TRACTION URANIUM CORP.

Financial Statements

For the years ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

smythe

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF TRACTION URANIUM CORP.

Opinion

We have audited the financial statements of Traction Uranium Corp. (the "Company"), which comprise:

- the statements of financial position as at September 30 2022 and 2021;
- the statements of loss and comprehensive loss for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of $12,608,504 during the year ended September 30, 2022 and, as of that date, had an accumulated deficit of $12,972,095. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the 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 financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' 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 auditors' report. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
January 24, 2023

Traction Uranium Corp.
Statements of Financial Position
As at September 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Notes	2022	2021
		$	$
ASSETS			
Cash		903,817	677,874
Restricted cash	**5**	10,000	-
Accounts receivable		63,337	5,223
Prepaid expenses	**6**	395,683	-
TOTAL CURRENT ASSETS		**1,372,837**	**683,097**
Exploration and evaluation assets	**7**	2,468,559	-
TOTAL ASSETS		**3,841,396**	**683,097**
LIABILITIES			
Accounts payable and accrued liabilities	**9**	22,882	70,420
TOTAL CURRENT LIABILITIES		**22,882**	**70,420**
SHAREHOLDERS' EQUITY			
Share capital	**8**	15,758,166	856,268
Reserves	**8**	1,032,443	120,000
Deficit		(12,972,095)	(363,591)
TOTAL SHAREHOLDERS' EQUITY		**3,818,514**	**612,677**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,841,396**	**683,097**

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

Approved on behalf of the Board of Directors:

"Blair Way" (signed), Director

"Lester Esteban" (signed), Director

Traction Uranium Corp.
Statements of Loss and Comprehensive Loss
For the Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Notes	2022	2021
		$	**$**
EXPENSES			
Advertising and marketing		3,624,577	-
Consulting fees	**9**	273,008	61,772
Exploration and evaluation expense	**7**	2,421,316	195,875
Filing fees		79,066	35,364
Impairment expense	**7**	2,418,559	-
Office and miscellaneous		39,474	2,487
Professional fees		96,872	58,953
Share-based compensation	**8, 9**	3,630,902	-
Travel		24,730	-
LOSS AND COMPREHENSIVE LOSS		**(12,608,504)**	**(354,451)**
Loss per share, basic and diluted		(0.29)	(0.02)
Weighted average number of common shares outstanding – Basic and diluted		43,020,469	16,162,608

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

Traction Uranium Corp.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Reserves	Subscriptions Received	Deficit	Total Equity
	Number	**$**	**$**	**$**	**$**	**$**
Balance, September 30, 2020	12,300,000	206,589	-	30,000	(9,140)	227,449
Private placement - common shares	4,000,000	80,000	120,000	(30,000)	-	170,000
Private placement - special warrants	-	-	571,000	-	-	571,000
Conversion of special warrants	5,710,000	571,000	(571,000)	-		-
Exercise – warrants	23,000	4,600	-	-		4,600
Share issuance costs	-	(5,921)	-	-	-	(5,921)
Loss and comprehensive loss for the year	-	-	-	-	(354,451)	(354,451)
Balance, September 30, 2021	22,033,000	856,268	120,000	-	(363,591)	612,677
Private placement - common shares	12,641,021	5,342,411	-	-	-	5,342,411
Private placement - flow-through shares	5,602,000	2,801,000	-	-	-	2,801,000
Shares issued for exploration and evaluation assets	6,046,952	4,237,118	-	-	-	4,237,118
Grant – options	-	-	259,437	-	-	259,437
Grant – restricted share units	-	-	3,371,465	-	-	3,371,465
Share issuance costs	-	(1,043,730)	494,541	-	-	(549,189)
Exercise – warrants	1,999,000	370,099	(18,000)	-	-	352,099
Issuance – restricted share units	3,550,000	3,195,000	(3,195,000)	-	-	-
Loss and comprehensive loss for the year	-	-	-	-	(12,608,504)	(12,608,504)
Balance, September 30, 2022	**51,871,973**	**15,758,166**	**1,032,443**	**-**	**(12,972,095)**	**3,818,514**

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

Traction Uranium Corp.
Statements of Cash Flows
For the Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

