price of $0.14 per common share and vests immediately.

During the year ended September 30, 2021, $304,878 (2020 - $nil) was charged to share-based payments.

The following assumptions were used for the Black-Scholes pricing model calculations:

	December 21, 2020	June 11, 2021
Risk-free interest rate	0.23%	0.31%
Expected stock price volatility	150.3%	150.2%
Expected option life in years	2 years	2 years
Dividend rate	Nil	Nil

Expressed in Canadian dollars

9. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2021 and 2020, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	Year ended September 30,	
	2021	**2020**
Key management compensation*	**$**	**$**
Exploration and evaluation asset expenditures	37,700	27,000
Wages to key management	72,525	3,500
Administrative fees	150,000	25,000
Consulting fees	26,488	-
Bonus shares issued	268,800	-
Share-based payments	234,330	-
Advertising	-	4,000
Total	789,843	59,500

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

On June 11, 2021, the Company granted 1,920,000 bonus shares to two directors. The bonus shares will be subject to the standard four month plus one day hold period. Per Canada Revenue Agency requirements, all related payroll taxes for the bonus shares were due on July 15, 2021. The Company has paid the payroll taxes of $81,970 due by the directors and issued them promissory notes for reimbursement of these taxes at a later date. The shares are in recognition of the extensive work performed in completing the Company's recent financing as well as increasing the Company's land position.

As at September 30, 2021, there was $17,912 (2020: $30,606) due to related parties of the Company.

Zimtu Capital Corp. ("Zimtu") is a company with common directors and management. Zimtu provides key management services to the Company and at September 30, 2021 holds 14% (2020 – 34%) of the Company's shares. On August 1, 2020, the Company entered into a twelve-month Management Services Agreement ("Agreement") with Zimtu. Under the terms of the Agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of $12,500 per month. On August 1, 2021, the Agreement was renewed for an additional twelve months. During the year ended September 30, 2021, additional administrative fees were incurred in connection to the private placement. See also Note 7.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm's length basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

10. FINANCIAL INSTRUMENTS

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is subject to credit risk for a maximum of the amounts shown on the statements of financial position.

At September 30, 2021, the Company held cash of $1,528,966 (2020: $232,832) with Canadian chartered banks.

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at September 30, 2021, the Company has total current liabilities of $103,822 (2020: $35,609). Management intends to meet these obligations by raising funds through future financings.

c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

i) *Currency Risk*
Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

ii) *Commodity Price Risk*
Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

iii) *Interest Rate Risk*
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates.

10. FINANCIAL INSTRUMENTS – continued

d) Fair Value

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.

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at September 30, 2021, the Company's shareholders' equity was $2,937,237 (2020: $496,732). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties. The Company is not subject to any externally imposed capital requirements and there were no changes in the Company's approach to capital management during the year.

11. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash transactions during year ended September 30, 2021 were:

a) The Company issued 2,000,000 common shares, valued at $225,000, that were capitalized to exploration and evaluation asset costs.
b) The Company issued 2,000,000 bonus shares to directors and a consultant, valued at $280,000.
c) The Company granted 158,970 broker warrants valued at $13,953.
d) At year-end, included in accounts payable and accrued liabilities and due to related parties was $70,297 (2020: $655) of exploration and evaluation asset costs.

Expressed in Canadian dollars

12. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On March 17, 2021, the Company issued 2,838,334 common shares on a "flow-through" basis at a price of $0.12 per Share for gross proceeds of $340,600 and recognized a liability on flow-through of $14,192. At September 30, 2021, the Company has incurred $340,600 in qualified expenditures and reversed the flow-through share liabilities.

On August 25, 2021, the Company issued 4,465,000 common shares on a "flow-through" basis at a price of $0.08 per Share for gross proceeds of $357,200. No flow-through share liability was recognized. At September 30, 2021, the Company has incurred $234,717 in qualified expenditures.

	Issued on March 17, 2021	Issued on August 25, 2021	Total
Balance, September 30, 2020	$ -	$ -	$ -
Liability incurred on flow-through shares issued	14,192	-	14,192
Settlement of flow-through share liability on incurring expenses	(14,192)	-	(14,192)
Balance, September 30, 2021	$ -	$ -	$ -

13. CORPORATE INCOME TAXES

The Company is subject to income taxes in Canada. The reconciliation of the income tax provision computed at the statutory rate is as follows:

	2021	2020
	$	$
Net loss before tax	(1,070,376)	(159,499)
Statutory tax rate	27.00%	27.00%
Expected income tax recovery	(289,002)	(43,065)
Net adjustments for deductible and non-deductible amounts	68,012	(1,060)
Change in valuation allowance	220,990	44,125
Deferred income tax recovery per financial statements	-	-

There are no deferred tax assets/(liabilities) presented in the statement of financial position.

Expressed in Canadian dollars

13. CORPORATE INCOME TAXES - continued

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets/ (liabilities) have been recognized are attributable to the following:

	2021	**2020**
	$	**$**
Non-capital loss carry forward	1,089,856	299,408
Exploration and evaluation assets	(684,291)	(105,596)
Share issue costs	39,356	11,325
	444,921	205,137

The Company has non-capital losses available for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses in the amount of $1,089,856 expire as follows:

Expiry	$
2038	1,737
2039	134,659
2040	163,012
2041	790,448
Total	1,089,856

The Company has unclaimed resource deductions in the amount of $623,425 (2020: $168,056), which do not expire and may be deducted against future taxable income on a discretionary basis.

14. SUBSEQUENT EVENTS

a. Subsequent to September 30, 2021, 570,000 share purchase warrants priced at $0.15 and 158,235 broker warrants priced at $0.15 were exercised for gross proceeds of $109,235.

b. Subsequent to September 30, 2021, the Company engaged Zimtu Capital Corp. to provide marketing services as part of a cooperative marketing program. In consideration, the Company will make 12 monthly payments of $12,500.