

ORIGEN RESOURCES INC.

Condensed Interim Consolidated Financial Statements
(Unaudited – Expressed in Canadian Dollars)

FOR THE THREE AND NINE-MONTH PERIOD ENDED DECEMBER 31, 2022 AND 2021

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Origen Resources Inc. have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

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



RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	December 31, 2022	March 31, 2022
ASSETS		
Current		
Cash	\$ 48,073	\$ 656,827
Receivables (Note 5)	162,341	69,344
Investments (Note 6)	187,675	1,251,772
Prepaid expenses	3,375	-
	401,464	1,977,943
Non-current assets		
Promissory note (Note 8)	1,675,796	1,726,420
Exploration and evaluation assets (Note 7 and 10)	4,347,674	2,804,796
Investment in Forty Pillars (Note 9)	814,198	1,475,013
Reclamation deposits (Note 7)	63,500	63,500
	\$ 7,302,632	\$ 8,047,672
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 786,567	\$ 309,776
Provision for flow-through indemnification	-	31,000
	786,567	340,776
Non-current liabilities		
Deferred income tax liability	345,000	345,000
	1,131,567	685,776
Shareholders' equity		
Share capital (Note 11)	6,790,562	6,221,992
Share-based payment reserves (Note 11)	627,357	573,250
Retained earnings (deficit)	(1,246,854)	566,654
	6,171,065	7,361,896
	\$ 7,302,632	\$ 8,047,672

Nature and continuance of operations (Note 1)

Subsequent events (Note 15)

Approved on Behalf of the Board on February 28, 2023:

"Garry Stock"
Garry Stock, Director

"Gary Schellenberg"
Gary Schellenberg, Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements



RESOURCES INC.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (Unaudited – Expressed in Canadian Dollars)

	Three-months ended December 31, 2022	Three-months ended December 31, 2021	Nine-months ended December 31, 2022	Nine-months ended December 31, 2021
EXPENSES				
Consulting (Note 10)	\$ 18,000	\$ 71,000	\$ 56,500	\$ 175,319
General office	12,389	6,795	31,583	17,155
Management fees (Note 10)	45,000	215,000	135,000	305,000
Marketing	11,895	63,950	57,770	106,980
Professional fees (Note 10)	6,655	35,352	115,408	170,411
Rent (Note 10)	5,400	5,400	16,200	14,700
Share-based payment (Note 10 and 11)	54,107	70,262	54,107	169,236
Transfer agent and filing fees	10,582	12,594	29,411	46,247
Operating expenses	(164,028)	(480,353)	(495,979)	(1,005,048)
Realized gain on investments (Note 6)	660	142,225	27,666	426,392
Unrealized gain (loss) on investments (Note 6)	(32,805)	98,542	(958,076)	414,782
Financing expense	-	(60,800)	-	(60,800)
Interest income (Note 8)	47,873	44,931	147,467	44,931
Loss on sale of Investment in Forty Pillars (Note 9)	-	-	(312,869)	-
Equity loss on Investment in Forty Pillars (Note 9)	(38,165)	(20,236)	(238,941)	(20,236)
Loss on promissory note modification (Note 8)	(61,776)	-	(61,776)	-
Flow-through premium recovery	-	-	79,000	-
Gain on sale of mineral property (Note 7)	-	2,523,089	-	2,523,089
Gain on April 2021 Plan of Arrangement (Note 4)	-	-	-	48,929
Gain on deconsolidation of Forty Pillars (Note 9)	-	-	-	87,921
Income (loss) and comprehensive income (loss) for the period	\$ (248,241)	\$ 2,247,398	\$ (1,813,508)	\$ 2,459,960
Basic earnings (loss) per common share	\$ (0.01)	\$ 0.07	\$ (0.05)	\$ 0.07
Diluted earnings (loss) per common share	\$ (0.01)	\$ 0.07	\$ (0.05)	\$ 0.07
Weighted average number of common shares outstanding				
Basic	37,676,697	33,230,603	36,764,731	32,948,092
Diluted	37,676,697	34,583,473	36,764,731	34,262,326

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RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited – Expressed in Canadian Dollars)

	Number of common shares	Share capital	Share-based payment reserves	Retained earnings (deficit)	Total
Balance, March 31, 2021	32,248,656	\$ 5,444,648	\$ 422,016	\$ (1,459,515)	\$ 4,407,149
Shares issued for exploration and evaluation assets	750,000	255,500	-	-	255,500
Shares issued upon exercise of warrants	1,980,332	396,361	-	-	396,361
Shares purchase pursuant to normal course issuer bid	(81,500)	(22,165)	-	-	(22,165)
April 2021 Plan of Arrangement	-	-	-	(311,288)	(311,288)
Shares issued pursuant to financing fee	160,000	60,800	-	-	60,800
Share-based payments	-	-	169,236	-	169,236
Net income for the period	-	-	-	2,459,960	2,459,960
Balance, December 31, 2021	35,057,488	6,135,144	591,252	689,157	7,415,553
Shares issued upon exercise of warrants	416,666	83,334	-	-	83,334
Shares issued upon exercise of stock options	75,000	18,914	(7,664)	-	11,250
Shares purchased pursuant to normal course issuer bid	(79,500)	(15,400)	-	-	(15,400)
Share-based payments	-	-	(10,338)	-	(10,338)
Net loss for the period	-	-	-	(122,503)	(122,503)
Balance, March 31, 2022	35,469,654	6,221,992	573,250	566,654	7,361,896
Shares issued for exploration and evaluation assets	400,000	74,000	-	-	74,000
Shares issued upon exercise of warrants	400,000	88,000	-	-	88,000
Shares purchased pursuant to normal course issuer bid	(106,000)	(25,430)	-	-	(25,430)
Shares issued pursuant to flow-through private placement	1,600,000	480,000	-	-	480,000
Flow-through share premium liability	-	(48,000)	-	-	(48,000)
Share-based payments	-	-	54,107	-	54,107
Net loss for the period	-	-	-	(1,813,508)	(1,813,508)
Balance, December 31, 2022	37,763,654	\$ 6,790,562	\$ 627,357	\$ (1,246,854)	\$ 6,171,065