	2022	2021
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(12,608,504)	(354,451)
Items not affecting cash:		
Share-based compensation	3,630,902	-
Impairment expense	2,418,559	-
Net changes in non-cash working capital items:		
Accounts receivable	(58,114)	(4,571)
Prepaid expenses	(395,683)	40,000
Accounts payable and accrued liabilities	(47,538)	55,911
Cash used in operating activities	**(7,060,378)**	**(263,111)**
INVESTING ACTIVITY		
Purchase of exploration and evaluation assets	(650,000)	-
Cash used in investing activity	**(650,000)**	**-**
FINANCING ACTIVITIES		
Proceeds from private placements	8,143,411	741,000
Share issuance costs	(549,189)	(5,921)
Warrant exercises	352,099	4,600
Cash received from financing activities	**7,946,321**	**739,679**
Net change in cash and restricted cash	235,943	476,568
Cash and restricted cash, beginning of year	677,874	201,306
Cash and restricted cash, end of year	**913,817**	**677,874**
Supplemental cash flow information		
Warrants issued for share issuance costs	494,541	-
Shares issued for purchase of exploration and evaluation assets	4,237,118	-
Interest paid	-	-
Taxes paid	-	-

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

1. NATURE OF OPERATIONS

Traction Uranium Corp. (the "Company") was incorporated under the *BC Business Corporations Act* on July 20, 2020. On November 4, 2021, the Company changed its name from "Traction Exploration Inc." to "Traction Uranium Corp.". On September 1, 2021, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol "TRAC".

The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company's corporate office and principal place of business is 100 – 521 3rd Avenue SW, Calgary, AB T2P 3T3.

These financial statements were authorized for issue by the Board of Directors on January 24, 2023.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. During the year ended September 30, 2022, the Company incurred a net loss of $12,608,504 (2021 - $354,451) and as at that date, has an accumulated deficit of $12,972,095 (2021 - $363,591). The Company has incurred losses since inception and has no current source of operating revenue and is accordingly dependent upon the receipt of equity on terms which are acceptable.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

The COVID-19 pandemic continues to impact the global economic environment. The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgments made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

These events and conditions indicate a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's statement of financial position. Such adjustments could be material.

3. BASIS OF PRESENTATION

(a) Statement of Compliance

These financial statements have been prepared under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements, unless otherwise indicated, are expressed in Canadian dollars, which is the Company's functional currency.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value as detailed in the accounting policies disclosed in Note 4 of these financial statements. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Mineral property

i. Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as an expense as they are incurred. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. This review is based on the Company's intentions for development of the undeveloped property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

ii. Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

iii. Impairment

The carrying value of all categories of exploration and evaluation assets are reviewed at least annually by management for indicators the recoverable amount may be less than the carrying value. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash-generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs.

Once calculated, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property (Continued)

iii. Impairment (Continued)

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures underlying the fair value estimates are subject to risk uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior reporting periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

iv. Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are issued, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Capital stock – the market trading price of the common share;
- Warrant reserve – based on the valuation derived using the Black-Scholes option pricing model; and
- Flow-through premium – any excess, recorded as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed as exploration and evaluation expenses and the flow-through premium, if any, is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

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 Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

(c) Mining exploration tax recoveries

The Company recognizes mining exploration tax recoveries in the period in which there is reasonable expectation, based on management's estimate, of receiving a refund. The amount of tax credit receivable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

(d) Financial instruments

i. Financial assets

<u>Initial recognition and measurement</u>

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

i. Financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are carried in the statement of financial position at fair value with changes in fair value therein, included in other comprehensive income. The Company has no financial assets classified as fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in the statement of loss and comprehensive loss. The Company classifies cash and restricted cash as fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset measured at amortized cost is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if necessary. The Company has no financial assets classified as amortized cost.

ii. Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- The contractual rights to receive cash flows from the financial asset have expired; or
- The Company has transferred substantially all the risks and rewards of the financial asset.

iii. Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Financial liabilities at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company's accounts payable and accrued liabilities are measured at amortized cost.

Financial liabilities at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company has no financial liabilities classified as fair value through profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

iv. Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy is cash.

