Condensed Financial Statements

Mayo Lake Minerals Inc.

(unaudited)

September 30, 2022 and 2021

The accompanying interim financial statements of Mayo Lake Minerals Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's Audit Committee and Board of Directors have reviewed and approved these interim financial statements.

Contents

Mayo Lake Minerals Inc.

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars) - unaudited As at		**September 30, 2022**		December 31, 2021
Assets				
Current				
Cash and cash equivalents	**$**	**115,491**	$	1,104,056
Sales tax receivable		**45,082**		50,782
Prepaid expenses		**9,306**		90,413
Total current assets		**169,879**		1,245,251
Mineral exploration and evaluation assets (Note 4)		**5,765,545**		4,637,516
Total assets	**$**	**5,935,424**	$	5,882,767
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**149,849**	$	349,976
Flow through share premium liability (Note 5)		**31,364**		188,630
Total current liabilities		**181,213**		538,606
Government assistance (Note 7)		**60,000**		60,000
Long-term note payable (Note 6)		**29,875**		26,500
Long-term due to related parties (Note 8)		**226,831**		218,821
Long-term liabilities		**316,706**		305,321
Total liabilities		**497,919**		843,927
Shareholders' equity				
Capital stock (Note 9)		**7,426,035**		6,991,925
Warrants (Note 9)		**797,911**		651,566
Contributed surplus		**207,736**		152,220
Accumulated deficit		**(2,994,177)**		(2,756,871)
Total shareholders' equity		**5,437,505**		5,038,840
Total liabilities and shareholders' equity	**$**	**5,935,424**	$	5,882,767

Going concern (Note 2)
Subsequent events (Note 11)

Approved on behalf of the Board

'Vern Rampton' Director

'Gregory LeBlanc' Director

See accompanying notes to the financial statements

Mayo Lake Minerals Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars) - unaudited
For the three and nine months ended September 30, 2022 and 2021

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Expenses				
General and administration	**$ 68,882**	$ 46,431	**$ 187,098**	$ 124,608
Investor relations and promotion	**32,479**	8,530	**75,887**	31,474
Legal and regulatory	**17,017**	73,114	**68,398**	82,551
Professional fees	**1,500**	12,840	**31,500**	68,280
Share based compensation (note 8)	**49,538**	1,924	**55,516**	140,671
Amortization of property, plant and equipment	**-**	12	**-**	38
Interest and bank charges	**235**	143	**752**	388
Interest on promissory notes	**5,854**	2,940	**17,962**	5,736
Unwinding of accretion and fair value	**3,570**	1,841	**10,340**	5,705
	179,075	147,775	**447,453**	459,451
Other Income				
Flow through recovery	**206,278**	-	**206,278**	-
Interest income	**988**	-	**3,869**	-
Net gain (loss) and comprehensive loss	**$ 28,191**	(147,775)	**(237,306)**	$ (459,451)
Weighted average number of common shares	**95,301,237**	93,244,370	**95,301,237**	93,244,370
Basic and diluted loss per share	**(0.000)**	(0.002)	**(0.002)**	(0.005)

See accompanying notes to the financial statements

Mayo Lake Minerals Inc.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars) - unaudited

	Capital stock		Reserves			
	Shares	Amount	Warrant reserves	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2020	**66,952,285**	**$ 5,708,740**	**$ 255,708**	**$ 6,300**	**$(2,271,624)**	**$ 3,699,124**
Private placements, net of issuance costs	10,257,650	691,065	318,428	-	-	**1,009,493**
RSU-DSU payments	-	-	-	140,671	-	**140,671**
RSU issuance of shares	1,900,000	134,900	-	(134,900)	-	-
Warrants expired	-	-	(116,532)	116,532	-	-
Net loss and comprehensive loss	-	-	-	-	(459,451)	**(459,451)**
Balance, September 30, 2021	**79,109,935**	**$ 6,534,705**	**$ 457,604**	**$ 128,603**	**$(2,731,075)**	**$ 4,389,837**
Initial public offering, net of issuance costs (note 9)	8,291,041	396,400	215,656	-	-	**612,056**
RSU-DSU payments	-	-	-	62,743	-	**62,743**
RSUs issuance of shares	760,250	60,820	-	(60,820)	-	-
Warrants expired	-	-	(21,694)	21,694	-	-
Net loss and comprehensive loss	-	-	-	-	(25,796)	**(25,796)**
Balance, December 31, 2021	**88,161,226**	**$ 6,991,925**	**$ 651,566**	**$ 152,220**	**$(2,756,871)**	**$ 5,038,840**
Initial public offering, net of issuance costs (note 9)	2,637,034	165,575	64,344	-	-	229,919
Private placements, net of issuance costs (note 9)	3,172,977	268,535	82,001	-	-	350,536
Stock options issuance	-	-	-	46,550		46,550
DSU quarterly expense	-	-	-	8,966	-	8,966
Net loss and comprehensive loss	-	-	-	-	(237,306)	**(237,306)**
Balance, September 30, 2022	**93,971,237**	**$ 7,426,035**	**$ 797,911**	**$ 207,736**	**(2,994,177)**	**$ 5,437,505**