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements



RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	Nine-month period ended December 31, 2022	Nine-month period ended December 31, 2021
Cash flows from operating activities		
Net (loss) income for the period	\$ (1,813,508)	\$ 2,459,960
Non-cash items:		
Share-based payments	54,107	169,236
Gain on deconsolidation of Forty Pillars	-	(48,929)
Gain on April 2021 Plan of Arrangement	-	(87,921)
Gain on sale of mineral property	-	(2,523,089)
Equity loss on Investment in Forty Pillars	238,941	20,236
Loss on sale of Investment in Forty Pillars	312,869	-
Loss on promissory note modification	61,776	-
Interest Income	(147,467)	(44,931)
Financing fee	-	60,800
Realized gain on investments	(27,666)	(426,392)
Unrealized loss (gain) on investments	958,076	(414,782)
Flow-through premium recovery	(79,000)	-
Changes in non-cash working capital items:		
Receivables	(26,682)	(20,655)
Prepaid expenses	(3,375)	157,930
Accounts payable and accrued liabilities	251,911	(73,603)
Net cash used in operating activities	(220,018)	(772,140)
Cash flows from investing activities		
Cash paid as part of the April 2021 Plan of Arrangement	-	(66,894)
Exploration and evaluation assets	(1,427,998)	(919,077)
Purchases of investments	(108,995)	(1,341,333)
Proceeds from sale of Investment in Forty Pillars	109,005	-
Proceeds from sale of investments	352,682	1,895,536
Proceeds from sale of mineral property	-	1,000,000
Recovery on exploration and evaluation assets	74,000	362,572
Net cash (used in) provided by investing activities	(1,001,306)	930,804
Cash flows from financing activities		
Cash received from loan	-	1,000,000
Repayment of loan	-	(1,000,000)
Promissory note repayment received	70,000	-
Issuance of shares, net of share issuance costs	568,000	396,361
Repurchase of shares pursuant to normal course issuer bid	(25,430)	(22,165)
Net cash provided by financing activities	612,570	374,196
Net change in cash	(608,754)	532,860
Cash, beginning of the period	656,827	186,837
Cash, end of the period	\$ 48,073	\$ 719,697

Supplemental cash flow information (Note 13)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements



RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

(Unaudited – Expressed in Canadian Dollars)

1 NATURE AND CONTINUANCE OF OPERATIONS

Origen Resources Inc. (the “Company” or “Origen”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on September 12, 2019. The address of its head office is located at Suite 488-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company’s registered and records office is 1008-550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol ORGN and the Frankfurt Exchange under the symbol 4VX.

On April 28, 2020, the Company and Raffles Financial Group Limited (formerly Explorex Resources Inc.) (“Raffles”) closed their plan of arrangement (the “Plan of Arrangement”). Pursuant to the Plan of Arrangement, Raffles spun out certain assets and liabilities to the Company, along with the transfer of \$500,000 in cash, for consideration of 13,621,958 common shares and 935,325 share purchase warrants of the Company to Raffles’ shareholders. The Company is an exploration company engaged in generating, acquiring and advancing base and precious metal properties.

The Company entered into an arrangement agreement dated April 1, 2021 to complete another plan of arrangement (the “April 2021 Plan of Arrangement”) under the BCBCA with its formerly wholly owned subsidiary, Forty Pillars Mining Corp. (“Forty Pillars”). The April 2021 Plan of Arrangement was completed on May 21, 2021 (Note 4). Pursuant to the April 2021 Plan of Arrangement, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 3,242,587 common shares of Forty Pillars (the “Forty Pillars Shares”) valued at \$0.16 per Forty Pillars Share, of which 1,945,551 Forty Pillars Shares were distributed to Origen’s shareholders and 1,297,036 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. Forty Pillars is listed on the CSE under the symbol PLLR. On February 22, 2022, Forty Pillars completed a share consolidation on a 2 for 1 basis. All references to Forty Pillars share and per share amounts in these condensed interim consolidated financial statements have been retroactively restated for the share consolidation.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at December 31, 2022, the Company had a working capital deficit of \$385,103 (March 31, 2022 – surplus of \$1,637,167) and had not yet achieved profitable operations. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, it could be necessary to restate the Company’s assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action



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

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against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the conflict in Ukraine to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

2 BASIS OF PRESENTATION

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim consolidated financial statements, including International Accounting Standards (“IAS”) 34 “Interim Financial Reporting”.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, the condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

This condensed interim consolidated financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2022. The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended March 31, 2022.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its formerly wholly-owned subsidiary, Forty Pillars, from the date of Forty Pillars’ incorporation on February 4, 2021 until May 31, 2021 when Forty Pillars was spun-out. All significant intercompany accounts and transactions between the Company and its former subsidiary have been eliminated upon consolidation.

3 SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported expenses during the reporting period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the condensed interim consolidated statements of financial position: The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- The carrying value and recoverability of investments in associates, which are included in the condensed interim consolidated statements of financial position. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- The carrying value of investments which includes publicly traded common shares which are valued using a quoted share price and non-traded warrants of publicly traded companies using the Black-Scholes option pricing model as a measurement of fair value.
- The fair value of the exploration and evaluation properties transferred in the plan of arrangement: Management estimated the fair value of the exploration and evaluation assets transferred which formed the value recorded on completion of the transaction.

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's condensed interim consolidated financial statements is the assessment of the Company's degree of control and influence over its investments in other companies.

4 TRANSFER OF ASSETS

The Company entered into the April 2021 Plan of Arrangement dated April 1, 2021 under the BCBCA with Forty Pillars. The April 2021 Plan of Arrangement was completed on May 21, 2021. Pursuant to the April 2021 Plan of Arrangement, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 3,242,587 Forty Pillars Shares valued at \$0.16 per Forty Pillars Share, of which 1,945,551 Forty Pillars Shares were distributed to Origen's shareholders and 1,297,036 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. Upon completion Forty Pillars was listed on the CSE under the symbol PLLR.

The imputed value assigned to the Silver Dollar Property was \$434,040 and the Beatrice Property was \$17,880, which resulted in an impairment of \$1,029,398 and \$42,408, respectively, for the year ended March 31, 2021.

As a result of the April 2021 Plan of Arrangement, the Company issued an aggregate of 187,184 additional share purchase warrants to the Company's warrant holders, comprising of: (1) 50,730 share purchase warrants exercisable at \$0.22 per common share expiring on April 28, 2022; (2) 86,106 share purchase warrants exercisable at \$0.20 per common share expiring on December 1, 2021; and (3) 50,348 share purchase warrants exercisable at \$0.20 per common share expiring on January 12, 2022 with a fair value of \$32,974 recorded as share based compensation. The weighted average fair value per warrant was \$0.18 and was estimated using the Black-Scholes option pricing model assuming a life expectancy of 0.64 years, risk-free rate of 0.31% and volatility of 100%.

The value of the net assets transferred to Forty Pillars consisted of the following:

	\$
Cash	66,894
Exploration and evaluation assets	451,920
Carrying value of net assets	518,814
Fair value of consideration received	518,814

In accordance with IFRIC 17, Distribution of Non-Cash Assets to Owners, the Company recognized the distribution of net assets to the Company's shareholders at fair value which was based on Forty Pillars' concurrent private placement share price.

