ROCKLAND RESOURCES LTD.

Consolidated Financial Statements

For the Year ended September 30, 2022

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Rockland Resources Ltd.

Opinion

We have audited the consolidated financial statements of Rockland Resources Ltd. (the "Group"), which comprise the consolidated statements of financial position as at September 30, 2022 and September 30, 2021 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2022 and September 30, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other 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 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group'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:

- Management's Discussion and Analysis

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group’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 Group’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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 audit.

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 Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
January 30, 2023

ROCKLAND RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

AS AT	September 30, 2022	September 30, 2021
ASSETS		
Current		
Cash	$ 377,671	$ 1,438,009
Amounts receivable	135,384	59,823
Marketable securities (Note 3)	19,000	-
Prepaid expenses and deposits	54,652	61,608
Current assets	586,707	1,559,440
Non-current assets		
Reclamation bond (Note 4)	10,000	10,000
Exploration and evaluation assets (Note 4)	2,614,143	1,187,933
TOTAL ASSETS	$ 3,210,850	$ 2,757,373
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 139,703	$ 281,520
Due to related parties (Note 6)	19,607	1,855
Total Liabilities	159,310	283,375
Shareholders' Equity		
Share capital (Note 5)	5,259,318	2,869,411
Reserves (Note 5)	799,498	603,600
Deficit	(3,007,276)	(999,013)
Total shareholders' equity	3,051,540	2,473,998
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 3,210,850	$ 2,757,373

Nature and continuance of operations (Note 1)
Subsequent events (Note 10)

Approved and authorized on behalf of the Board on January 30, 2023.

"Mike England"	Director	*"Charles Desjardins"*	Director
Mike England		Charles Desjardins	

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

ROCKLAND RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
Years ended September 30,

		2022		2021
EXPENSES				
Consulting fees (Note 6)	$	164,685	$	70,600
Filing and transfer agent fees		17,840		32,911
Management fees (Note 6)		144,000		109,500
Office and miscellaneous		47,591		17,046
Professional fees (Note 6)		95,218		61,337
Property investigation costs		110,582		-
Share-based payment (Notes 5 and 6)		208,400		519,000
Shareholder information		-		25,959
Travel and promotion		146,862		120,224
Unrealized loss on marketable securities (Note 3)		6,000		-
Write-off of exploration and evaluation assets (Note 4)		1,067,085		-
Loss and comprehensive loss for the year	$	(2,008,263)	$	(956,577)
Basic and diluted loss per common share	$	(0.06)	$	(0.06)
Weighted average number of common shares outstanding (basic and diluted)		34,900,353		17,324,973

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

ROCKLAND RESOURCES LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

Years ended September 30,

	Share capital				
	Shares	Amount	Reserves	Deficit	Total
Balance, September 30, 2020	9,600,001	$ 245,251	$ -	$ (42,436)	$ 202,815
Shares for initial public offering	4,025,000	402,500	-	-	402,500
Shares for private placement	10,440,000	2,088,000	-	-	2,088,000
Shares issued pursuant to option exercise	400,000	56,400	(16,400)	-	40,000
Share issue costs – shares	100,000	-	-	-	-
Share issue costs – cash	-	(178,883)	-	-	(178,883)
Share issue costs – broker's warrants	-	(101,000)	101,000	-	-
Share-based payments	-	-	519,000	-	519,000
Shares issued for exploration and evaluations assets	1,552,197	357,143	-	-	357,143
Loss for the year	-	-	-	(956,577)	(956,577)
Balance, September 30, 2021	26,117,198	2,869,411	603,600	(999,013)	2,473,998
Shares for private placement	6,530,000	1,306,000	-	-	1,306,000
Share issue costs – cash	-	(30,520)	-	-	(30,520)
Share issue costs – broker's warrants	-	(19,700)	19,700	-	-
Shares issued for option exercise	200,000	28,200	(8,200)	-	20,000
Shares issued for warrant exercise	297,250	53,727	(24,002)	-	29,725
Shares issued for exploration and evaluations assets	5,460,769	1,052,200	-	-	1,052,200
Share-based payments	-	-	208,400	-	208,400
Loss for the year	-	-	-	(2,008,263)	(2,008,263)
Balance, September 30, 2022	38,605,217	$ 5,259,318	$ 799,498	$(3,007,276)	$ 3,051,540

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

ROCKLAND RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
Years ended September 30,