See accompanying notes to the financial statements

Mayo Lake Minerals Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars) - unaudited

For the nine months ended September 30	2022	2021
Cash flows from operating activities		
Net loss	**$ (237,306)**	$ (459,451)
Items not affecting cash:		
RSU DSU compensation	**55,516**	140,671
Amortization	**-**	38
Non-cash interest	**17,962**	2,686
Unwinding of accretion and fair value	**10,340**	5,705
Change in non-cash working capital items:		
Prepaid expenses	**(81,107)**	(34,942)
Subscription receivable	-	(14,800)
Sales tax receivable	**(5,700)**	5,279
Flow through liability	**(157,266)**	**-**
Accounts payable and accrued liabilities	**(200,127)**	(343,191)
Net cash used in operating activities	**(357,393)**	(698,005)
Cash flows used in investing activities:		
Exploration and evaluation expenditures	**(1,128,029)**	(124,342)
Net cash used in investing activities	**(1,128,029)**	(124,342)
Cash flows from financing activities:		
Demand notes payable	**21,865**	(30,503)
Related parties' notes	**(8,010)**	-
Proceeds from related parties	**-**	90,400
Issuance of capital stock, net	**549,683**	922,241
Net cash from financing activities	**563,538**	982,138
Increase in cash and cash equivalents	**(988,565)**	159,792
Cash and cash equivalents, beginning of period	**1,104,056**	35,335
Cash and cash equivalents, end of period	**$ 115,491**	$ 195,127

See accompanying notes to the financial statements

1. Nature of business

Mayo Lake Minerals Inc. (referred to herein as the "Company") is an exploration stage junior mining company that was incorporated on September 7, 2011 under the laws of Ontario, Canada. The Company is engaged in the identification, evaluation and exploration of mineral properties in Yukon, Canada. The Company has not yet determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company went public on May 5, 2022 via a listing on the Canadian Securities Exchange. It's registered office is 110 Westhunt Drive, Unit 2, Carp (Ottawa), Ontario, Canada.

2. Going concern

The Company is an exploration stage company. At present, its operations do not generate cash flow. The Company incurred a net loss of $237,306 during the nine months ended September 30, 2022 (September 30, 2021 - $459,451) and, as of that date, its accumulated deficit was $2,994,177 (December 31, 2021 - $2,756,871) and a working capital deficiency of $11,334 (September 30, 2021 – $249,626).

The Company's ability to continue as a going concern in fiscal 2022 and beyond is dependent on its capacity to obtain adequate financing on reasonable terms from investors and lenders in order to explore and develop its assets; and to attain profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to successfully do so in the future. These factors indicate the existence of material uncertainty which may cast some doubt on its ability to continue as a going concern in the future. After reviewing the current cash position and having considered the Company's ability to raise funds in the short term, the directors have adopted the going concern basis in preparing its financial statements.

The ability of the Company to recover the costs it has incurred to date on exploration and evaluation is dependent upon it being able to identify a commercial ore body, finance further exploration and development costs and to resolve any environmental, regulatory, and other constraints which may hinder the successful development of its assets.

The accompanying financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

3. Basis of presentation, critical accounting, judgements and key estimation uncertainties

Basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021.

These condensed interim financial statements were approved by the Board of Directors on November 28, 2022.

The accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2021 and as discussed below.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed in Note 2 of the Company's audited financial statements for the year ended December 31, 2021 and as discussed below.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

Critical accounting estimates and judgments and key estimation uncertainties

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

3. Basis of presentation, critical accounting, judgements and key estimation uncertainties (continued)

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include by are not limited to, the following:

Share-based payments and share purchase warrants - The fair value of share-based payments and compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices from similar types of companies, changes in subject input assumptions can materially affect the fair value estimate. The Black Scholes model incorporated inputs such as the risk-free rate, volatility by reference to comparable companies, estimated life and forfeiture rate.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Recoverability of mineral exploration and evaluation assets – The assessment of impairment of mineral exploration and evaluation assets requires judgment to determine whether indicators of impairment exist including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral property interests are budgeted and results of exploration activities up to the reporting date. The Company has determined that there are no indicators of impairment.

Deferred Taxes – Until such time as the Company has certainty as to future profits, deferred tax assets and liabilities are not recognized.

4. Mineral exploration and evaluation assets

A summary of the changes in exploration and evaluation assets is presented below for the nine months ending September 30, 2021, three months ending December 31, 2021 and nine months ending September 30, 2022.

	Anderson-Davidson	Edmonton	Cascade	Carlin-Roop	Trail-Minto	Total
Balance, December 31, 2020	**$ 1,822,727**	**$ 460,870**	**$ 59,507**	**$ 1,323,004**	**$ 540,989**	**$ 4,207,097**
Expenditures:						
Claim fees	-	-	4,200	-	4,095	8,295
Exploration	35,969	28	-	80,049	-	116,046
Balance, September 30, 2021	**$ 1,858,696**	**$ 460,898**	**$ 63,707**	**$ 1,403,053**	**$ 545,084**	**$ 4,331,438**
Expenditures:						
Claim fees	-	-	-	-	-	-
Exploration	24,119	-	-	281,959	-	306,078
Balance, December 31, 2021	**$ 1,882,815**	**$ 460,898**	**$ 63,707**	**$ 1,685,012**	**$ 545,084**	**$ 4,637,516**
Expenditures:						
Claim fees	3,448	2,635	280	4,650	-	11,013
Exploration	82,105	25,777	2,872	914,373	91,889	1,117,016
Balance, September 30, 2022	**$ 1,968,368**	**$ 489,310**	**$ 66,859**	**$ 2,604,035**	**$ 636,973**	**$ 5,765,545**

Yukon Property Acquisitions

The Company entered into binding letter agreements with Auropean Ventures Inc. (Auropean), a related company, in December of 2011 (amended in July 2014) for the acquisition of the Anderson, Davidson and Edmonton Creek claim groups and in February 2012 for the acquisition of the Roop and Trail-Minto claim groups and April 2012 for the Carlin claim group. The vendor retained a 2.75% net smelter return royalty (‘**NSR**’) on the Anderson, Roop and Trail-Minto claim groups and a 2.5% NSR on the Davidson and Edmonton and Carlin claim groups. The NSRs are subject to a 1% buyback.

All of the NSR buybacks are applicable at any time up to commercial production. Any full 1% NSR can be bought back for $1M if gold is at $1,000 per ounce or less; $2M if gold is at $3,000 per ounce or more with a sliding scale between $1,000 and $3,000 per ounce. A buyback can be exercised in increments of 0.5%.

5. Flow through share premium liability

Opening balance – January 1, 2021	**$**	**-**
Issuance of flow through shares		45,773
Closing balance – September 30, 2021	$	45,773
Issuance of flow through shares		207,100
Flow through premium recovery		(64,243)
Closing balance – December 31, 2021	**$**	**188,630**
Issuance of flow through shares		49,012
Flow through premium recovery		(206,278)
Closing balance – September 30, 2022	**$**	**31,364**

6. Demand notes payable

The Company issued a promissory note in the amount of $25,000 on September 2, 2021 bearing interest at the rate of 1.5% per month. Both the principal and interest are due and payable on March 30, 2023. The note may be prepaid at the option of the Company.

