

GOLD TREE RESOURCES LTD.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE NINE MONTHS ENDED JULY 31, 2022 AND 2021

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Gold Tree Resources Ltd. (the "Company") have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the nine months ended July 31, 2022 have not been reviewed or audited by the Company's independent auditors.

Gold Tree Resources Ltd.
Condensed Interim Consolidated Statement of Financial Position
(Expressed in Canadian dollars)

As at,	July 31, 2022 (unaudited) \$	October 31, 2021 (audited) \$
ASSETS		
Current assets		
Cash	446,686	586,588
Taxes receivable	4,241	-
	450,927	586,588
Exploration and evaluation assets (Note 5)	942,048	114,153
Total assets	1,392,975	700,741
LIABILITIES		
Current liabilities		
Accrued liabilities	-	15,000
Due to related parties (Note 7)	2,822	2,822
Total liabilities	2,822	17,822
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	1,510,001	715,001
Deficit	(119,848)	(32,082)
Total shareholders' equity	1,390,153	682,919
Total liabilities and shareholders' equity	1,392,975	700,741

Nature of operation and going concern (Note 1)

Subsequent event (Note 9)

Approved on behalf of the Board of Directors on September 29, 2022:

"Adrian Smith"

Adrian Smith, Director

"Kosta Tsoutsis"

Kosta Tsoutsis, Director

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

Gold Tree Resources Ltd.
Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	July 31, 2022 \$	July 31, 2021 \$	July 31, 2022 \$	July 31, 2021 \$
Expenses				
General administrative and office	17,328	15	35,223	208
Accounting fees	-	-	18,915	-
Transfer agent and filing fees	2,240	-	7,928	-
Legal fees	-	-	10,700	-
Professional fees	-	-	15,000	8,696
Net and comprehensive loss	(19,568)	(15)	(87,766)	(8,904)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average number of common shares outstanding – basic and diluted	14,543,578	8,005,001	13,505,802	7,709,330

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

Gold Tree Resources Ltd.
Condensed Interim Consolidated Statement of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	For the nine months ended July 31	
	2022	2021
	\$	\$
Cash flows from operating activities		
Net loss for the period	(87,766)	(8,904)
Net change in non-cash working capital		
Receivables	(4,241)	3,550
Accounts payable and accrued liabilities	(15,000)	-
Cash used in operating activities	(107,007)	(5,354)
Cash flows from financing activities		
Proceeds from exercise of warrants	10,000	-
Cash provided by financing activities	10,000	-
Cash flows from investing activities		
Exploration and evaluation expenditures	(42,895)	(10,831)
Cash used in investing activities	(42,895)	(10,831)
Decrease in cash	(139,902)	(16,185)
Cash, beginning	586,588	91,394
Cash, ending	446,686	75,209
SUPPLEMENTAL DISCLOSURE	\$	\$
Shares issued for exploration and evaluation assets	20,000	10,000
Taxes paid	-	-
Interest paid	-	-

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

Gold Tree Resources Ltd.
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
For the nine months ended July 31, 2022 and 2021
(Unaudited-Expressed in Canadian dollars)

	Share capital			Deficit \$	Total equity \$
	Number of shares	Amount \$	Subscriptions \$		
Balance, October 31, 2020	7,650,001	183,451	7,450	(6,457)	184,444
Shares for option payment (Note 6)	100,000	10,000	-	-	10,000
Net and comprehensive loss	-	-	-	(8,904)	(8,904)
Balance, July 31, 2021	7,750,001	193,451	7,450	(15,361)	185,540
Balance, October 31, 2021	12,965,501	715,001	-	(32,082)	682,919
Shares issued for acquisition of 1314836 BC Ltd. (Note 4)	3,000,000	900,000	-	-	900,000
Shares for conversion of special warrants (Note 6)	355,000	-	-	-	-
Shares for option payment (Note 6)	200,000	20,000	-	-	20,000
Shares for exercise of warrants (Note 6)	100,000	10,000	-	-	10,000
Net and comprehensive loss	-	-	-	(87,766)	(87,766)
Balance, July 31, 2022	16,620,501	1,645,001	-	(119,848)	1,390,153

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

Gold Tree Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Gold Tree Resources Ltd. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on June 21, 2019. The Company is in the business of exploring resource properties. The Company’s resource property is located in British Columbia, Canada. The Company’s head office, principal address and records of office is 21 - 2986 Coast Meridian Road, Port Coquitlam, BC, V3B 3M8. On March 28, 2022, the Company was approved for its listing on the Canadian Securities Exchange (“CSE”) under the stock symbol “GTX”.