5 RECEIVABLES

	December 31, 2022	March 31, 2022
Tax receivables	\$ 14,192	\$ 20,280
Interest receivable (Note 8)	115,379	49,064
Other receivables	32,770	-
	\$ 162,341	\$ 69,344



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Notes to the Condensed Interim Consolidated Financial Statements

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

(Unaudited – Expressed in Canadian Dollars)

6 INVESTMENTS

	Number of Common Shares Held		Fair Value	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Exploits Discovery Corp. (NFLD)	-	582,222	\$ -	\$ 148,467
Tearlach Resources Ltd. (TEA)	-	100,000	\$ -	\$ 25,000
West Mining Corp. (WEST)	10,000	10,000	\$ 450	\$ 900
Opawica Explorations Inc. (OPW)	950,000	950,000	\$ 38,000	\$ 304,000
CAVU Energy Metals Corp. (CAVU)	-	500,000	\$ -	\$ 295,000
Generation Gold Corp. (GEN)	1,100,000	-	\$ 110,000	\$ -
NevGold Corp. (NAU)	50,000	-	\$ 15,500	\$ -
			\$ 163,950	\$ 773,367

	Number of Share Purchase Warrants Held		Fair Value	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
West Mining Corp. (WEST)	-	55,000	\$ -	\$ 353
Opawica Explorations Inc. (OPW) ⁽¹⁾	375,000	375,000	\$ 99	\$ 31,183
CAVU Energy Metals Corp. (CAVU)	-	500,000	\$ -	\$ 148,989
Alpha Copper Corp. (ALCU) ⁽²⁾	350,000	-	\$ 9,421	\$ -
Forty Pillars Mining Corp. (PLLR) ⁽³⁾	5,000,000	5,000,000	\$ 14,205	\$ 297,880
			\$ 23,725	\$ 478,405

⁽¹⁾ Each share purchase warrant is exercisable for one common share at an exercise price of \$0.60 per common share until May 31, 2023.

⁽²⁾ Each share purchase warrant is exercisable for one common share at an exercise price of \$0.85 per common share until January 21, 2024.

⁽³⁾ Each share purchase warrant is exercisable for one common share at an exercise price of \$0.24 per common share until October 28, 2024.

The movement in investments during the nine months ended December 31, 2022 and the year ended March 31, 2022 are summarized as follows:

	Common Shares		Share Purchase Warrants		Total Investments
Balance, March 31, 2021	\$	1,838,767	\$	-	\$ 1,838,767
Additions		572,133		-	572,133
Disposals		(2,047,692)		-	(2,047,692)
Realized gain		220,150		-	220,150
Unrealized gain		190,009		478,405	668,414
Balance, March 31, 2022		773,367		478,405	1,251,772
Additions		218,995		-	218,995
Disposals		(352,682)		-	(352,682)
Realized gain		27,666		-	27,666
Unrealized loss		(503,396)		(454,680)	(958,076)
Balance, December 31, 2022	\$	163,950	\$	23,725	\$ 187,675



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(Unaudited – Expressed in Canadian Dollars)

Exploits Gold Corp.

On June 4, 2020, the Company entered into a strategic investment agreement with Exploits Gold Corp. ("Exploits Gold") which was a private exploration company. The Company was granted an exclusive one year right of first refusal to acquire any of the new projects generated by Exploits Gold in exchange for 666,667 common shares of Exploits Gold for gross proceeds of \$100,000.

On September 1, 2020, the Company entered into a share purchase and sale agreement with Crest Resources Inc. ("Crest") to purchase additional shares of Exploits Gold. The Company purchased 3,000,000 common shares of Exploits Gold from Crest in exchange for 4,200,000 common shares of the Company valued at \$840,000. This transaction was non-arm's length due to common directors between the companies.

Exploits Gold was acquired by Exploits Discovery Corp. (formerly Mariner Resources Corp.) ("Exploits") on September 18, 2020, resulting in the Company's strategic investment becoming a reporting issuer traded on the CSE.

During the nine months ended December 31, 2022, the Company sold 582,222 common shares of Exploits for net proceeds of \$142,682.

These transactions are deemed to be related party transactions by virtue of common directors.

West Mining Corp.

During the year ended March 31, 2021, the Company acquired 110,000 units of West Mining Corp. ("West") at a price of \$0.18 per unit totaling \$19,800. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant was exercisable into a common share at an exercise price of \$0.35 for 2 years. On initial recognition, no value was assigned to the share purchase warrants. The common share purchase warrants expired on December 15, 2022.

On November 4, 2020, the Company received 500,000 common shares of West in relation to the Kagoot Brook Project valued at \$90,000.

During the year ended March 31, 2022, the Company sold 100,000 common shares of West for net proceeds of \$69,093.

Tearlach Resources Ltd.

On January 22, 2021, the Company received 100,000 common shares of Tearlach Resources Ltd. ("Tearlach") in relation to the Bonanza Mountain Project valued at \$8,000 (Note 7).

During the nine months ended December 31, 2022, the Company sold 100,000 common shares of Tearlach for net proceeds of \$14,810.



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Notes to the Condensed Interim Consolidated Financial Statements

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

(Unaudited – Expressed in Canadian Dollars)

Opawica Explorations Inc.

On May 31, 2021, the Company purchased 750,000 units of Opawica Explorations Inc. ("Opawica") for a total of \$300,000. Each unit is comprised of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at \$0.60 per common share until May 31, 2023. This transaction was non-arm's length as an officer and director of the Company is also an officer and director of Opawica. On initial recognition, no value was assigned to the share purchase warrants. As at December 31, 2022, the warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life – 0.41 years; risk-free rate of 4.06%; stock price of \$0.04; exercise price of \$0.60; and volatility of 165%.

During the year ended March 31, 2022, the Company purchased an additional 200,000 common shares of Opawica for \$72,133.

Alpha Copper Corp. (CAVU Energy Metals Corp.)

On January 21, 2022, the Company purchased 500,000 units of CAVU Energy Metals Corp. ("CAVU") for a total of \$200,000. Each unit is comprised of one common share and one share purchase warrant, with each whole warrant exercisable at \$0.60 per common share until January 21, 2024. On initial recognition, no value was assigned to the share purchase warrants.

During the nine months ended December 31, 2022, the Company sold 500,000 common shares of CAVU for net proceeds of \$125,810.

On December 19, 2022, CAVU was acquired by Alpha Copper Corp. ("ALCU") pursuant to a plan of arrangement. As a result, each holder of a common share of CAVU received 0.7 common share of ALCU. Warrants of CAVU were also exchanged for ALCU warrants based on the 0.7 exchange ratio.

As at December 31, 2022, the ALCU warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life – 1.06 years; risk-free rate of 4.06%; stock price of \$0.20; exercise price of \$0.85; and volatility of 119%.

Forty Pillars Mining Corp.