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (2,008,263)	$ (956,577)
Items not affecting operating cash:		
Share-based payment	208,400	519,000
Unrealized loss on marketable securities	6,000	-
Write-off of exploration and evaluation assets	1,067,085	-
Changes in non-cash working capital items:		
Amounts receivable	(75,561)	(56,304)
Prepaid expenses and deposits	6,956	(54,316)
Accounts payable and accrued liabilities	7,071	(337)
Due to related parties	17,752	(6,750)
Net cash used in operating activities	(770,560)	(555,284)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(1,614,983)	(477,324)
Net cash used in investing activities	(1,614,983)	(477,324)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,306,000	2,490,500
Share issuance costs	(30,520)	(178,883)
Exercise of options	20,000	40,000
Exercise of warrants	29,725	-
Net cash provided by financing activities	1,325,205	2,351,617
Change in cash for the year	(1,060,338)	1,319,009
Cash, beginning of year	1,438,009	119,000
Cash, end of year	$ 377,671	$ 1,438,009
Supplementary disclosure with respect to cash flows		
Fair value of finder’s warrants issued	$ -	$ 101,000
Fair value of brokers warrants issued for finder's fees	$ 19,700	$ -
Fair value of options exercised	$ 8,200	$ 16,400
Fair value of warrants exercised	$ 24,002	$ -
Accrued exploration and evaluation expenditures in accounts payable	$ 120,957	$ 269,845
Marketable securities received for exploration and evaluation assets	$ 25,000	$ -
Shares issued for exploration and evaluation assets	$ 1,052,200	$ 357,143

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

1. Nature and continuance of operations

Rockland Resources Ltd. (the "Company") was incorporated on April 29, 2020 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's corporate office and principal place of business of the Company is 789 West Pender Street, Suite 1240, Vancouver, British Columbia, Canada, V6C 1H2.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. As at September 30, 2022 the Company was in the exploration stage and had interests in properties in Canada, United States and Mexico.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof. The Company has sustained losses from operations and expects to incur further losses in the development of its business, and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As at September 30, 2022, the Company had a working capital of $427,397 (2021 - $1,276,065). Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans. These material uncertainties may cast substantial doubt about the Company's ability to continue as a going concern.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

In March 2020, the COVID-19 pandemic has caused significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. In late February 2022, Russia launched a large scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including Canada. Consequently, the Company has limited access to capital and financing which is the primary source of cash for the Company. While the Company continues to monitor the investment portfolio and assess the impact that these events will have on its business activities, the extent of the effect of these events on the Company's future activities is uncertain.

2. Significant accounting policies and basis of preparation

The consolidated financial statements were authorized for issue on January 30, 2023 by the directors of the Company.

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for financial instruments classified as fair value through profit and loss ("FVTPL"), which are stated at their fair value. The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency, unless otherwise noted.

Statement of compliance

The consolidated financial statements of the Company 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 Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary as at September 30, 2022. Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiary as if they formed a single entity. All inter-company transactions and balances between the companies are therefore eliminated in full.

The Company incorporated a wholly-owned subsidiary, Rockland Lithium Corp., on September 8, 2022. These consolidated financial statements include the accounts of Rockland Lithium Corp.

Estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

i) 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.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting estimates

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

i) Exploration and evaluation costs

The estimated recovery value of the exploration and evaluation costs capitalized on the statement of financial position.

Significant accounting policies

Cash

Cash includes cash on hand and deposits held at call with financial institutions.

Foreign currency translation

The financial statements are presented in Canadian dollar which is both the Company and subsidiary's functional and presentation currency. Transactions in foreign currencies are translated at rates in effect at the time of the transaction. Monetary assets and liabilities are translated at the exchange rate prevailing at the reporting date. Gains and losses are included in profit or loss.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the period in which they are incurred.

Costs incurred to acquire the legal right to explore a property are capitalized. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized on a property-by-property basis. These direct expenditures include such costs as surveying costs, drilling costs, labor and contractor costs, materials used and licensing and permit fees.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of extracting the mineral resource have been determined, the property is considered to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

Once commercial production has commenced all capitalized costs related to the property are transferred to producing properties and the costs of acquisition, exploration and development will be amortized over the life of the property based on estimated economic reserves.

2. Significant accounting policies and basis of preparation (cont'd)

Exploration and evaluation assets (continued)

Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in other income for the period.

Currently, all mineral properties of the Company are at the exploration stage.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized; however, for corporate income tax purpose the Company has no right to claim these costs as tax deductible expenses.

Recorded costs of mineral properties and deferred exploration costs are not intended to reflect present or future values of resource properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge that changes in future conditions could require a material change in the recognized amount.