On September 10, 2019, the Company entered into an Option Agreement (the “Option Agreement”) with Divitiae Resourceotes Ltd. (“Divitiae”) for the option to acquire the 100% legal and beneficial interest in certain mining claims situated in the Quesnel Terrane in north central British Columbia, more particularly described in Note 5 and referred to as Skygold Project, or the “Property”.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at July 31, 2022, the Company had not advanced its resource property to commercial production and is not able to finance day to day activities through operations. The Company had working capital of \$448,105 as at July 31, 2022 (October 31, 2021 – \$568,766), and an accumulated deficit of \$119,848 (October 31, 2021 - \$32,082). The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and private placements of common shares.

Since March 2020, measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended October 31, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements have been prepared following the same accounting policies applied to the Company’s audited October 31, 2021 financial statements. The financial statements were authorized for issue by the Board of Directors on September 29, 2022.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVTOCI”), which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Gold Tree Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the Nine Months ended July 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary, 1314836 BC Ltd. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

3. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar, and all its assets and liabilities are in the Company's functional currency, therefore the Company is currently not exposed to foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at July 31, 2022 and October 31, 2021:

	Within 60 days	Between 61-90 days	More than 90 days
	-\$-	-\$-	-\$-
Related parties	2,822	-	-

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Gold Tree Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the Nine Months ended July 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

3. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's cash is measured at fair value level 1.

4. ACQUISITION OF 1314836 BC LTD.

On July 7, 2022, the Company acquired, through the purchase of 1314836 BC Ltd. ("1314836"), the McDermitt Lithium Property (the "Property") located in Nevada, USA.

Under the terms of the agreement, the Company issued 3,000,000 common shares with a fair value of \$0.30 per share to the shareholders of 1314836.

This acquisition did not meet the definition of a business under IFRS 3; therefore the acquisition of 1314836 was treated as an acquisition of assets. The fair value of the assets acquired as at the date of acquisition were as follows:

Consideration		
Fair value of 3,000,000 common shares issued (Notes 5 and 6)	\$	765,000
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Net assets acquired		
Exploration and evaluation assets	\$	914,161
Accounts payable		(149,161)
Total		765,000

Gold Tree Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Skygold Property -\$-	McDermitt Lithium Property -\$-	Total -\$-
Acquisition costs			
Balance, October 31, 2020	8,000	-	8,000
Additions	20,000	-	20,000
Balance, October 31, 2021	28,000	-	28,000
Additions	40,000	765,000	805,000
Balance, July 31, 2022	68,000	765,000	833,000
Exploration costs			
Balance, October 31, 2020	84,322	-	84,322
Sampling	831	-	831
Technical Report	1,000	-	1,000
Balance, October 31, 2021	86,153	-	86,153
Geological	10,175	1,500	11,675
Travel	11,220	-	11,220
Balance, July 31, 2022	107,548	1,500	109,048
Total costs October 31, 2021	114,153	-	114,153
Total costs July 31, 2022	175,548	766,500	942,048

Skygold Property

On September 10, 2019 (the "Effective Date"), the Company entered into Option Agreement, as amended September 9, 2020 and September 9, 2021 (the" Option Agreement") with Divitiae, a related party to the Company, for the option to acquire the 100% legal and beneficial interest in the Property, subject to 1.5% Net Smelter Return.

In order to maintain the Option Agreement in good standing and earn a 100% right, title and undivided interest in and to the Property, the Company will pay certain amounts to the Divitiae, issue common shares and complete minimum work expenditures as follows:

- (a) make cash payments to and as directed by Divitiae, as follows:
 - (i) \$8,000 within six months of the Effective Date (paid);
 - (ii) An additional \$10,000 on or before February 28, 2021 (paid);
 - (iii) an additional \$20,000 on or before February 28, 2022 (paid);
 - (iv) an additional \$40,000 on or before the third anniversary of the Effective Date (paid subsequent to period ended July 31, 2022 see Note 9);
 - (v) an additional \$100,000 on or before the fourth anniversary of the Effective Date;
- (b) allot and issue to Divitiae, as fully paid and non-assessable, 2,000,000 common shares, as follows:
 - (i) 100,000 shares on or before February 28, 2021 (issued see Note 6);
 - (ii) an additional 200,000 shares on or before February 28, 2022 (issued see Note 6);
 - (iii) an additional 400,000 shares on or before the third anniversary of the Effective Date (issued subsequent to period ended July 31, 2022 see Note 9);
 - (iv) an additional 1,300,000 shares on or before the fourth anniversary of the Effective Date;

Gold Tree Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the Nine Months ended July 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Skygold Property (continued)

- (c) complete minimum work expenditures on the Property as follows:
- (i) \$20,000 on or before February 28, 2021 (completed);
 - (ii) \$40,000 on or before February 28, 2022 (completed); and
 - (iii) \$60,000 on or before the third anniversary of the Effective Date.

Upon exercise of the option, Divitiae is entitled to receive a royalty equal to 1.5% of the net smelter returns ("NSR") from the Property. The Company may repurchase 1% of the NSR from Divitiae for \$1,000,000.

McDermitt Lithium Property

On July 7, 2022 (the "Effective Date"), the Company acquired, through the purchase of 1314836, the McDermitt Lithium Property which is comprised of 315 lode claims located in Humboldt County, Nevada, USA.

6. SHARE CAPITAL

Authorized

An unlimited number of common shares without par value.

Issued

Nine months ended July 31, 2022

On July 7, 2022, the Company issued 3,000,000 common shares with a fair value of \$765,000 pursuant to the acquisition of 1314836 BC Inc. (Note 4).

On May 5, 2022, the Company issued 100,000 common shares, pursuant to the exercise of warrants for total proceeds of \$10,000.

On February 28, 2022, the Company issued 200,000 common shares at a fair value of \$20,000, pursuant to the terms of the Skygold Option Agreement (Note 5).

On December 1, 2021, the 355,000 special warrants were converted into common shares of the Company for \$Nil proceeds.
Fiscal Year 2021

On February 28, 2021, the Company issued 100,000 common shares at a fair value of \$10,000, pursuant to the terms of the Skygold Option Agreement (Note 5).

On June 14, 2021, the Company completed a private placement with the issuance of 115,500 common shares at a price of \$0.10 for gross proceeds of \$11,550, of which \$7,450 was received during the year ended October 31, 2020.

On August 16, 2021, the Company completed a private placement with the issuance of 5,100,000 units at a price of \$0.10 for gross proceeds of \$510,000. Each unit consisted of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share at any time within 2 years of the closing.

Gold Tree Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the Nine Months ended July 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

6. SHARE CAPITAL (CONTINUED)

Warrants

	Number of Warrants	Weighted average exercise price
Outstanding, October 31, 2020	100,000	\$ 0.10
Issued	5,100,000	0.10
Outstanding, October 31, 2021	5,200,000	\$ 0.10
Exercised	(100,000)	(0.10)
Outstanding, July 31, 2022	5,100,000	\$ 0.10

Details of warrants outstanding at July 31, 2022 and October 31, 2021 are as follows:

Exercise Price	Expiry Date	Weighted Average Remaining Life	Number Outstanding
\$0.10	August 16, 2023	1.04 years	5,100,000
		1.04 years	5,100,000

At October 31, 2021, the Company had 355,000 special warrants outstanding, which are exercisable for \$Nil proceeds. These special warrants will automatically convert into common shares of the Company upon successful listing on the CSE or 18 months from the date of issuance of the special warrants. On December 1, 2021, the 355,000 special warrants were converted into common shares of the Company for \$Nil proceeds.

7. RELATED PARTY TRANSACTIONS

Related party balances

As at July 31, 2022, Company had amounts due to related parties of \$2,822 (October 31, 2021 - \$2,822), which was payable to directors and officers of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the period ended July 31, 2022, the Company did not transact with related parties.

8. SEGMENTED INFORMATION

The Company currently conducts all of its operations in Canada, in one business segment being the exploration of resource properties.

9. SUBSEQUENT EVENT

On September 10, 2022, the Company issued 400,000 common shares and made a cash payment of \$40,000, pursuant to the terms of the Skygold Option Agreement (Note 5).