On October 28, 2021, the Company purchased 5,000,000 units of Forty Pillars at a price of \$0.20 per unit. Each unit is comprised of one common share and one common share purchase warrant, with each warrant exercisable for one common share at an exercise price of \$0.24 per common share until October 28, 2024. On initial recognition, no value was assigned to the share purchase warrants. As at December 31, 2022, the warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life – 1.83 years; risk-free rate of 3.82%; stock price of \$0.03; exercise price of \$0.24; and volatility of 100%.

During the nine months ended December 31, 2022, the Company sold 2,200,000 common shares of Forty Pillars for net proceeds of \$109,005.



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Notes to the Condensed Interim Consolidated Financial Statements

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

(Unaudited – Expressed in Canadian Dollars)

NevGold Corp.

On July 25, 2022, the Company purchased 200,000 common shares of NevGold Corp. ("NevGold") for a total of \$108,995.

During the nine months ended December 31, 2022, the Company sold 150,000 common shares of NevGold for net proceeds of \$69,380.

Generation Gold Corp.

On December 16, 2022, the Company received 1,100,000 common shares of Generation Gold Corp. ("GEN") in relation to the Arlington Property option agreement valued at \$110,000 (Note 7). 200,000 common shares were received pursuant to final approval of the option agreement by the TSX Venture Exchange, and 900,000 common shares were received pursuant to the required reimbursement.

Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited – Expressed in Canadian Dollars)

7 EXPLORATION AND EVALUATION ASSETS

	Silver Dollar Property	Arlington Property	Beatrice Property	Bonanza Mountain Project	Broken Handle Project	Wishbone Property	LGM Property	Middle Ridge Property	NFLD Lithium Project	Los Sapitos Lithium	Total
Acquisition Costs											
Opening, March 31, 2021	\$ 434,040	\$ 63,920	\$ 17,829	\$ 463,926	\$ 337,500	\$ 94,167	\$ 624,833	\$ 29,000	\$ 40,118	\$ -	\$ 2,125,333
Additions	-	69,500	-	-	-	60,000	-	64,500	35,770	140,306	370,076
Recoveries	-	-	-	-	-	(154,167)	-	-	-	-	(154,167)
Transfer of assets (Note 4)	(434,040)	-	(17,829)	-	-	-	-	-	-	-	(451,869)
Closing, March 31, 2022	-	133,420	-	463,926	337,500	-	624,833	93,500	75,888	140,306	1,889,373
Additions	-	-	-	-	-	-	-	40,000	-	63,766	103,766
Recoveries	-	(20,000)	-	-	-	-	-	-	(74,000)	-	(94,000)
Closing, December 31, 2022	-	113,420	-	463,926	337,500	-	624,833	133,500	1,888	204,072	1,899,139
Exploration Costs											
Opening, March 31, 2021	-	1,000	51	(4,307)	-	49,618	279,350	97,867	-	-	403,579
Assay	-	25,940	-	819	-	-	-	-	17,859	-	44,618
Equipment, field supplies, and other	-	49,264	-	1,580	-	801	32,609	-	261,446	19,000	364,700
Geological	-	35,613	-	5,488	-	-	-	7,888	-	-	48,989
Geophysical	-	-	-	-	-	140,089	88,757	9,278	-	-	238,124
Staking	-	-	-	-	-	-	-	-	73,635	-	73,635
Recoveries	-	(10,000)	-	(7,897)	-	(190,508)	(49,766)	-	-	-	(258,171)
Transfer of assets (Note 4)	-	-	(51)	-	-	-	-	-	-	-	(51)
Closing, March 31, 2022	-	101,817	-	(4,317)	-	-	350,950	115,033	352,940	19,000	915,423
Assays	-	-	-	-	-	-	54,180	-	27,334	3,053	84,567
Drilling	-	-	-	-	-	-	405,014	-	-	-	405,014
Equipment, field supplies, and other	-	-	-	-	-	-	869,673	-	201,711	62,147	1,133,531
Recoveries	-	(90,000)	-	-	-	-	-	-	-	-	(90,000)
Closing, December 31, 2022	-	11,817	-	(4,317)	-	-	1,679,817	115,033	581,985	84,200	2,448,535
Balance, December 31, 2022	\$ -	\$ 125,237	\$ -	\$ 459,609	\$ 337,500	\$ -	\$ 2,304,650	\$ 248,533	\$ 583,873	\$ 288,272	\$ 4,347,674



RESOURCES INC.

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Silver Dollar Property, British Columbia

On April 28, 2020, the Company acquired the Silver Dollar Property as part of the Plan of Arrangement with Raffles.

The Company owned a 100% interest in the Silver Dollar Property, located in the Revelstoke Mining District of British Columbia, subject to an existing 1% net smelter return ("NSR") royalty held by Happy Creek Minerals Ltd., beginning upon commencement of commercial production on the property.

During the year ended March 31, 2022, the Company spun out the Silver Dollar Property to Forty Pillars (Note 4).

Arlington Property, British Columbia

On April 28, 2020, the Company acquired 100% of the Arlington Property as part of the Plan of Arrangement. The property is located in British Columbia.

On April 15, 2021, the Company increased the size of its Arlington property through the purchase of a 100% interest in the Fresh Pot claims in Beaverdell, British Columbia by paying \$3,500 in cash and issuing 200,000 common shares by August 15, 2021 (issued with a fair value of \$66,000). The Fresh Pot claims are subject to a 1% NSR royalty, which can be purchased by the Company for \$1,000,000.

The Company entered into an option agreement with Generation Gold Corp. (formerly Jessy Ventures Corp.) ("GEN") on September 17, 2021, whereby GEN has the right to acquire a 60% interest in the Arlington Property. Pursuant to the option agreement, GEN will be paying the Company \$185,000, issuing 2,000,000 common shares and incurring \$750,000 in exploration expenditures on the property as follows:

- Paying \$10,000 upon signing as a non-refundable deposit (received);
- Issuing 200,000 common shares upon final receipt of final approval of the option agreement by the TSX Venture Exchange (the "Exchange Approval Date") (received 200,000 common shares of GEN valued at \$20,000);
- Paying \$25,000, issuing 300,000 common shares and incurring \$125,000 in exploration expenditures on or before the first anniversary of the Exchange Approval Date;
- Paying \$50,000, issuing 500,000 common shares and incurring \$250,000 in exploration expenditures on or before the second anniversary of the Exchange Approval Date; and
- Paying \$100,000, issuing 1,000,000 common shares and incurring \$375,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Any shortfall in cumulative exploration expenditures can be settled in either cash or common shares at the option of the Company. GEN is also required to reimburse the Company for the costs that have been incurred on the recently completed exploration program on the Fresh Pot claims totaling approximately \$110,000 within 5 days of the Exchange Approval Date. On October 1, 2022, the terms of the required



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reimbursement were amended such that GEN issued 900,000 common shares at a deemed price of \$0.10 per common share and will pay \$20,000 in cash (received subsequent to December 31, 2022).