(e) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(f) Equity units

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

(g) Restricted share units

The fair value of the restricted share units ("RSU") is recognized over the vesting periods based on the volume weighted average trading price of the Company's common shares for the five trading days immediately preceding the grant date. Costs recognized when the RSU vest are charged to share-based payment with the corresponding equity recorded as reserves. When the RSU are settled in shares, recorded fair value is transferred from reserves to share capital. For cash settled RSU, the fair value of the RSU is recognized as share-based payment expense, with a corresponding increase in accrued liabilities over the vesting period. The amount recognized as an expense is based on the estimate of the number of RSUs expected to vest. Cash settled RSU are measured at their fair value at each reporting period on a mark-to-market basis. Upon vesting of the cash settled RSU, the liability is reduced by the cash payout.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Share-based payments

The Company has a stock option plan that is described in Note 8 and grants share options to acquire common shares of the Company to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments granted. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued as calculated using the Black-Scholes option pricing model. The offset to the recorded expense is to reserves. Consideration received on the exercise of stock options is recorded as share capital and the recorded amount in reserves is transferred to share capital. For those options that expire or are cancelled, the recorded fair value in reserves is transferred to deficit.

(i) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(j) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted rates. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(k) Use of estimates and judgments

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Use of estimates and judgments (Continued)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management's judgments include:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Recoverability of mineral properties

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Flow-through expenditures

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures.

Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include:

Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share purchase options and share purchase warrants issued as finders fees. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

(Expressed in Canadian Dollars)

5. RESTRICTED CASH

As at September 30, 2022, the Company has classified $10,000 (2021 - $nil) as restricted cash. This amount is held as collateral for the Company's corporate credit cards and is invested in GICs at a rate of prime less 0.50%.

6. PREPAID EXPENSES

As at September 30, 2022, the Company has $395,683 (2021 - $nil) in prepaid expenses and consists of the following:

	September 30, 2022	September 30, 2021
Prepaid exploration and evaluation expenses	269,910	-
Prepaid advertising and marketing fees	125,773	-
Total	**395,683**	**-**

7. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

Staking costs, property option payments and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as exploration and evaluation assets. Other expenditures (i.e., geological and geographical surveys, analysis, mapping, etc.) are expensed as they are incurred.

The following table summarizes the Company's exploration and evaluation assets by property at September 30, 2022 and 2021:

	Whitewater	Hearty Bay	Lazy Edwards	Key Lake South	Total
	$	$	$	$	$
Balance, September 30, 2021	-	-	-	-	-
Acquisition costs (cash)	-	300,000	300,000	50,000	650,000
Acquisition costs (shares)	-	2,118,559	2,118,559	-	4,237,118
Impairment expense	-	-	(2,418,559)	-	(2,418,559)
Balance, September 30, 2022	**-**	**2,418,559**	**-**	**50,000**	**2,468,559**

The acquisition costs paid in common shares of the Company are subject to contractual resale restrictions that result in 10% of the common shares released at issuance and 15% being released at six month intervals thereafter. The value of the common shares is estimated using an option model to estimate the discount related to the lack of marketability of the shares from the contractual restriction. The following assumptions were used in the option model: share price of $0.91, expected life of 0.5 to 3 years, expected volatility of 110%, risk free interest rate of 0.95% and a dividend yield of 0%.

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the year ended September 30, 2022:

	Whitewater	Hearty Bay	Lazy Edwards	Key Lake South	Total
	$	$	$	$	$
Drilling	-	662,075	1,485,380	-	2,147,455
Geophysics	-	224,009	5,931	-	229,940
Lab analysis	-	6,962	6,963	-	13,925
Land maintenance	-	5,530	2,760	-	8,290
Planning		6,300	6,300	6,300	18,900
Reporting and administration	-	942	1,198	666	2,806
Balance, September 30, 2022	**-**	**905,818**	**1,508,532**	**6,966**	**2,421,316**

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (Continued)

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the year ended September 30, 2021:

	Whitewater	Hearty Bay	Lazy Edwards	Key Lake South	Total
	$	$	$	$	$
Drilling	52,923	-	-	-	52,923
Geophysics	75,600	-	-	-	75,600
Lab analysis	55,632	-	-	-	55,632
Land maintenance	-	-	-	-	-
Reporting and administration	11,720	-	-	-	11,720
Balance, September 30, 2021	**195,875**	**-**	**-**	**-**	**195,875**

a) Whitewater Property

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad (a director of the Company) to acquire 100% interest in the Whitewater Property by paying consideration of $80,000 in cash and agreeing to incur at least $515,000 in expenditures on the Whitewater Property. This consideration will be paid as follows:

i) Within three months of the agreement, the Company must incur expenditures of $75,000 (met);
ii) On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must incur additional expenditures of $110,000 (met);
iii) On or before the second anniversary of the Listing Date, the Company will pay $30,000 in cash and incur additional expenditures of $130,000; and
iv) On or before the third anniversary of the Listing Date, the Company will pay $50,000 in cash and incur additional expenditures of $200,000.

b) Hearty Bay Property

On October 30, 2021 the Company entered into an option agreement with Fission 3.0 Corp. ("Fission") (an unrelated party) whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Hearty Bay property in Saskatchewan.

The Company will earn an initial 50% interest in the Hearty Bay property upon satisfaction of each of the following obligations:

i) Within seven days of the effective date, the Company will pay $100,000 in cash (paid);
ii) Seven days after the effective date, the Company will pay $200,000 in cash (paid);
iii) On or before 10 days after the Company has completed one or more equity financings to raise gross proceeds totaling at least $2,000,000, the Company will issue to Fission that number of Shares equal to 7.5% of the total number of Shares that are issued and outstanding in the Company (issued);
iv) On or before the first anniversary of the effective date, the Company will pay $100,000 in cash and incur exploration expenditures of $1,000,000 on the Hearty Bay property;
v) On or before the 18 months after the effective date, the Company will pay $100,000 in cash; and
vi) On or before the second anniversary of the effective date, the Company will pay $150,000 in cash and incur additional exploration expenses of $1,500,000 on the Hearty Bay property.

7. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (Continued)

b) Hearty Bay Property (Continued)

The Company will earn an additional 20% interest in the Hearty Bay property upon satisfaction of each of the following obligations:

i) On or before the 30 months after the effective date, the Company will pay $150,000 in cash; and
ii) On or before the third anniversary of the effective date, the Company will pay $200,000 in cash and incur exploration expenditures of $3,000,000 on the Hearty Bay property.

During the year ended September 30, 2022, the Company issued 3,023,476 common shares to Fission and paid $300,000 in cash, as part of the Hearty Bay option agreement.

c) Lazy Edwards Property

On October 30, 2021 the Company entered into an option agreement with Fission, whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Lazy Edwards property in Saskatchewan.

The Company will earn an initial 50% interest in the Lazy Edwards property by paying consideration as follows:

i) Within seven days of the effective date, the Company will pay $100,000 in cash (paid);
ii) Seven days after the effective date, the Company will pay $200,000 in cash (paid);
iii) On or before 10 days after the Company has completed one or more equity financings to raise gross proceeds totaling at least $2,000,000, the Company will issue to Fission that number of Shares equal to 7.5% of the total number of Shares that are issued and outstanding in the Company (issued);
iv) On or before the first anniversary of the effective date, the Company will pay $100,000 in cash and incur exploration expenditures of $1,500,000 on the Lazy Edwards property;
v) On or before the 18 months after the effective date, the Company will pay $100,000 in cash; and
vi) On or before the second anniversary of the effective date, the Company will pay $150,000 in cash and incur additional exploration expenses of $3,000,000 on the Lazy Edwards property.

The Company will earn an additional 20% interest in the Lazy Edwards property upon satisfaction of each of the following obligations:

i) On or before the 30 months after the effective date, the Company will pay $150,000 in cash; and
ii) On or before the third anniversary of the effective date, the Company will pay $200,000 in cash and incur exploration expenditures of $4,500,000 on the Lazy Edwards property.

During the year ended September 30, 2022, the Company issued 3,023,476 common shares to Fission and paid $300,000 in cash, as part of the Lazy Edwards option agreement.