Payments on mineral property option agreements are made at the discretion of the Company and, accordingly, are recorded as incurred.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. Significant accounting policies and basis of preparation (cont'd)

Decommissioning and restoration provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the year incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the year.

The Company does not have any decommissioning or restoration obligations for the periods presented.

Share capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are valued using residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the Warrants. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments and are recognized in equity. When warrants are forfeited or are not exercised at the expiry date the amount previously recognized in equity remains in warrant reserves.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate exchange on the date the shares are issued.

Share issuance costs

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital will be charged against the related share capital.

2. Significant accounting policies and basis of preparation (cont'd)

<u>Flow-through shares</u>

The Company may from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company allocates the proceeds from flow-through shares into 1) share capital based on the fair value of the Company's shares at the date of issuance, and 2) a flow-through share premium, calculated based on the share issuance price and market price at the time of closing, if any, which is recognized as a liability. In accordance with IAS 12, *Income Taxes*, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. Upon expenditures being incurred, the flow-through share premium is drawn down proportionately and recorded to other income. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as deferred income tax recovery in profit or loss in the period of renunciation.

Proceeds received from the issuance of flow-through shares must be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-Back Rule, in accordance with Canada Revenue Agency flow-through regulations. When applicable, this tax is accrued as a financial expense.

<u>Earnings (loss) per share</u>

Earnings (loss) per share is calculated on the basis of the weighted average number of common shares outstanding during the period. The Company follows the treasury share method to calculate the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Existing share options and share purchase warrants have not been included in the computation of diluted loss per share, as it would be anti-dilutive. For the year ended September 30, 2022, 2,350,000 (2021 – 2,550,000) options and 9,178,750 (2021 – 6,058,400) warrants were not included in the calculation of diluted earnings per share as their inclusion was anti-dilutive.

<u>Share-based payments</u>

When equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received, unless the fair value of the goods and services received cannot be reasonably measured, in which case they are measured using the fair value of the equity instruments issued. Expenses are recorded in profit or loss. Amounts related to the cost of issuing shares are recorded as a reduction of share capital. Amounts related to the issuance of shares for exploration and evaluation assets are capitalized in mineral interests on the statement of financial position.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by using a valuation model.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

2. Significant accounting policies and basis of preparation (cont'd)

Share-based payments (cont'd)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. If the options expire or are forfeited, the corresponding amount previously recorded remains in deficit.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income tax is recorded using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

Financial Instruments

Under IFRS 9, *Financial Instruments*, financial assets and financial liabilities are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: 1) amortized cost, 2) fair value through other comprehensive income (FVTOCI), and 3) fair value through profit or loss (FVTPL).

i) Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as FVTPL. Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

2. Significant accounting policies and basis of preparation (cont'd)

Financial Instruments (cont'd)

ii) <u>Classification – financial assets</u>

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effect interest method, and is recognized in Interest and other income, in profit or loss.

FVTOCI:

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income or loss. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

FVTPL:

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss.

iii) <u>Classification – financial liabilities</u>

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statements of profit and loss.

2. Significant accounting policies and basis of preparation (cont'd)

Financial Instruments (cont'd)

The Company has no hedging arrangements and does not apply hedge accounting.

A summary of the classification and measurement of the Company's financial instruments is set out below.

	IFRS 9 classification
Financial Asset	
Cash	FVTPL
Marketable securities	FVTPL
Reclamation bond	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Impairment of Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the asset impaired. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

(Expressed in Canadian dollars)

3. Marketable securities

During the year ended September 30, 2022, the Company received 100,000 shares (valued at $25,000) of Silverfish Resources Inc ("Silverfish") for Summit Old Timer Property and recorded an unrealized loss of $6,000 from changes in the fair value.

	Common shares		Total
Silverfish Resources Inc			
As of September 30, 2021 and 2020	-	$	-
Addition	100,000		25,000
Unrealized loss on revaluation	-		(6,000)
As of September 30, 2022	**100,000**	**$**	**19,000**

4. Exploration and evaluation assets

Summit Old Timer (British Columbia)

On May 21, 2020, the Company entered into an option agreement to acquire up to a 75% interest in certain mining claims in the Nelson Mining Division, British Columbia.

To acquire a 51% interest, the Company must issue 100,000 common shares (issued) and make a cash payment of $5,000 (paid) to the vendor.