Upon exercise of the option, the Company will be granted a 1.5% NSR royalty on the property, of which GEN can purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production.

On October 31, 2022, GEN received conditional approval for the transaction from the TSX Venture Exchange. On December 21, 2022, GEN announced that it received final approval from the TSX Venture Exchange, and it changed its name from Jessy Ventures Corp. to Generation Gold Corp.

Beatrice Property, British Columbia

On April 28, 2020, the Company acquired 100% of the Beatrice Property as part of the Plan of Arrangement. The Beatrice Property is located in the southern portion of the Silver Dollar Property and forms part of the Silver Dollar Property.

During the year ended March 31, 2022, the Company spun out the Beatrice Property to Forty Pillars (Note 4).

Bonanza Mountain Project, British Columbia

On April 28, 2020, the Company acquired the Bonanza Mountain Project as part of the Plan of Arrangement.

The Company holds a 100% interest in the Bonanza Mountain Project in the historic Knight's Mining Camp, Grand Forks area, British Columbia. To complete the obligation to earn its 100% interest, the Company issued 300,000 common shares, valued at \$54,000, during the year ended March 31, 2021.

On June 12, 2020, the Company granted Tearlach an option to acquire a 75% interest in the project by paying an aggregate of \$210,000 (\$35,000 received), issuing 500,000 common shares over a 3-year period (100,000 common shares received), and incurring \$500,000 in exploration expenditures.

Upon exercise of the option, the Company was to be granted a 1.5% NSR royalty on the project, of which Tearlach could purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production.

During the year ended March 31, 2022, Tearlach elected to terminate the option agreement.

Broken Handle Project, British Columbia

On May 11, 2020, the Company acquired a 100% interest in the Broken Handle Project located 50km north of Grand Forks, British Columbia, through issuance of 1,500,000 shares valued at \$352,500. The property is subject to a 1% NSR royalty. The Company has the option to purchase 0.5% of the 1% NSR royalty for \$1,000,000.



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On December 15, 2020, the Company granted Hawthorn Resources Corp. ("Hawthorn") an option to acquire a 75% interest in the project by incurring \$500,000 in exploration expenditures on the property, paying the Company \$250,000 and issuing 1,000,000 common shares as follows:

- Paying \$15,000 upon signing (received);
- Paying \$25,000 and issuing 150,000 common shares within 15 days of Exchange approval and acceptance of the 43-101 report ("Exchange Approval Date");
- Issuing 200,000 common shares and incurring \$100,000 in exploration expenditures on or before 12 months after the Exchange Approval Date;
- Paying \$60,000 on or before 18 months of the Exchange Approval Date;
- Paying \$70,000 and issuing 250,000 common shares on or before the second anniversary of the Exchange Approval Date; and
- Paying \$80,000, issuing 400,000 common shares and incurring \$400,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR royalty on the property, of which Hawthorn can purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production. This transaction is deemed to be a related party transaction by virtue of common directors.

LGM Property and Wishbone Property, British Columbia

On May 27, 2020, the Company entered into a Sale and Assignment Agreement to acquire a 100% interest in the LGM Property located in British Columbia and an option to acquire a 100% interest in the Wishbone Property located in British Columbia from Orogenic Regional Exploration Ltd. ("Orogenic"). The transaction is deemed to be a related party transaction by virtue of two common directors.

In consideration for the assignment and the property transfer, the Company:

- Paid a non-interest-bearing advance to Orogenic in the amount of \$25,000 which was repayable by September 10, 2020 with a fee of up to \$10,000 (\$35,000 was received, of which \$10,000 was recorded as recovery against acquisition costs);
- Issued 5,000,000 common shares (issued and valued at \$700,000); and
- Granted Orogenic a right to appoint a further member to the Board of Directors of the Company.

The LGM and Wishbone Properties are subject to NSR royalties of 2% and 1%, respectively.

During the year ended March 31, 2021, the Company paid \$63,500 in relation to reclamation deposits associated with the LGM and Wishbone Properties.

Wishbone Property

Pursuant to the option agreement dated May 29, 2019 to acquire 100% interest of the Wishbone Property, the Company was to:



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- Pay \$10,000 (paid by Orogenic) and issue 100,000 common shares (issued by Orogenic) upon execution of option agreement;
- Pay \$15,000 (paid) and issue 100,000 common shares (issued and valued at \$14,000) by May 29, 2020;
- Pay \$25,000 (paid) and issue 100,000 common shares (issued and valued at \$35,000) by May 29, 2021;
- Pay \$50,000 and issue 200,000 common shares by May 29, 2022; and
- Pay \$50,000 and issue 200,000 common shares by May 29, 2023.

On October 4, 2021, the Company entered into an assignment agreement with Forty Pillars to transfer to Forty Pillars a 100% interest in the Wishbone Property.

In consideration for the assignment and the property transfer, the Company:

- Received \$1,000,000 in cash from Forty Pillars;
- Received a \$2,000,000 promissory note from Forty Pillars with a three-year term bearing interest at 5% per annum, payable monthly (Note 8); and
- Received a 1% NSR royalty of which 50% of the NSR can be purchased by Forty Pillars prior to commercial production for \$1,000,000.

Forty Pillars will be obligated to make the remaining share issuances and cash payments under the original property agreement. Forty Pillars has also reimbursed the Company \$140,089 for geophysical exploration costs incurred.

During the year ended March 31, 2022, the Company recorded a gain on sale of Wishbone of \$2,795,413.

Middle Ridge Property, Newfoundland

On October 28, 2020, the Company entered into an option agreement to acquire a 100% interest in the Middle Ridge Pond Property located in Newfoundland from private vendors. Pursuant to the option agreement, the Company is to:

- Pay \$16,000 (paid) and issue 100,000 common shares (issued and valued at \$13,000) by November 1, 2020;
- Pay \$15,000 (paid) and issue 150,000 common shares (issued and valued at \$49,500) by November 1, 2021;
- Pay \$25,000 and issue 200,000 common shares by November 1, 2022 (issued and valued at \$40,000);
- Pay \$25,000 and issue 250,000 common shares by November 1, 2023; and
- Pay \$35,000, issue 400,000 common shares and incur exploration expenditures of \$750,000 by November 1, 2024.

The property is subject to a 2% NSR royalty, of which 1% NSR royalty can be purchased for \$1,000,000.



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On November 4, 2022, the Company entered into an assignment and assumption agreement with Nord Battery Resources (formerly 1345984 B.C. Ltd) ("Nord") for the Middle Ridge Property. Nord is a private company that intends to enter into a transaction with a publicly traded entity. In consideration for the agreement, Nord will issue 500,000 common shares to the Company, and assume the \$25,000 option payment due November 1, 2022 (paid by Nord), and the subsequent option payments and share issuances.