Opening balance – January 1, 2021	**$**	**61,934**
Repayment of notes		(55,503)
Accretion adjustment		(6,431)
Issuance of notes		25,000
Accrued interest		375
Closing balance – September 30, 2021	**$**	**25,375**
Accrued Interest		1,125
Closing balance – December 31, 2021	**$**	**26,500**
Accrued interest		3,375
Closing balance – September 30, 2022	**$**	**29,875**

Interest of $3,375 (2021 - $3,422) on the promissory notes was expensed during the nine-month period ended September 30, 2022. Interest of $1,125 (2021 - $1,425) on the promissory notes was expensed during the three-month period ending September 30, 2022.

7. Government Assistance

On July 23, 2020, the Company received the Canadian Emergency Business Account ('**CEBA**') in the amount of $40,000. On December 22, 2020, the Company received the CEBA top-up in the amount of $20,000. CEBA is a government program providing interest-free loans to small businesses, repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 33 percent (up to $20,000).

8. Related party transactions and key management compensation

Opening balance – January 1, 2021	$	153,099
Repayments of notes		(146,200)
Issuance of long term notes		101,000
Accrued interest		3,588
Fair value adjustment		(23,957)
Closing balance – September 30, 2021	**$**	**87,530**
Issuance of notes		150,000
Repayments of notes		(12,000)
Accrued interest		3,099
Fair value adjustment		(9,808)
Closing balance – December 31, 2021	**$**	**218,821**
Repayment		(16,917)
Accrued interest		14,587
Fair value expense		10,340
Closing balance – September 30, 2022	**$**	**226,831**

The Company has entered into contracts for management and geological services provided by key management; namely officers, administrators and directors of the Company and companies controlled or influenced by them. In addition, key management or their related companies may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions are recorded at fair value as negotiated between all parties on a competitive pricing basis.

- During 2021, promissory notes to insiders totalling $145,000 were effectively repaid through the placement of Units to the parties in question (see Note 9 (i) and (ii)).
- Ironstone Capital Corporation (ICC), a corporation providing financial consulting services to the Company, was prepaid for the completion of an expected corporate transaction leading to a public listing through the award of 1,840,000 Units (one share plus one-half warrant) on August 25, 2017. The shares and warrants were issued directly to its principal, who became a director of the company on December 4, 2017. These Units were valued at $198,000 (December 31, 2020 - $198,000). The warrants have since lapsed. The transaction was terminated unexpectedly by a third party in late 2017 and consequently the Units were agreed to be held in escrow until ICC fulfilled its contractual obligations, specifically the completion of a corporate transaction by the Company in the future. The completion of the public listing on May 5, 2022 fulfilled these obligations. In late 2021, it was determined that the Company needed to compensate ICC with a further $59,400 upon fulfilling its contractual obligations. The 2017 ICC consulting agreement stated that ICC would be offered a position to assist in corporate development and financing upon successfully completing its contractual obligations; the position and renumeration to be determined. On June 1, 2022 the Company appointed ICC's principal its Business Development Manager.
- On June 18, 2021 the Company issued a series of promissory notes totalling $101,000 to certain members of the management team in lieu of payment for services rendered. The principal and interest on the notes are due on June 30, 2023 and bear interest at the rate of 6% per annum. Subsequently, some notes were prepaid and retired.
- As of September 30, Auropean Ventures Inc. ('Auropean') held more than 10% of the Company's common shares and therefore was considered to be an insider of the Company. It has periodically provided credit to the Company. (See 'Subsequent Events' for when Auropean became deemed to no longer be an insider)
- The President and CEO through his wholly owned corporation Rampton Resource Group Inc. ('**RRG**') and the Corporate Administrator provide similar services to Auropean Ventures Inc. ('**Auropean**').
- The President & CEO and two directors are also the sole directors of Auropean.
- On November 12, 2021, the directors passed a resolution approving the borrowing of up to $150,000 from Auropean at a rate of 18% per annum.