To earn the further 24% of the total 75% interest, the Company must pay the Optionor $10,000 on or before May 21, 2021 (paid), issue 100,000 common shares on or before the first anniversary of the initial listing of the Company's shares on CSE (issued and valued at $15,000), and incur aggregate exploration expenditures of $225,000 of which $75,000 must be incurred before May 21, 2021 (incurred) and $150,000 on or before the first anniversary of the initial listing of the Company's shares on an exchange (incurred $117,795).

In August 2020, the Company submitted a Notice of Work on the property with the BC government and has posted a $10,000 reclamation bond.

The property is subject to a NSR of 2% payable to the vendors, of which 1% can be repurchased for a cash payment of $1,000,000.

On December 16, 2021, the Company executed an option agreement with Silverfish to acquire the Company's 75% interest in the Summit Old Timer Property in consideration of the following:

Cash payments:

i) $7,500 on or before the earlier of the listing of Silverfish's common shares on the Canadian Securities Exchange or June 30, 2022 (received)
ii) $15,000 on or before December 15, 2022 (subsequently received)
iii) $50,000 on or before December 15, 2023

4. Exploration and evaluation assets (cont'd)

Summit Old Timer (British Columbia) (cont'd)

Share issuances:

i) 100,000 common shares on or before the listing of Silverfish's common shares on the Canadian Securities Exchange or June 30, 2022 (received and valued at $25,000)
ii) 250,000 common shares on or before December 15, 2022 (subsequently received)
iii) 1,000,000 common shares or before December 15, 2023

Expenditures:

i) $100,000 on or before September 30, 2022
ii) $250,000 on or before September 30, 2023
iii) additional $1,000,000 on or before September 30, 2024

Cole Gold Mines Property (Ontario)

On March 25, 2021, the Company entered into an option agreement to acquire a 100% interest in 28 mining claims located in Red Lake Mining District, Ontario.

Terms of the agreement include:

Cash payments:

i) $10,000 upon execution of the agreement (paid)
ii) $50,000 on or before April 30, 2021 (paid)
iii) $100,000 on or before August 7, 2021 (paid)
iv) $150,000 on or before March 25, 2022 (see below)
v) $100,000 on or before August 7, 2022 (paid)

Share issuances:

i) 1,071,428 shares on or before April 30, 2021 (issued and valued at $257,143)
ii) $100,000 worth in common shares on or before August 7, 2021 (480,769 shares issued)
iii) $100,000 worth in common shares on or before August 7, 2022 (480,769 shares issued)

Expenditures:

i) $100,000 on or before August 7, 2021 (incurred)
ii) $200,000 on or before August 7, 2022 (incurred)

The property is subject to a NSR of 2% payable to the vendors, of which 0.5% can be repurchased for a cash payment of $750,000.

The second payment has been deferred with the agreement of the property vendors. The second payment terms is as followed:

i) $75,000 cash upon the executed of the agreement and the issuance of 1,500,000 common shares
ii) $75,000 on or before April 30, 2023

4. Exploration and evaluation assets (cont'd)

Utah Lithium (USA)

Lithium Butte

During the year ended September 30, 2022, the Company entered into an option agreement to acquire a 90% interest in 60 claims staked in Juab County, Utah. The Company will acquire the initial 90% interest of the claims by incurring exploration costs of USD 2,500,000, with the remaining 10% interest held by an arms-length third party.

The Company further acquired 100% interest of additional Lithium Butte claims by paying the staking costs.

A 1.5% NSR has been granted by the company to Multiple Metals Resources Ltd. ("MMRL") and Helvellyn Capital Corp. ("Helvellyn") on the Lithium Butte Property. The NSR is subjected to a 0.5% buyback right in consideration of USD $1,000,000. Helvellyn is a private Ontario company of which Dr. Sutcliffe, the president and a director of the company, is the principal.

Fish Spring Property

During the year ended September 30, 2022, the Company acquired 100% interest of Fish Springs Property staked in Juab County, Utah approximately 20 km northeast of Lithium Butte.

A 1.5% NSR has been granted by the company to MMRL and Helvellyn on the Fish Springs Property. The NSR royalty is subject to a 0.5 % buyback right in consideration of USD $1,000,000. Helvellyn is a private Ontario company of which Dr. Sutcliffe, the president and a director of the company, is the principal.

Elektra Project (Mexico)

On November 14, 2021, the Company entered into an option agreement to acquire 100% interest in the Elektra project located in northern Sonora, Mexico.