NFLD Lithium Project, Newfoundland

During the year ended March 31, 2021, the Company acquired a 100% interest in the NFLD Lithium Project by staking.

On June 10, 2021, the Company purchased additional lithium claims within the NFLD Lithium Project. The Company paid a total of \$2,770, issued 100,000 common shares (issued and valued at \$33,000) and granted a 1% NSR royalty to private vendors. 0.5% of the NSR royalty can be purchased prior to commercial production for \$500,000. An 'Area of Mutual Interest' was also granted within the existing boundaries of the NFLD Lithium Project (the "AMI"). If the Company stakes new claims within the AMI, the staked claims will become part of the NFLD Lithium Project and its NSR royalty. If the vendors stake or caused to stake any new claims within the AMI on or before June 10, 2023, the Company must issue an additional 10,000 common shares per claim staked.

On September 26, 2022 ("Effective Date"), the Company granted Nord an option to acquire a 100% interest in the project. Pursuant to the option agreement, Nord was to:

- Pay \$100,000 (received \$74,000) and issue 7,000,000 common shares of a public, or soon to be public company within 90 days of the Effective Date; and
- Pay \$150,000 and grant the Company a 1.5% NSR royalty within 12 months of the Effective Date.

Subsequent to December 31, 2022, the Company announced that Nord has agreed to terminate the option agreement to purchase the Company's NFLD Lithium Project.

Los Sapitos Lithium Project, Argentina

On October 1, 2021 (the "Execution Date"), the Company entered into an option agreement to acquire a 100% interest in the Los Sapitos Lithium Project located in Argentina from private vendors. On September 30, 2022, October 18, 2022 and November 30, 2022, certain terms of the option agreement were amended. Pursuant to the option agreement, the Company is to:

- Pay USD\$25,000 (paid) upon signing;
- Pay USD\$25,000 (paid) and issue 200,000 common shares (issued and valued at \$72,000) on November 15, 2021;
- Pay USD\$10,000 (paid) and issue 200,000 common shares by October 15, 2022 (issued and valued at \$34,000);
- Pay USD\$75,000 by December 15, 2022;
- Incur USD\$200,000 in exploration expenditures on or before December 15, 2022;

- Pay USD\$75,000 and issue 200,000 common shares on each anniversary of December 15, 2021 for four years beginning on the second anniversary; and
- Incur an additional USD\$4,800,000 in exploration expenditures on or before December 15, 2026.

If the Company re-organizes its lithium assets in a reorganization to an affiliate company or sale transaction to a third-party company, acceptable by the private vendors, the required exploration expenditures totaling \$5,000,000 are not required. In addition, the Company shall:

- a) Issue to the private vendors the greater of:
 - 1,000,000 common shares of the affiliate or third-party company; or
 - Number of common shares of the affiliate or third-party company having a fair market value of \$1,000,000.
- b) Use its best efforts to enter into five year services contracts with Petra Gold Servicios Mineros S.R.L and one of the private vendors, for the supply of geological and logistical services, and corporate management services, respectively.

If the payment of USD\$75,000 and expenditures of USD\$200,000 to be incurred on December 15, 2022 are not met, the Company shall pay a late fee of USD\$5,000 each month to the private vendors (paid for December 2022 and January 2023).

8 PROMISSORY NOTE

Balance, March 31, 2021	\$	-
Additions		1,679,240
Accretion		47,180
Balance, March 31, 2022		1,726,420
Loss on promissory note modification		(54,597)
Promissory note repayment received		(70,000)
Accretion		73,973
Balance, December 31, 2022	\$	1,675,796

On October 4, 2021, as part of the sale of the Wishbone Property to Forty Pillars, the Company received an unsecured promissory note for \$2,000,000, bearing interest at 5% per annum and maturing on October 4, 2024. As the Company is a significant shareholder of Forty Pillars, the Company has determined that a below-market interest rate was provided. The Company fair valued the loan at \$1,679,240 using a 6% discount rate, which represents the difference between the market interest rate of 11% and the promissory note interest rate of 5%. The difference between the initial fair value and the face value of \$320,760 has been treated as a capital contribution to Forty Pillars from the Company and was added to the Company's Investment in Forty Pillars (Note 9). The promissory note will be accreted to its face value over the term of the note at an effective interest rate of 5.70%.

On October 14, 2022, the Company entered into a loan reduction agreement with Forty Pillars. Pursuant to the terms of the agreement, the Company received a \$70,000 payment and reduced the principal of the promissory note by \$140,000. A new promissory note has been signed for the principal amount of \$1,860,000 with all other terms and conditions being the same. During the nine months ended December 31, 2022, the Company recorded a loss on promissory note modification of \$61,776 which was applied to reduce the principal by \$54,597 and interest receivable by \$7,179.

Interest receivable of \$115,379 has been included in receivables on the condensed interim consolidated statements of financial position. Accretion for the promissory note is included in interest income on the condensed interim consolidated statements of income (loss) and comprehensive income (loss).

9 INVESTMENT IN FORTY PILLARS

On May 21, 2021, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 3,242,587 common shares of Forty Pillars valued at \$0.16 per Forty Pillars Share, of which 1,945,551 Forty Pillars Shares were distributed to Origen's shareholders and 1,297,036 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. As a result of this transaction, the Company's ownership of Forty Pillars was diluted from 100% to 40% which led to a loss of control and deconsolidation of Forty Pillars from the Company's consolidated financial statements. As a result of the deconsolidation, the Company recognized a gain on deconsolidation of \$136,904. The Company retained significant influence over Forty Pillars, resulting in Forty Pillars being recorded on the Company's consolidated financial statements as an investment in associate.

On May 25, 2021, Forty Pillars issued additional shares through a private placement that diluted the Company's ownership of Forty Pillars from 40% to 18.55%. In addition to share ownership interest, the Company considered various qualitative factors including representation rights on Forty Pillars' board of directors in arriving at the determination that significant influence was retained.

On October 28, 2021, the Company participated in Forty Pillar's private placement and acquired 5,000,000 units of Forty Pillars at a price of \$0.20 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant is exercisable for one common share at an exercise price of \$0.24 per common share until October 28, 2024 (Note 6). This increased the Company's ownership of Forty Pillars from 18.55% to 43.45%.

On February 22, 2022, Forty Pillars completed a share consolidation on a 2 for 1 basis. All references to Forty Pillar share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

On May 29, 2022, Forty Pillars issued additional shares that diluted the Company's ownership of Forty Pillars from 43.45% to 42.86%.

On August 3, 2022, the Company sold 2,200,000 common shares of Forty Pillars for net proceeds of \$109,005. This decreased the Company's ownership of Forty Pillars from 42.86% to 27.89%. As a result

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of the sale, the Company recognized a loss of \$312,869, and a decrease in its Investment in Forty Pillars by \$421,874.