8. Related party transactions and key management compensation (continued)

- The VP-Exploration is also an officer of Big River Mineral Exploration Inc. (BRME), an indigenous corporation, that provides exploration and related services under contract to the Company. Contracts are negotiated between BRME and the Company with full consideration of competitive pricing.
- Rampton Resource Group Inc. ('**RRG**'), a company controlled and owned by the CEO and President provides accessory office facilities plus an office manager/bookkeeper through contracts negotiated within consideration of competitive prices. All expenses are passed on through at a minimum mark-up.
- Interest that was expensed on the amounts due to related parties during the nine months ending September 30, 2022 totalled $14,587 (September 30, 2021 - $3,588). Interest expense on the amounts due to related parties during the three months ending September 30, 2022 totalled $4,729 (September 30, 2021 - $1,515).
- On July 21, 2022 the Company awarded 3,990,000 incentive options to management, directors, consultants and contractors. Each option is exercisable into one common share at $0.15; valid for a period of 5 years from the date of issuance; and vesting in three separate equal segments of 1,330,000 (August 1, 2022, August 1, 2023 and August 1, 2024).
- On September 30, 2022, the Company awarded 930,158 options exercisable at $0.15 for a period of 3 years from the date of issuance and 549,307 Restricted Share Units (RSUs) to management, directors, consultants and contractors for their dedication to the company and more specifically to supplement their compensation for fiscal 2021 as well as the period up to the Company's public listing in May of 2022. Both the options and RSUs shall vest in three separate equal segments, namely January 30 of 2023, 2024 and 2025.

Related Parties	9 months ending September 30, 2022 Compensation					September 30, 2022 Outstanding			
	Fees	RSUs/DSUs[1] Awarded & Vested		Options Awarded & Vested		RSUs/DSUs[1]	Options	Notes & Interest	Payables
		#	Award Value	#	Value[1]	#	#		
Rampton Resource~~s~~ Group President and CEO services	$74,700	-	-	250,000	$8,750	-	250,000	$32,319	$7,601
Rampton Resource~~s~~ Group Office services, accounting and secretarial	$63,364	-	-	100,000	$3,500	-	100,000	-	-
Sans Peur Exploration VP-Exploration Services	$72,000	-	-	200,000	$7,000	-	200,000	$32,319	$27,936
Administrator/Proprietorship Investor~~s~~ relations and other professional services	$67,500	-	-	200,000	$7,000	-	200,000	-	-
André Rancourt CPA, C.A. CFO services	$4,050	-	-	100,000	$3,500	-	100,000	-	$1,150
Irwin Lowy LLP Legal Services	$23,343	-	-	80,000	$2,800	-	80,000	-	$3,826
Ironstone Capital Corp. Financial Services	$20,000	-	-	200,000	$7,000	-	200,000	-	$5,650
Director Jeff Ackert	-	-	-	100,000	$3,500	300,000	100,000	-	-
Director Lee Bowles	-	-	-	-	$3,500	250,000	-	-	-
Director Greg Leblanc	-	-	-	100,000	$3,500	350,000	100,000	-	-

8. Related party transactions and key management compensation (continued)

Related Parties	9 months ending September 30, 2021 Compensation					September 30, 2021 Outstanding			
	Fees	RSUs/DSUs[1] Awarded & Vested		Options Awarded & Vested		RSUs/DSUs[1]	Options[1]	Notes & Interest	Payables
		#	Award Value	#	Value[1]	#	#		
Rampton Resource Group President and CEO services	$38,250	605,000	$42,955	-	-	-	-	$30,519	$11,780
Rampton Resource Group Office services, accounting and secretarial	$51,099	180,000	$12,780	-	-	-	-	-	-
Sans Peur Exploration VP-Exploration Services	$36,000	490,000	$34,790	-	-	-	-	$30,519	$13,685
Administrator/Proprietorship Investors relations and other professional services	$33,750	500,000	$35,500	-	-	-	-	$10,173	$4,238
André Rancourt CPA, C.A. CFO services	$7,175	125,000	$8,875	-	-	-	-	-	$3,150
Irwin Lowy LLP Legal Services	$70,974	-	-	-	-	-	-	-	$77,599
Ironstone Capital Corp. Financial Services	$12,500	-	-	-	-	-	-	$6,104	$5,650
Director Jeff Ackert	-	100,000	$7,100	-	-	300,000	-	-	-
Director Lee Bowles	-	100,000	$7,100	-	-	250,000	-	-	-
Director Greg Leblanc	-	100,000	$7,100	-	-	350,000	-	-	-