To acquire 100% interest, the Company is required to meet the following obligations:

Cash

i) USD 40,000 upon the execution of the agreement (paid)
ii) USD 30,000 on or before May 14, 2022 (see below)
iii) USD 30,000 on or before November 14, 2022
iv) USD 30,000 on or before May 14, 2023
v) USD 30,000 on or before November 14, 2023
vi) USD 30,000 on or before May 14, 2024
vii) USD 30,000 on or before November 14, 2024
viii) USD 30,000 on or before May 14, 2025
ix) USD 1,250,000 on or before November 14, 2025

Share issuances

i) 4,000,000 upon the execution of the agreement (issued and valued at $780,000)
ii) 2,000,000 on or before November 14, 2022
iii) 2,000,000 on or before November 14, 2023
iv) 2,000,000 on or before November 14, 2024

A 2% NSR will be granted to the vendors and the Company will have an option to purchase 50% of the NSR for USD $1,000,000 at any time.

4. Exploration and evaluation assets (cont'd)

Elektra Project (Mexico) (cont'd)

In connection with the agreement, the Company shall pay a finder fee equal to 7% of the acquisition price over the same 48-month period. During the period ended December 31, 2021, the Company paid $3,644 ($2,800 USD) and issued 280,000 shares valued at $67,200 for finder's fee.

During the year ended September 30, 2022, the Company decided not to pursue this project and wrote off capitalized expenditures of $960,829.

Stetham Uranium Project (Ontario)

On September 19, 2021, the Company entered into an option agreement to acquire 100% interest in the Stetham Uranium project located near the town of Gogama, Onatrio.

To acquire 100% interest, the Company is required to issue 1,200,000 common shares as follows:

i) 600,000 common shares on or before September 19, 2021 (issued and valued at $90,000)
ii) 600,000 common shares on or before September 19, 2022.

A 2% NSR will be granted to the vendors and the Company will have an option to purchase 50% of the NSR for $1,000,000 at any time.

During the year ended September 30, 2022, the Company decided not to pursue this project and wrote off capitalized expenditures of $106,256.

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (cont'd)

A summary of the Company's exploration and evaluation assets is as follows:

	Summit Old Timer, British Columbia	Cole Gold Mines Property, Ontario	Stetham Uranium, Ontario	Electra Property, Mexico	Lithium Butte Property, Utah	Fish Springs Property, Utah	Total
Acquisition costs							
Balance, September 30, 2021	$ 7,000	$ 517,143	$ -	$ -	$ -	$ -	$ 524,143
Cash	10,000	100,000	13,250	54,627	186,771	413,308	777,956
Shares	15,000	100,000	90,000	847,200	-	-	1,052,200
Write-off	-	-	(103,250)	(901,827)	-	-	(1,005,077)
Balance, September 30, 2022	32,000	717,143	-	-	186,771	413,308	1,349,222
Exploration costs							
Balance, September 30, 2021	174,764	489,026	-	-	-	-	663,790
Assays and testing	-	60,468	-	-	40,551	-	101,019
Geological consulting (Note 6)	5,917	144,024	2,200	59,002	138,073	22,500	371,716
Field supplies	194	74,935	806	-	69,433	-	145,368
Drilling	-	31,045	-	-	-	-	31,045
Travel	-	7,781	-	-	45,547	-	53,328
Cost recovery	(32,500)	(6,837)	-	-	-	-	(39,337)
Write-off	-	-	(3,006)	(59,002)	-	-	(62,008)
Balance, September 30, 2022	148,375	800,442	-	-	293,604	22,500	1,264,921
Total balance, September 30, 2022	$ 180,375	$ 1,517,585	$ -	$ -	$ 480,375	$ 435,808	$ 2,614,143

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (cont'd)

	Summit Old Timer, British Columbia	Cole Gold Mines Property, Ontario	Total
Acquisition costs			
Balance, September 30, 2020	$ 7,000	$ -	$ 7,000
Cash	-	160,000	160,000
Shares	-	357,143	357,143
Balance, September 30, 2021	7,000	517,143	524,143
Exploration costs			
Balance, September 30, 2020	76,621	-	76,621
Assays and testing	6,552	-	6,552
Drilling	-	174,760	174,760
Geological consulting (Note 6)	41,820	130,119	171,939
Field supplies	15,714	182,335	198,049
Mapping and surveying	20,523	-	20,523
Report and administration	13,534	-	13,534
Travel	-	1,812	1,812
Balance, September 30, 2021	174,764	489,026	663,790
Total balance, September 30, 2021	$ 181,764	$ 1,006,169	$ 1,187,933

5. Share capital

Authorized share capital

Unlimited number of common shares without par value.