Subsequent to year-end, on December 9, 2022, the Company terminated the Lazy Edwards option agreement due to unfavourable results from preliminary exploration activities. Accordingly, the Lazy Edwards Property has been impaired in accordance with Level 3 of the fair value hierarchy.

d) Key Lake South Property

On August 15, 2022, the Company entered into a property option agreement with UGreenco Energy Corp. (the “Vendor”) pursuant to which the Company has been granted the right to acquire up to a 75% interest in and to the Key Lake South Property, which consists of a series of mineral disposition parcels located in Athabasca Basin, North Saskatchewan, Canada.

7. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (Continued)

d) Key Lake South Property (Continued)

The Company will be entitled to acquire a 51% interest in and to the Key Lake South property upon completion of the following:

i) Pay $50,000 in cash to the Vendor within seven days following the effective date of the agreement (paid);
ii) Pay an additional $200,000 in cash to the Vendor on or before December 31, 2023;
iii) Pay an additional $750,000 in cash to the Vendor on or before December 31, 2024;
iv) Issue, within sixty days following the effective date of the agreement, such number common shares in the capital of the Company to the Vendor as is equal to $100,000 (issued subsequent to year-end on October 6, 2022 - Note 14);
v) Issue, on or before December 31, 2023, such number of additional common shares to the Vendor as is equal to $200,000;
vi) Issue, on or before December 31, 2024, such number of additional common shares to the Vendor as is equal to $750,000;
vii) Incur, on or before December 31, 2022, $150,000 worth of exploration expenditures on the Property;
viii) On or before December 31, 2023, either (1) complete 2,000 metres of diamond drilling on the Property or (2) incur an additional $1,500,000 worth of exploration expenditures on the Property; and
ix) On or before December 31, 2024, either (1) complete an additional 7,500 metres of diamond drilling on the Property or (2) incur an additional $6,500,000 worth of exploration expenditures on the Property.

The Company will earn an additional 24% interest in and to the Key Lake South property upon satisfaction of the following obligations:

x) Pay an additional $750,000 in cash to the Vendor on or before December 31, 2025;
xi) Issue, on or before December 31, 2025, such number of additional Shares to the Vendor as is equal to $750,000 converted on the date of issuance at the market price of the Shares trading on the CSE; and
xii) On or before December 31, 2025, either (1) complete an additional 7,500 metres of diamond drilling on the Property or (2) incur an additional $6,500,000 worth of exploration expenditures on the Property.

Upon satisfaction of the above obligations, and commencement of commercial production on the Key Lake South property, the Company will grant the Vendor a net smelter returns royalty totaling two percent (2%) on commercial production from the Property, with the Company.

During the year ended September 30, 2022, the Company has paid a total of $50,000 to the Vendor as part of the property option agreement and paid an advance of $150,000 for exploration expenditures which is included in prepaid expenses.

8. SHARE CAPITAL

a) Authorized and Issued Share Capital

The authorized share capital consists of an unlimited number of common shares without par value.

Common shares issued and outstanding as at September 30, 2022 are 51,871,973 (2021 - 22,033,000).

During the year ended September 30, 2022, the Company had the following common share transactions:

(i) On November 15, 2021, the Company completed a non-brokered private placement of 1,291,986 units of the Company at a purchase price of $0.27 per unit for aggregate gross proceeds of $348,836. Each unit consists of one common share and one-half of one transferable common share purchase warrant at a price of $0.50 per share for a period of two years from issuance. There was no residual value allocated to the warrants.

8. SHARE CAPITAL (Continued)

a) Authorized and Issued Share Capital (Continued)

During the year ended September 30, 2022, the Company had the following common share transactions: (Continued)

(ii) On December 22, 2021, the Company completed a non-brokered private placement of 5,602,000 flow-through units (each, a “FT Unit”) of the Company at $0.50 per FT Unit for aggregate gross proceeds of $2,801,000. Each FT Unit is composed of one common share, issued on a flow-through basis pursuant the Income Tax Act (Canada), and one-half of one common share purchase warrant. Each warrant is exercisable at $0.60 per share for two years from the date of issuance. Finder’s fees of $190,320 were paid and 255,640 finder’s warrants fair valued at $138,045 were issued in connection with the private placement. There was no residual value allocated to the warrants or flow-through obligation.