1. RSUs and DSUs being in lieu of cash compensation are valued for accounting at the fair value at the date of vesting.

9. Capital stock

Authorized
Unlimited number of common shares

Share capital	**Number of Shares**		**Amount**
Balance, Balance, December 31, 2020	**66,952,285**	**$**	**5,708,740**
Private placement – common (i)	2,947,000		197,122
Private placement – common (ii)	1,958,500		131,174
Private placement – flow-through (iii)	963,400		60,673
Private placement – common (iv)	2,080,000		143,958
Issuance of shares for restricted stock units (v)	1,900,000		134,900
Private placement – flow-through (vi)	2,248,750		168,412
Private placement – common (vii)	60,000		5,100
Issuance costs			(15,374)
Balance, September 30, 2021	**79,109,935**	**$**	**6,534,705**
Initial Public Offering – common (ix)	2,003,340		191,002
Initial Public Offering – flow-through (viii)	6,287,701		588,267
Issuance of restricted share stock units (x)	760,250		60,820
Issuance costs			(394,028)
Balance, December 31, 2021	**88,161,226**	**$**	**6,991,925**
Initial public offering (final tranche) – common (xi)	2,637,034		252,100
Private placement – common (xii)	1,572,637		150,343
Private placement – flow-through (xiii)	167,000		19,944
Private placement – flow-through (xiv)	1,433,340		132,477
Issuance costs			(120,754)
Balance, September 30, 2022	**93,971,237**	**$**	**7,426,035**

i) On March 24, 2021, the Company closed a Common Share Private Placement for 2,947,000 Units at $0.10 per Unit for total proceeds of $294,700. Each Unit consists of one common share and one warrant exercisable at $0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at $97,578 using the Black-Scholes valuation model, the inputs of which are disclosed below. A placement with one related party resulted in the reduction of related party debt of $100,000.

ii) On April 30, 2021, the Company closed a Common Share Private Placement for 1,958,500 Units at $0.10 per Unit for total proceeds of $194,950. Each Unit consists of one common share and one warrant exercisable at $0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at $63,776 using the Black-Scholes valuation model, the inputs of which are disclosed below. Placements with five related parties resulted in the reduction of related party debt of $184,950 (payables - $149,950 and note - $35,000).

iii) On April 30, 2021, the Company closed a Flow Through Private Placement for 963,400 Units at $0.12 per Unit for total proceeds of $115,608. Each Unit consists of one common share and one warrant exercisable at $0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at $35,205 using the Black-Scholes valuation model, the inputs of which are disclosed below. The Company recognized a flow through liability of $19,268. Placement with two related parties resulted in the reduction of related party debt of $39,000.

9. Capital stock (continued)

In conjunction with the offering, the Company paid finder's fees of $1,751 and granted 14,588 Broker Unit Warrants in relation to the flow through share offering. Each Broker Unit Warrant vested immediately and is exercisable at a price of $0.12 for a period of 30 months from listing date. The Broker Unit Warrants were valued at $462 using Black-Scholes valuation model, the inputs of which are disclosed below.

iv) On June 18, 2021, the Company closed a Common Share Private Placement for 2,080,000 Units at $0.10 per Unit for total proceeds of $208,000. Each Unit consists of one common share and one warrant exercisable at $0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at $64,042 using the Black-Scholes valuation model, the inputs of which are disclosed below.

v) On April 30, 2021, the Company issued 1,130,000 common shares upon the vesting of an equal number of RSUs and on July 2, 2021, the Company issued 770,000 common shares upon the vesting of an equal number of RSUs.

vi) On September 30, 2021, the Company closed a Flow Through Private Placement for 2,248,750 Flow Through Units at $0.12, totalling $269,850. Each Unit consists of one flow through share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at $0.15 per share for a period of 30 months from listing date. The 1,124,375 warrants were valued at $53,838 using the Black Scholes valuation model, the inputs of which are disclosed below. The Company recognized a flow through liability of $44,975.

In conjunction with the offering, the Company paid finder's fees of $10,500 and granted 87,500 Broker Unit Warrants in relation to the flow through share offering. Each Broker Unit Warrant vested immediately and is exercisable at a price of $0.12 for a period of 30 months from listing date. The Broker Unit Warrants were valued at $2,625 using Black-Scholes valuation model, the inputs of which are disclosed below.

vii) On September 30, 2021, the Company closed a Common Share Private Placement for 60,000 Units at $0.10 per Unit for total proceeds of $6,000. Each Unit consists of one common share and one-half warrant exercisable at $0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at $900 using the Black-Scholes valuation model, the inputs of which are disclosed below.

viii) On December 30, 2021, the Company closed the first tranche of its Initial Public Offering for 6,287,701 Flow Through Units at $0.15, totalling $943,155. Each Unit consists of one flow through share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at $0.20 per share expiring on December 30, 2024. The 3,143,853 warrants were valued at $153,377 using the Black Scholes valuation model, the inputs of which are disclosed below. The Company recognized a flow through liability of $188,631.