At September 30, 2022, there were 38,605,217 (2021 – 26,117,198) issued and fully paid common shares.

Issuances

Year ended September 30, 2022

On October 6, 2021, the Company issued 120,000 common shares pursuant to an exercise of warrants at a price of $0.10 for total proceeds of $12,000. The fair value of $9,689 was transferred from reserves to share capital.

On October 18, 2021, Company issued 600,000 common shares valued at $90,000 pursuant to the acquisition of Stetham Uranium Project.

On November 9, 2021, Company issued 100,000 common shares valued at $15,000 pursuant to the acquisition of Old Timers Property.

On November 16, 2021, Company issued 4,000,000 common shares valued at $780,000 pursuant to the acquisition of Elektra Project.

On November 26, 2021, the Company issued 89,250 common shares pursuant to an exercise of warrants at a price of $0.10 for total proceeds of $8,925. The fair value of $7,207 was transferred from reserve to share capital.

On November 29, 2021, Company issued 280,000 common shares valued at $67,200 as finder's fee for the Elektra Project.

On December 1, 2021, the Company issued 200,000 common shares pursuant to an exercise of options at a price of $0.10 for total proceeds of $20,000. The fair value of $8,200 was transferred from reserves to share capital.

On February 3, 2022, the Company issued 88,000 common shares pursuant to an exercise of warrants at a price of $0.10 for total proceeds of $8,800. The fair value of $7,106 was transferred from reserve to share capital.

On February 23, 2022, the Company issued 6,530,000 units at a price of $0.20 per unit for gross proceeds of $1,306,000. Each unit is comprised of one common share and one-half transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one share for $0.30 until February 23, 2024. Finders' fees of $30,520 in cash and 152,600 finder's warrants (valued at $19,700) with terms the same as the private placement warrants.

On August 8, 2022, the Company issued 480,769 common shares valued at $100,000 pursuant to the acquisition of Cole Gold Mine Property.

5. Share capital (cont'd)

Issuances (cont'd)

Year ended September 30, 2021

On February 23, 2021, the Company completed its initial public offering of 4,025,000 shares at a price of $0.10 per share for gross proceeds of $402,500. In connection to the initial public offering, the Company paid share issuance costs of $63,768, corporate finance fees of $40,000, of which $30,000 was paid in cash and $10,000 in common shares, and 402,500 broker's warrants (valued at $32,500) at a price of $0.10 per share, exercisable on or before February 23, 2023.

On March 1, 2021, the Company issued 200,000 common shares pursuant to an exercise of options at a price of $0.10 for total proceeds of $20,000. The fair value of $8,200 was transferred from reserve to share capital.

On March 17, 2021, the Company issued 100,000 common shares pursuant to an exercise of options at a price of $0.10 for total proceeds of $10,000. The fair value of $4,100 was transferred from reserve to share capital.

On April 8, 2021, the Company issued 1,071,428 common shares valued at $257,143 pursuant to the acquisition of Cole Gold Mine Property.

On April 27, 2021, the Company issued 10,440,000 units at a price of $0.20 per unit for gross proceeds of $2,088,000. Each unit is comprised of one common share and one-half transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one share for $0.30 until April 27, 2023. Finders' fees of $85,115 in cash and 435,900 finder's warrants (valued at $68,500) with terms the same as the private placement warrants.

On May 25, 2021, the Company issued 100,000 common shares pursuant to an exercise of options at a price of $0.10 for total proceeds of $10,000. The fair value of $4,100 was transferred from reserve to share capital.

On August 9, 2021, the Company issued 480,769 common shares valued at $100,000 pursuant to the acquisition of Cole Gold Mine Property.

Stock options

The Company adopted a stock option plan to grant options to individuals exercisable up to 10 years from the date of grant to purchase shares at the market price, less applicable discount, if any. Such grants not to exceed an aggregate of 10% of the issued and outstanding shares and vesting periods will be determined by the Board of Directors.

Year ended September 30, 2022

On December 1, 2021, the Company granted 350,000 stock options exercisable at a price of $0.25 until December 1, 2022 to consultants. The estimated fair value of the options was $47,600 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 153%; an expected life of 1 year; a dividend yield of 0%; and a risk-free rate of 0.92%.

On January 17, 2022, the Company granted 400,000 stock options exercisable at a price of $0.25 until January 17, 2024 to consultants. The estimated fair value of the options was $62,900 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 155%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 1.20%.