As at December 31, 2022, the Company had 4,097,036 (March 31, 2022 – 6,297,036) common shares of Forty Pillars which represented 27.89% (March 31, 2022 – 43.45%) of the issued and outstanding shares of Forty Pillars.

Balance, March 31, 2021	\$	-
Cost – 1,297,036 shares acquired on May 21, 2021		207,526
Cost – 5,000,000 shares acquired on October 28, 2021		1,000,000
Capital contribution (Note 8)		320,760
Equity loss (May 21, 2021 to March 31, 2022)		(53,273)
Balance, March 31, 2022		1,475,013
Sale of Forty Pillars Shares		(421,874)
Equity loss		(238,941)
Balance, December 31, 2022	\$	814,198

The equity accounting for Forty Pillar is based on financial results for the year ended February 28, 2022 and for the ten-month period ended December 31, 2022. The Company's estimated equity share of Forty Pillar's net loss for the period from April 1, 2022 to December 31, 2022 was \$238,941.

10 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the nine months ended December 31, 2022, the Company entered into the following transactions with related parties:

Paid or accrued exploration costs of \$1,133,374 (2021 - \$403,824) that were capitalized as exploration and evaluation assets to a company controlled by a director of the Company.

Paid or accrued management fees of \$67,500 (2021 – \$147,500) to a company controlled by a director and Chief Executive Officer of the Company.

Paid or accrued management fees of \$67,500 (2021 - \$147,500) to a company controlled by a director and President of the Company.

Paid or accrued consulting fees of \$Nil (2021 - \$2,000) to a former director of the Company.



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Paid or accrued consulting fees of \$54,000 (2021 - \$84,000) to a company controlled by a director of the Company.

Paid or accrued rent of \$16,200 (2021 - \$14,700) to a company controlled by a director of the Company.

Paid or accrued professional fees of \$Nil (2021 - \$16,250) to a company controlled by the former Chief Financial Officer of the Company.

Paid or accrued professional fees of \$30,991 (2021 - \$10,350) to a company of which the Chief Financial Officer of the Company is an owner.

Paid or accrued professional fees of \$9,000 (2021 - \$9,000) to a company controlled by a director and Chief Executive Officer of the Company.

As at December 31, 2022, \$659,940 (March 31, 2022 - \$244,822) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses.

During the year ended March 31, 2021, the Company prepaid \$100,000 to Crest for strategic consulting services of which \$Nil has been expensed to consulting fees during the nine months ended December 31, 2022 (2021 - \$70,000).

During the nine months ended December 31, 2022, the Company issued Nil (2021 – 250,000) stock options to an officer and director of the Company. Upon issuance, \$Nil (2021 – \$54,048) in share-based payments expense was recorded in profit and loss.

Short term loan

During the year ended March 31, 2022, the Company received a non-interest-bearing short-term loan from Crest of \$1,000,000 for a 30-day term. In exchange, the Company issued Crest a one-time bonus of 160,000 common shares (valued at \$60,800). The loan was repaid during the year ended March 31, 2022.

11 SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the nine months ended December 31, 2022, the following common share issuances occurred:

On June 23, 2021, the Company executed a normal course issuer bid ("NCIB") through the facilities of the CSE. Under the NCIB, the Company intends to acquire up to 1,620,000 common shares. The



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NCIB expired on June 30, 2022. During the nine months ended December 31, 2022, the Company acquired 106,000 common shares for \$25,430.

During the nine months ended December 31, 2022, the Company issued 400,000 common shares pursuant to exercise of share purchase warrants for gross proceeds of \$88,000.

During the nine months ended December 31, 2022, the Company issued 1,600,000 flow-through share units at a price of \$0.30 per unit for gross proceeds of \$480,000. Each flow-through share unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to purchase an additional share at a price of \$0.50 per share for a two-year term. The Company did not incur cash issuance costs in respect of this placement. The fair value of the flow-through shares was determined to be \$432,000 with the remaining \$48,000 being allocated to the flow-through premium liability. The flow-through premium liability has been fully amortized to the condensed interim consolidated statements of income (loss) and comprehensive income (loss), as the Company has incurred all of the required qualifying flow-through expenditures.

During the nine months ended December 31, 2022, the Company issued 400,000 common shares valued at \$74,000 relating to exploration and evaluation assets (Note 7).

During the year ended March 31, 2022, the following common share issuances occurred:

On June 23, 2021, the Company executed a normal course issuer bid ("NCIB") through the facilities of the CSE. Under the NCIB, the Company intends to acquire up to 1,620,000 common shares. The NCIB expired on June 30, 2022. During the year ended March 31, 2022, the Company acquired 161,000 common shares for \$37,565.

On October 21 2021, the Company issued 160,000 common shares valued at \$60,800 as financing fees (Note 10).

During the year ended March 31, 2022, the Company issued 2,396,998 common shares pursuant to exercise of share purchase warrants for gross proceeds of \$479,695.

During the year ended March 31, 2022, the Company issued 75,000 common shares pursuant to exercise of stock options for gross proceeds of \$11,250. The Company transferred \$7,664 from share-based payments reserves to share capital on exercise.

During the year ended March 31, 2022, the Company issued 750,000 common shares valued at \$255,500 relating to exploration and evaluation assets (Note 7).



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c) Share-based payments

Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at December 31, 2022, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2021	3,200,000	\$ 0.19
Granted	450,000	0.27
Exercised	(75,000)	0.15
Forfeited	(650,000)	0.17
Balance, March 31, 2022	2,925,000	0.20
Granted	500,000	0.17
Balance, December 31, 2022	3,425,000	\$ 0.20

During the nine months ended December 31, 2022, the Company issued:

- 500,000 stock options with an exercise price of \$0.17 per share and a fair value of \$54,107. The weighted average fair value per option was \$0.11. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 3 years, risk-free rate of 4.06% and volatility of 100%.

During the year ended March 31, 2022, the Company issued:

- 325,000 stock options with an exercise price of \$0.29 per share and a fair value of \$70,262. The weighted average fair value per option was \$0.22. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 1.39% and volatility of 100%.
- 125,000 stock options with an exercise price of \$0.23 per share with a fair value of \$22,585. The weighted average fair value per option was \$0.18. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 1.69% and volatility of 100%.

During the nine months ended December 31, 2022 the Company has recorded \$54,107 (2021 - \$70,262) of share-based payments with respect to grant of stock options.