In conjunction with the offering, the Company paid finder's fees of $57,500 and granted 352,919 Broker Unit Warrants in relation to the flow through share offering. Each Broker Unit Warrant is exercisable at a price of $0.15 expiring December 30, 2024. The Broker Unit Warrants were valued at $12,882 using Black-Scholes valuation model, the inputs of which are disclosed below.

ix) On December 30, 2021, the Company closed the first tranche of its Initial Public Offering for 2,003,340 Common Share Units at $0.12, totalling $240,401. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at $0.18 per share expiring on December 30, 2024. The 1,001,670 warrants were valued at $48,867 using the Black

Scholes valuation model, the inputs of which are disclosed below. Placement with a related party resulted in the reduction of related party debt of $12,000.

9. Capital stock (continued)

In conjunction with the offering, the Company paid finder's fees of $1,750 and granted 14,584 Broker Unit Warrants in relation to the flow through share offering. Each Broker Unit Warrant is exercisable at a price of $0.12 expiring December 30, 2024. The Broker Unit Warrants were valued at $532 using Black-Scholes valuation model, the inputs of which are disclosed below.

x) On December 30, 2021, the Company issued 760,250 common shares upon the vesting of an equal number of RSUs.

xi) On March 15, 2022, the Company closed the final tranche of its Initial Public Offering for 2,637,034 Common Share Units at $0.12, totalling $316,444. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at $0.18 per share expiring on December 30, 2024. The 1,318,517 warrants were valued at $64,344 using the Black Scholes valuation model, the inputs of which are disclosed below.

xii) On May 4, 2022, the Company closed a Common Share Private Placement for 1,572,637 Units at $0.12 per Unit for total proceeds of $188,716. Each Unit consists of one common share and one-half warrant exercisable at $0.18 into one common share expiring May 4, 2025. The warrants were valued at $38,373 using the Black-Scholes valuation model, the inputs of which are disclosed below. In conjunction with the offering, the Company paid finder's fees of $15,000.

xiii) On May 4, 2022, the Company closed a Flow Through Private Placement for 167,000 Flow Through Units at $0.18, totalling $30,060. Each Unit consists of one flow through share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at $0.24 per share expiring May 4, 2025. The warrants were valued at $4,104 using the Black Scholes valuation model, the inputs of which are disclosed below. The Company recognized a flow through liability of $6,012.

xiv) On August 30, 2022, the Company closed a Flow Through Private Placement for 1,433,340 Flow Through Units at $0.15, totalling $215,001. Each Unit consists of one flow through share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at $0.20 per share expiring August 30, 2025. The warrants were valued at $34,974 using the Black Scholes valuation model, the inputs of which are disclosed below. The Company recognized a flow through liability of $43,000.

In conjunction with the offering, the Company paid finder's fees of $14,000 and granted 93,334 Broker Unit Warrants in relation to the flow through share offering. Each Broker Unit Warrant is exercisable at a price of $0.12 expiring August 30, 2025. The Broker Unit Warrants were valued at $4,550 using Black-Scholes valuation model, the inputs of which are disclosed below.

9. Capital stock (continued)

Warrants and Broker Unit Warrants

	Number of Warrants	Value
Balance, December 31, 2020	**7,061,971**	**$ 255,708**
Granted – private placement (i)	2,947,000	97,578
Granted – private placement common (ii)	1,949,500	63,776
Granted – private placement flow-through (iii)	963,400	35,205
Granted – Broker unit warrants (iii)	14,588	462
Granted – private placement common (iv)	2,080,000	64,042
Warrant expiration	(2,023,900)	(116,532)
Granted – private placement flow-through (vi)	1,124,375	53,838
Granted – broker unit warrants (vi)	87,500	2,625
Granted – private placement common (vii)	30,000	900
Balance, September 30, 2021	**14,234,434**	**$ 457,602**
Warrant expiration	(501,334)	(21,694)
Granted – Initial public offering – flow-through (viii)	3,143,853	153,377
Granted – Initial public offering – Common (ix)	1,001,670	48,867
Granted – Initial public offering – Broker unit (viii) and (ix)	367,503	13,414
Balance, December 31, 2021	**18,246,126**	**$ 651,566**
Granted – Initial public offering – Common (xi)	1,318,517	64,344
Granted – private placement common (xii and xiii)	869,819	42,477
Granted – private placement flow-through (xiv)	716,670	34,974
Granted – broker unit warrants (xiv)	93,334	4,550
Balance, September 30, 2022	**21,244,466**	**$ 797,911**