(Expressed in Canadian dollars)

5. Share capital (cont'd)

Stock options (cont'd)

Year ended September 30, 2022

On August 4, 2022, the Company granted 800,000 stock options exercisable at a price of $0.20 until August 4, 2025 to consultants, senior officers and directors. The estimated fair value of the options was $97,900 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 159%; an expected life of 3 years; a dividend yield of 0%; and a risk-free rate of 3.14%.

Year ended September 30, 2021

On November 20, 2020, the Company granted 700,000 stock options exercisable at a price of $0.10 until November 20, 2023 to senior officers and directors. The estimated fair value of the options was $28,700 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 175%; an expected life of 3 years; a dividend yield of 0%; and a risk-free rate of 0.26%.

On April 29, 2021, the Company granted 1,650,000 stock options exercisable at a price of $0.27 until April 29, 2023 to senior officers, directors and consultants. The estimated fair value of the options was $367,400 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 191%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 0.30%.

On May 19, 2021, the Company granted 500,000 stock options exercisable at a price of $0.27 until May 19, 2023 to senior officers, directors and consultants. The estimated fair value of the options was $102,500 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 192%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 0.32%.

On June 3, 2021, the Company granted 100,000 stock options exercisable at a price of $0.27 until June 3, 2024 to senior officers and directors. The estimated fair value of the options was $20,400 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 184%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 0.33%.

	Number of options	Weighted average exercise price
Balance at September 30, 2020	-	$ -
Issued	2,950,000	0.23
Exercised	(400,000)	0.10
Balance at September 30, 2021	2,550,000	0.25
Issued	1,550,000	0.22
Exercised	(200,000)	0.10
Expired	(1,550,000)	0.26
Balance at September 30, 2022	2,350,000	$ 0.24

The average trading price was $0.245 (2021 - $0.18) when stock options were exercised.

(Expressed in Canadian dollars)

5. Share capital (cont'd)

Stock options (cont'd)

Details of options outstanding as at September 30, 2022 are as follows:

Number of Options	Exercise Price	Expiry Date	Exercisable
350,000**,*	$0.25	December 1, 2022	350,000
500,000**	$0.27	April 28, 2023	500,000
400,000**	$0.27	May 19, 2023	400,000
200,000	$0.25	January 17,2024	200,000
100,000	$0.27	June 3, 2023	100,000
800,000	$0.20	August 4, 2025	800,000
2,350,000			2,350,000

*250,000 options subsequently expired
**850,000 options subsequently cancelled

As at September 30, 2022 the options outstanding had a weighted average exercise price of $0.24 and a weighted average life of 0.97 years.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	September 30, 2022	September 30, 2021
Risk-free interest rate	2.14%	0.29%
Exercise price	$0.22	$0.23
Expected life of options	2.29 years	2.27 years
Expected annualized volatility	157%	187%
Expected dividend rate	-	-

Volatility is determined based on comparable publicly listed entities.

Warrants

On February 23, 2021, the Company granted 402,500 broker's warrants exercisable at a price of $0.10 until February 23, 2023. The estimated fair value of the options was $32,500 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 184%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 0.22%.

On April 27, 2021, the Company granted 435,900 broker's warrants exercisable at a price of $0.30 until April 27, 2023. The estimated fair value of the options was $91,900 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 191%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 0.31%.

On February 23, 2022, the Company granted 152,600 broker's warrants exercisable at a price of $0.30 until February 23, 2024. The estimated fair value of the options was $19,700 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 153%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 1.49%.

(Expressed in Canadian dollars)

5. Share capital (cont'd)

Warrants (cont'd)

	Number of warrants	Weighted average exercise price
Balance at September 30, 2020	-	$ -
Issued	6,058,400	0.29
Balance at September 30, 2021	6,058,400	0.29
Issued	3,417,600	0.30
Exercised	(297,250)	0.10
Balance at September 30, 2022	9,178,750	$ 0.30

Number of Warrants	Exercise Price	Expiry Date
105,250	$0.10	February 23, 2023
5,220,000	$0.30	April 27, 2023
435,900	$0.30	April 27, 2023
3,265,000	$0.30	February 23, 2024
152,600	$0.30	February 23, 2024
9,178,750		

As at September 30, 2022 the warrants outstanding had a weighted average exercise price of $0.30 and a weighted average life of 0.88 years.

The following weighted average assumptions were used for the Black-Scholes valuation of warrants granted:

	September 30, 2022	September 30, 2021
Risk-free interest rate	1.49%	0.27%
Exercise price	$0.30	$0.20
Expected life of warrants	2.00 years	2.00 years
Expected annualized volatility	153%	188%
Expected dividend rate	-	-

Volatility is determined based on comparable publicly listed entities.