(iii) On December 23, 2021, the Company completed a non-brokered private placement of 11,349,035 units of the Company at $0.44 per unit for aggregate gross proceeds of $4,993,575. Each unit is composed of one common share and one-half of one common share purchase warrant. Finder’s fees of $358,869 were paid and 660,177 finder’s warrants fair valued at $356,496 were issued in connection with the private placement. Each finder’s warrant is exercisable at $0.60 for two years from the date of issuance. There was no residual value allocated to the warrants.

(iv) On December 29, 2021, the Company issued 6,046,952 common shares to Fission in accordance with the option agreements for the Hearty Bay and Lazy Edwards properties (Note 7).

(v) During the year ended September 30, 2022, 1,999,000 share purchase warrants and 3,550,000 restricted share units were exercised for 5,549,000 common shares of the Company. The Company received $352,099 from the exercise of warrants.

During the year ended September 30, 2021, the Company had the following common share transactions:

(i) On November 23, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $200,000 by the issuance of 4,000,000 units at $0.05 per unit. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of three years at an exercise price of $0.10. The fair value of the warrants was determined to be $Nil. The Company received $30,000 in subscription funds related to this private placement prior to September 30, 2020.

In connection with the private placement above, the Company incurred $5,921 in share issuance costs.

(ii) On February 22, 2021, the Company completed the first tranche of a non-brokered private placement financing raising aggregate gross proceeds of $216,000 by the issuance of 2,160,000 special warrants at $0.10 per special warrant. On July 8, 2021, the Company completed the second tranche of a non-brokered private placement financing raising aggregate gross proceeds of $355,000 by the issuance of 3,550,000 special warrants at $0.10 per special warrant. Each special warrant is automatically convertible into one unit of the Company for no additional consideration at the earlier of (a) the third business day after the receipt of a final prospectus to qualify the distribution of common shares and warrants by the British Columbia Securities Commission; and (b) one year from the special warrants closing date. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of two years from the date the Company’s common shares commence trading on the CSE, at an exercise price of $0.20.

On September 1, 2021, the Company’s common shares began trading on the CSE under the symbol “TRAC” and the Company’s special warrants were converted into 5,710,000 common shares and 5,710,000 common share purchase warrants.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

b) Share Purchase Options

The Company adopted a stock option plan (the "Plan") to grant share purchase options ("options") to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option exercise price under each option shall be not less than the Market Value on the Grant Date.

During the year ended September 30, 2022, the Company granted 1,250,000 (2021 - nil) options to officers and employees of the Company. The fair value of each option granted was determined using the Black-Scholes option pricing model with the weighted average assumptions as follows:

	2022	2021
Exercise price	$0.55	N/A
Risk-free interest rate	2.60%	N/A
Volatility	91.38%	N/A
Dividend yield	0.00%	N/A
Expected life (years)	2.24	N/A
Forfeiture rate	0.00%	N/A

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical volatility of comparable entities to the Company's common share price on the CSE. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

A summary of the Company's options at September 30, 2022 is as follows:

	Number of Options	Exercisable	Expiry Date	Exercise Price
Balance, September 30, 2021	**-**	**-**	**-**	**-**
Grant – November 5, 2021	300,000	225,000	November 5, 2023	$0.70
Grant – June 8, 2022	950,000	237,500	June 8, 2024	$0.50
Balance, September 30, 2022	**1,250,000**	**462,500**		**$0.55**

As at September 30, 2022, the options have a weighted average remaining contractual life of 1.55 years (2021 - N/A).

During the year ended September 30, 2022, the Company recorded share-based compensation expense of $259,437 (2021 - $nil) pursuant to options vesting. A remaining share-based compensation expense of $101,886 (2021 - $nil) is expected to be recognized as the remaining options vest.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

c) Share Purchase Warrants

During the year ended September 30, 2022, the Company granted 10,037,327 (2021 - nil) share purchase warrants ("warrants") to finders in connection with the private placements completed (Note 8(a)). The fair value of each warrant granted was determined using the Black-Scholes option pricing model with the weighted average assumptions as follows:

	2022	2021
Exercise price	$0.60	N/A
Risk-free interest rate	0.98%	N/A
Volatility	95.27%	N/A
Dividend yield	0.00%	N/A
Expected life (years)	2.00	N/A
Forfeiture rate	0.00%	N/A

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the CSE. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

A summary of the movement in warrants during the year ended September 30, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2021	**9,687,000**	**$0.16**
Grant – November 15, 2021[(1)]	645,992	$0.50
Grant – December 22, 2021[(2)]	9,391,335	$0.60
Exercised	(1,999,000)	$0.18
Balance, September 30, 2022	**17,725,327**	**$0.40**

Notes:
1) Relates to the November 15, 2021 private placement. Refer to Note 8(a) for further information.
2) Relates to the December 22, 2021 and December 23, 2021 private placements. Refer to Note 8(a) for further information.