Warrants Exercisable and Outstanding at September 30, 2022	**Exercise Price**	**Expiry date**
533,193	$0.15	March 30, 2023
410,800	$0.15	July 30, 2023
40,625	$0.15	December 30, 2023
12,529,725	$0.15	November 5, 2024
1,001,670	$0.18	December 30, 2024
4,462,370	$0.20	December 30, 2024
786,319	$0.18	May 4, 2025
83,500	$0.24	May 4, 2025
716,670	$0.20	August 30, 2025
Total 20,564,872		

Broker Unit Warrants Exercisable and Outstanding at September 30, 2022	**Exercise Price**	**Expiry date**
218,757	$0.12	November 5, 2024
14,584	$0.12	December 30, 2024
352,919	$0.15	December 30, 2024
93,334	$0.12	August 30, 2025
Total 679,594		

9. Capital stock (continued)

The following summarizes the assumptions used in the valuation of the warrants for September 30, 2022 and December 31, 2021.

Risk-free interest rate	0.37% - 1.18%
Volatility based on comparable companies	05.56%-117.02%
Expected dividend	0%
Forfeiture	0%
Expected option life	2.5 to 3 years

Stock options

The Company's stock option plan is available to its directors, officers, employees and service providers. The number of options available is a maximum of 10% of the total number of issued and outstanding common shares. All issuances, including the vesting and exercise periods, are approved by the Board.

	Number of Options	Exercise price	Value
Balance, December 31, 2021	-	-	-
Granted	1,330,000	$0.15	$46,550
Balance, September 30, 2022	1,330,000	$0.15	$46,550

On July 21, 2022 the Company awarded 3,990,000 incentive options to management, directors, consultants and contractors. Each option is exercisable into one common share at $0.15; valid for a period of 5 years from the date of issuance; and vesting in three separate equal segments of 1,330,000 (August 1, 2022, August 1, 2023 and August 1, 2024).

10. Capital management

The Company manages its capital structure and makes adjustments based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers its capital to be shareholders' equity, which is comprised of share capital, reserves and deficit in the amount of $5,437,505 (December 31, 2021 - $5,038,840).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements and supplemented with debt as necessary. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management in the year.

11. Financial instruments and risk management

Fair value

The carrying values of the Company's financial instruments approximate their fair values due to the short-term maturity of these financial instruments.

Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and other receivables.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due.

The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company has historically generated cash flow from its financing activities. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 9. As at September 30, 2022, the Company's current liabilities which comprise accounts payable and accrued liabilities, demand notes payable and due to related parties total $149,849. The Company will require additional funding to maintain corporate and administrative functions and to fund its continuing exploration activities and commitments.

Covid-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada with businesses being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as the impact on the financial position and results of the Company for future periods. Other than delays to drilling programs, COVID-19 has not had a significant impact on the Company.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. The Company is not exposed to any significant interest rate risk volatility or exchange rate volatility.

12. Subsequent events

On October 25, the Company announced its results for 1,621 geochemical samples collected from its Carlin-Roop silver project; its Anderson-Davidson and Trail-Minto gold properties; as well as 136 soil gas (SGH) samples from its Edmonton gold-base metal property.

On October 28, the Company issued a press release covering its early summer drill program at its 45 square kilometres Carlin-Roop silver project in the Keno Hill Silver District of the Yukon where it drilled a total of 1,070 metres in eight diamond drill holes. Assays results are expected to be received by the end of the calendar year.

On October 31, Auropean Ventures Inc. relinquished its status as an insider when its shareholdings fell slightly below 10% of the Company's outstanding shares.