(Expressed in Canadian dollars)

6. Related party transactions

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The remuneration of directors and key management personnel made during the year are as follows:

		Year ended September 30, 2022		Year ended September 30, 2021
Consulting fees	$	14,000	$	4,000
Exploration services		120,296		28,144
Management fees		144,000		109,500
Professional fees		-		5,500
Share-based payment		58,556		168,033
Total	**$**	**336,852**	**$**	**315,177**

As at September 30, 2022, the Company has $19,607 (2021 - $1,855) due to officers and a company controlled by a director of the Company.

Amounts due to related parties are non-interest bearing with no specific terms of repayment.

7. Financial instruments and risks

The Company's financial instruments are comprised of cash, marketable securities, reclamation bond, and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities as presented in the statements of financial position is a reasonable estimate of its fair value.

Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value financial assets and liabilities are described below.

Level 1 – Quoted Prices in Active Markets for Identical Assets
Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Cash and marketable securities are valued using quoted market prices in active markets. Accordingly, it is included in Level 1 of the fair value hierarchy.

Level 2 – Significant Other Observable Inputs
Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

7. Financial instruments and risks (cont'd)

Level 3 – Significant Unobservable Inputs
Unobservable (supported by little or no market activity) prices.

Financial Instrument Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

a) Credit risk

The Company is exposed to credit concentration risk by holding cash. This risk is minimized by holding the investments in large Canadian financial institutions. The Company has no accounts receivable exposure.

b) Interest rate risk

The Company is exposed to minimal interest rate risk. Fluctuations in market interest rates do not have a significant impact on the Company's operations.

c) Price risk

The Company is exposed to equity price risk for fluctuating values of its publicly traded marketable securities and other corporate investments. The Company has no control over these fluctuations and does not hedge its investments.

d) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. As at September 30, 2022, the Company manages this risk by monitoring its working capital to ensure its expenditures will not exceed available resources. As at September 30, 2022, the Company had cash of $377,671 (2021 - $1,438,009) and a working capital of $427,397 (2021 – $1,276,065). The Company may not be able to settle accounts payable and accrued liabilities of $139,703 (2021 - $281,520). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short term business requirements. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

e) Currency risk

Currency risk is the risk from fluctuations in foreign exchange rates and the degree of volatility of these rates. At September 30, 2022, the Company's cash is held in Canadian dollars and accordingly the Company is not exposed to currency risk.

(Expressed in Canadian dollars)

7. Financial instruments and risks (cont'd)

Capital management

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk. The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and receivables. The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the year ended September 30, 2022.

8. Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		September 30, 2022		September 30, 2021
Net loss before income taxes for the year	$	(2,008,263)	$	(956,577)
Statutory Canadian corporate tax rate		27%		27%
Anticipated tax expense (recovery)		(542,231)		(258,276)
Non-deductible for tax		58,998		140,825
Tax benefit not recognized		483,233		117,451
Total income tax expense (recovery)	$	-	$	-

The Company has the following unrecognized deductible temporary differences and unused tax losses:

		September 30, 2022	Expiry Date		September 30, 2021	Expiry Date
Non-capital losses carried forward	$	1,277,000	2040-2042	$	430,000	2040-2041
Mineral properties		981,000	none		-	N/A
Share issue costs and others		134,000	2023-2026		147,000	2022-2025
Unrecognized deductible temporary differences	$	2,392,000		$	577,000	

(Expressed in Canadian dollars)

8. Income Taxes (cont'd)

Tax attributes are subject to review, and potential adjustment by tax authorities.

Deferred tax benefits, which may arise as a result of applying these deductions to taxable income have not been recognized in these accounts.

9. Segmented information

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	Canada	USA	Total
September 30, 2022			
Exploration and evaluation assets	$ 1,697,960	$ 916,183	$ 2,614,143
September 30, 2021			
Exploration and evaluation assets	$ 1,187,933	$ -	$ 1,187,933

10. Subsequent events

Subsequent to September 30, 2022:

- granted 1,200,000 stock options exercisable at a price of $0.12 until October 4, 2025 to senior officers, directors and consultants.
- issued 15,005,000 units at a price of $0.06 per unit for gross proceeds of $900,300. Each unit is comprised of one common share and one transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one share for $0.10 until December 8, 2024. Finders' fees of $48,600 was paid in cash.
- issued 407,570 common shares valued at $40,757 for Investor and Outreach Campaign.