A summary of the Company's stock options outstanding and exercisable as at December 31, 2022 is as follows:

Expiry Date	Number of Stock Options	Exercise Price	Number of Stock Options Exercisable	Remaining Life (Years)
June 1, 2025	1,275,000	\$0.15	1,275,000	2.42
October 17, 2025	500,000	\$0.17	500,000	2.80
January 21, 2026	1,200,000	\$0.23	1,200,000	3.06
December 3, 2026	325,000	\$0.29	325,000	3.93
January 18, 2027	125,000	\$0.23	125,000	4.05
	3,425,000		3,425,000	

d) Share purchase warrants

As at December 31, 2022, the following share purchase warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2021	4,132,783	\$ 0.21
Granted	387,184	0.29
Exercised	(2,396,998)	0.20
Expired	(773,122)	0.20
Balance, March 31, 2022	1,349,847	0.24
Granted	800,000	0.50
Exercised	(400,000)	0.22
Expired	(749,847)	0.22
Balance, December 31, 2022	1,000,000	\$ 0.47

During the nine months ended December 31, 2022, the Company issued:

- 800,000 share purchase warrants with an exercise price of \$0.50 per share pursuant to the flow-through private placement with a fair value of \$Nil.

During the year ended March 31, 2022, the Company issued:

- 187,184 additional share purchase warrants with a fair value of \$32,974 to the Company's warrant holders as a result of the April 2021 Plan of Arrangement (Note 4).
- 200,000 share purchase warrants to a consultant with an exercise price of \$0.36 per share with a fair value of \$33,077. The weighted average fair value per warrant was \$0.17. The fair value of the warrants are estimated using the Black-Scholes option pricing model assuming a life expectancy of 2 years, risk-free rate of 0.33% and volatility of 100%.

**RESOURCES INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine-month period ended December 31, 2022****(Unaudited – Expressed in Canadian Dollars)**

During the nine months ended December 31, 2022 the Company has recorded \$Nil (2021 - \$98,974) of share-based payments with respect to issue of share purchase warrants.

As at December 31, 2022, the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price	Remaining Life (Years)
May 17, 2023	200,000	\$ 0.36	0.38
July 29, 2024	800,000	\$ 0.50	1.58
	1,000,000		

e) Escrowed shares and warrants

As at December 31, 2022, 233,424 (March 31, 2022 – 700,286) common shares and 56,620 (March 31, 2022 – 169,854) share purchase warrants of the Company were held in escrow and will be released on May 5, 2023.

f) Earnings (loss) per share

	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Weighted average common shares outstanding	36,764,731	32,948,092
Plus net incremental shares from assumed conversions:		
Stock options	-	1,003,138
Warrants	-	311,096
Diluted weighted average common shares outstanding	36,764,731	34,262,326

For the nine months ended December 31, 2022, there was a net loss attributable to shareholders of the Company and, accordingly, all potentially dilutive shares were considered anti-dilutive and were excluded from the calculation of diluted weighted average common shares outstanding. At December 31, 2022, the weighted average common shares outstanding and diluted weighted average common shares outstanding were therefore the same. At December 31, 2021, 525,000 potentially dilutive shares were not included in the diluted weighted average common shares outstanding calculation as their effect was anti-dilutive.

12 FINANCIAL INSTRUMENTS AND RISK

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:



RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

(Unaudited – Expressed in Canadian Dollars)

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.

The fair value of cash is based on Level 1 inputs of the fair value hierarchy. The fair values of the Company's receivables and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The Company's fair value of investments (except for warrants) were based on the quoted market prices of the shares as at December 31, 2022 and was therefore measured using Level 1 inputs. The fair value of the warrants were determined using certain Level 3 inputs disclosed in Note 6, as the Black-Scholes option pricing model was utilized. The Company's promissory note is measured as the present value of the discounted future cash flows.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

The majority of the Company's cash is held with major Canadian based financial institutions. Receivables are due from a government agency and Forty Pillars.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a cash balance of \$48,073 to settle current liabilities of \$786,567.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The promissory note receivable bears interest at 5% per annum. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

**RESOURCES INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine-month period ended December 31, 2022****(Unaudited – Expressed in Canadian Dollars)****b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and Argentina. The Company does not have financial assets or liabilities in a foreign currency.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's investments of \$187,675 are subject to fair value fluctuations. As at December 31, 2022, if the fair value of the Company's investments had decreased/increased by 10% with all other variables held constant, income and comprehensive income for the nine months ended December 31, 2022 would have been approximately \$18,800 lower/higher.

13 SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended December 31, 2022		Nine-months ended December 31, 2021	
Exploration expenditures in accounts payable and accrued liabilities	\$	457,466	\$	162,352
Shares issued for exploration and evaluation assets	\$	74,000	\$	255,500
Shares received in relation to exploration and evaluation asset agreements	\$	110,000	\$	-
Shares issued for financing fee	\$	-	\$	68,000
Transfer of Assets		-		Note 4

14 SEGMENTED INFORMATION

As at December 31, 2022, the Company operates in a single operating segment, being the acquisition and exploration and evaluation of resource assets located in Canada and Argentina as described in Note 7.

Geographic information about the Company's exploration and evaluation assets, as at December 31, 2022 and March 31, 2022 is as follows:



RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

(Unaudited – Expressed in Canadian Dollars)

	December 31, 2022	March 31, 2022
Canada	\$ 4,059,402	\$ 2,645,490
Argentina	288,272	159,306
Total	\$ 4,347,674	\$ 2,804,796

15 SUBSEQUENT EVENTS

- a) In January and February 2023, the Company paid USD\$5,000 pursuant to the late fee for the Los Sapitos Lithium Project option agreement.
- b) In January 2023, the Company received \$20,000 from GEN pursuant to the required reimbursement for the Arlington Property option agreement.
- c) In February 2023, the Company announced that Blake Morgan resigned as Director and President of the Company, and Dr. Thomas Hawkins was appointed as Director of the Company, replacing Blake Morgan.
- d) In February 2023, the Company announced that it has created a Lithium Advisory Board to assist in the further development of the Company. The Company welcomed Gabriel Pindar, Dr. David Shaw, Neil Stuart and George Cumplido as the founding members of this Advisory Board.
- e) In February 2023, the Company announced that it has arranged for a non-brokered private placement of up to 8,000,000 units of the Company at a price of \$0.25 per unit for aggregate gross proceeds of \$2,000,000. Each unit will be comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will be exercisable to acquire one common share at an exercise price of \$0.40 per share for a period of 18 months following the issuance.
- f) In February 2023, the Company granted 150,000 stock options with an exercise price of \$0.24 per share.
- g) In February 2023, the Company granted 600,000 stock options with an exercise price of \$0.26 per share.
- h) In February 2023, stock options to acquire 325,000 common shares at \$0.15 per share were exercised.
- i) In February 2023, stock options to acquire 50,000 common shares at \$0.15 per share and stock options to acquire 450,000 common shares at \$0.23 per share were cancelled.
- j) In February 2023, the Company announced that Nord has agreed to terminate the option agreement to purchase the Company's NFLD Lithium Project.