The following is a summary of the warrants outstanding at September 30, 2022:

Issue Date	Expiry Date	Exercise Price	Total Issued	Total Exercised	Total Remaining
November 23, 2020	November 23, 2023	$0.10	4,000,000	750,000	3,250,000
September 1, 2021	September 1, 2023	$0.20	5,710,000	1,231,000	4,479,000
November 15, 2021	November 15, 2023	$0.50	645,992	41,000	604,992
December 23, 2021	December 23 2023	$0.60	9,391,335	-	9,391,335
Total			**19,747,327**	**2,022,000**	**17,725,327**

As at September 30, 2022, the warrants have a weighted average remaining contractual life of 1.21 years (2021 - 2.01 years).

d) Restricted Share Units

Effective January 17, 2022, the Company has a 10% rolling restricted share unit plan which allows the Company to grant restricted share units to directors, officers, employees and consultants of the Company, to a maximum of the number of shares equal to 10% of the shares issued and outstanding from time to time.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

d) Restricted Share Units (Continued)

A summary of the Company's restricted share units at September 30, 2022 is as follows:

	RSUs	Fair Value
Balance, September 30, 2021	**-**	**-**
Grant – January 17, 2022[(1)]	3,550,000	$0.90
Grant – June 8, 2022[(2)]	600,000	$0.50
Exercised	(3,550,000)	$0.90
Balance, September 30, 2022	**600,000**	**$0.60**

Notes:

1) On January 17, 2022, pursuant to the provisions of the Company's restricted share unit plan, the Company granted an aggregate of 3,550,000 restricted share units of the Company (the "RSUs") to the various directors and consultants of the Company with a fair value of $0.90 per RSU. The restricted share units vest four months from the grant date. The RSUs expire on January 17, 2024. At June 30, 2022, all RSUs granted on January 17, 2022 were exercised.
2) On June 8, 2022, pursuant to the provisions of the Company's restricted share unit plan, the Company granted an aggregate of 600,000 restricted share units of the Company to the various directors and consultants of the Company with a fair value of $0.50 per RSU. The restricted share units vest quarterly over one year from the grant date. The RSUs expire on June 8, 2024.

During the year ended September 30, 2022, the Company recorded a fair value of $3,371,465 pursuant to RSUs vesting (2021 - nil).

e) Escrow Shares

As at September 30, 2022, the Company has 1,380,000 (2021 - nil) common shares held in escrow. These are expected to be released from escrow as follows:

i) 345,000 common shares will be released on March 1, 2023
ii) 345,000 common shares will be released on September 1, 2023
iii) 345,000 common shares will be released on March 1, 2024
iv) 345,000 common shares will be released on September 1, 2024

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling 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.

The aggregate value of transactions relating to key management personnel during the years ended September 30, 2022 and 2021 were as follows:

	September 30, 2022	September 30, 2021
	$	**$**
Consulting fees – CEO	40,833	-
Consulting fees – former CEO	34,000	14,000
Consulting fees – CFO	25,000	-
Consulting fees – former CFO	40,500	3,500
Consulting fees - director fees	62,575	-
Share-based compensation	878,776	-
Total	**1,081,684**	**17,500**

As at September 30, 2022, $nil (2021 - $1,050) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

10. COMMITMENTS

As a result of the flow-through financing structure (see note 8(a)) on December 22, 2021, the Company is committed to expend $2,801,000 of flow-through share proceeds related to flow-through shares issued during the period on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares.

As at September 30, 2022, the Company has $379,685 remaining in committed flow-through proceeds to be expended.

11. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

i. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk on its $903,817 in cash (2021 - $677,874) and $10,000 (2021 - $nil) in restricted cash is low as the Company's cash is held with major Canadian financial institutions. The accounts receivable relates to GST receivable from the Canadian Revenue Agency.

ii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at September 30, 2022, the Company's working capital surplus is $1,349,955 (2021 - $612,677) and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company intends to seek additional financing to better manage its liquidity risk to ensure it will have sufficient liquidity to meet its current and future liabilities. All of the Company's accounts payable and accrued liabilities are due within 90 days of year-end.

iii. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

iv. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. The Company has limited exposure to these risks.

b) Fair Values

The Company's financial instruments consist of cash, restricted cash, and accounts payable and accrued liabilities. The carrying values of cash, restricted cash and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(Expressed in Canadian Dollars)

11. RISK MANAGEMENT (Continued)

c) Capital Management

The Company considers its shareholders' equity as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to satisfy its capital obligations and ongoing operational expenses, and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company manages its capital structure and makes adjustments as necessary in light of economic conditions. The Company, upon approval from its Board of Directors, intends to balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. To maintain its capital structure the Company may, from time to time, issue equity or debt, repay debt or sell assets.

The Company is not exposed to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended September 30, 2022.

12. INCOME TAX

A reconciliation of the expected income tax recovery is as follows:

For the Year Ended	September 30, 2022	September 30, 2021
	$	$
Net loss for the year	(12,608,504)	(354,451)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory rate	(3,404,296)	(95,702)
Items not deductible for tax purposes	980,886	-
Under provided in prior years	43,400	-
Unused tax losses and offsets not recognized	1,119,010	-
Change in unrecognized deductible temporary differences	1,261,000	95,702
Income tax recovery	-	-

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to utilize deferred tax assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

	September 30, 2022	September 30, 2021
	$	**$**
Deferred tax assets:		
Loss carry-forwards	4,258,000	171,000
Share issuance costs	445,000	8,000
Resource properties	196,000	196,000
Deferred tax liabilities:		
Flow-through share liability	(380,000)	-
Unrecognized deferred tax assets	(4,519,000)	(375,000)
Net deferred tax assets	-	-

The Company has non-capital losses of approximately $4,258,000 available to offset future income for income tax purposes which commence expiring in 2040. Due to the uncertainty of realization of these loss-carryforwards, the benefit is not reflected in the financial statements.

13. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

14. SUBSEQUENT EVENTS

On October 6, 2022, the Company issued 289,855 common shares to UGreenco Energy Corp. with a fair value of $100,000 in connection to the Key Lake South Property option agreement (Note 7(d)).

On December 9, 2022, the Company closed a non-brokered private placement for aggregate gross proceeds of $2,513,105. The Company issued 7,180,300 flow-through units at a price of $0.35. Each flow-through unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.40 for a period of two years from the date of issue. In connection with closing the private placement, the Company paid finder's fees in the aggregate of $68,567 in cash and issued 195,906 finder's warrants. Each finder’s warrant is exercisable into one share at an exercise price of $0.40 for a period of two years from the date of issue.

On December 13, 2022, the Company issued 50,000 common shares in connection with the exercise of previously granted RSUs.

On December 23, 2022, the Company closed a non-brokered private placement for aggregate gross proceeds of $300,000. The Company issued 857,142 flow-through units at a price of $0.35. Each flow-through unit consists of one common share and one-half common share purchase warrant, with each whole warrant exercisable into one common share of the Company at a price of $0.40 for a period of two years from the date of issue.

On December 29, 2022, a total of 600,000 stock options exercisable at a price of $0.29 per share for a term of five years were granted to certain directors and officers of the Company.

On December 29, 2022, a total of 3,000,000 RSUs were issued to Gold Standard Media LLC for marketing services.

On January 11, 2023, a total of 250,000 RSUs were issued to Adian Lomanaco, a consultant of the Company, for consulting services.

On January 18, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of $455,299.80. The Company issued 1,517,666 units at a price of $0.30. Each unit consists of one common share and one half of a share purchase warrant, with each whole warrant exercisable into one share at a price of $0.40 until January 18, 2025. In connection with this private placement, a total of $9,918 in finder’s fees were paid in cash and 33,060 finder’s warrants were issued.

Subsequent to year-end, 550,000 warrants were exercised for proceeds of $65,000.