

CANTER RESOURCES CORP.

Financial Statements
For the years ended June 30, 2022 and 2021

Expressed in Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Canter Resources Corp.:

Opinion

We have audited the financial statements of Canter Resources Corp. (the "Company"), which comprise the statements of financial position as at June 30, 2022 and 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about 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 the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit 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 audit, or otherwise appears to be materially misstated.

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

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 International Financial Reporting Standards, 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditor's 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 auditor's 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 auditor's report is Barry Hartley.

DML

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
October 27, 2022

CANTER RESOURCES CORP.

Statements of Financial Position

(Expressed in Canadian Dollars)

	June 30, 2022	June 30, 2021
Assets		
Current assets		
Cash	\$ 220,304	\$ 204,591
GST Receivable	10,180	-
	230,484	204,591
Exploration and evaluation assets (Note 4)	101,259	-
Deposit (Note 4)	60,000	-
Total assets	\$ 391,743	\$ 204,591
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 60,736	\$ 13,976
Loan payable (Note 6)	-	10,000
	60,736	23,976
Shareholders' Equity		
Share capital (Note 8)	593,427	278,427
Deficit	(262,420)	(97,812)
Total Shareholders' Equity	331,007	180,615
Total Liabilities and Shareholders' Equity	\$ 391,743	\$ 204,591

Nature of Operations (Note 1)

Subsequent Events (Note 12)

Approved on behalf of the Board:

*"Hani Zabaneh"**"Brian Goss"*_____
Hani Zabaneh, Director_____
Brian Goss, Director

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

CANTER RESOURCES CORP.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the year ended June 30, 2022	For the year ended June 30, 2021
Expenses		
General and administrative	\$ 31,051	\$ 10,166
Transfer agent and filing fees	34,501	2,823
Professional fees	52,217	12,209
Consulting fees (Note 7)	46,839	4,279
Net and comprehensive loss	\$ (164,608)	\$ (29,477)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding	11,233,096	5,588,986

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

CANTER RESOURCES CORP.

Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of shares	Amount	Deficit	Shareholders' Equity
Balance, June 30, 2020	5,472,000	\$ 126,641	\$ (68,335)	\$ 58,306
Private placement shares issued, net of share issuance costs (Note 8)	3,050,000	151,786	-	151,786
Net and comprehensive loss	-	-	(29,477)	(29,477)
Balance, June 30, 2021	8,522,000	278,427	(97,812)	180,615
Private placement shares issued, net of share issuance costs (Note 8)	3,050,000	300,000	-	300,000
Shares issued pursuant to Eagle Plains Agreement (Note 4 and 8)	150,000	15,000	-	15,000
Net and comprehensive loss	-	-	(164,608)	(164,608)
Balance, June 30, 2022	11,722,000	\$ 593,427	\$ (262,420)	\$ 331,007

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

CANTER RESOURCES CORP.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year-ended June 30, 2022	Year-ended June 30, 2021
Cash used in operating activities		
Net Loss	\$ (164,608)	\$ (29,477)
Changes in non-cash working capital balances		
Amounts receivable	(10,180)	-
Accounts payable and accrued liabilities	321	11,981
Net operating cash flows	(174,467)	(17,496)
Cash used in investing activities		
Exploration and evaluation assets	(39,820)	-
Deposit	(60,000)	-
Net financing cash flows	(99,820)	-
Cash provided by financing activities		
Proceeds from issuance of common shares, net of issuance costs	300,000	151,786
Repayment/(proceeds) of loan payable	(10,000)	10,000
Net Investing cash flows	290,000	161,786
Increase in cash	15,713	144,290
Cash, beginning of the year	204,591	60,301
Cash, end of the year	\$ 220,304	\$ 204,591
Supplemental cash flow information:		
Exploration and evaluation assets included in accounts payable and accrued liabilities	\$ 46,439	\$ -
Fair value of shares issue for exploration and evaluation assets	\$ 15,000	\$ -

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

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

1. Nature of Operations

Canter Resources Corp. (the “Company”) was incorporated under the British Columbia Business Corporations Act on March 7, 2018. On November 15, 2021, the Company changed its name from Canter Capital Corp. to Canter Resources Corp. The Company is engaged in the exploration and evaluation of resource properties in Canada. On July 21, 2021, the Company signed an option agreement with Eagle Plains Resources Ltd. (“Eagle Plains”) to acquire an undivided 60% interest in a mineral property located in Saskatchewan (see Note 4). The head office of the Company is located at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5. On December 20, 2021, the Company’s common shares began trading on the Canadian Stock Exchange under the ticker CRC.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of exploration and evaluation assets in British Columbia. The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether these assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has incurred losses since its inception and has an accumulated deficit of \$262,420 at June 30, 2022, which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its activities or obtain financing at unfavorable terms. Furthermore, failure to continue as a going concern would require the Company’s assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustment may be material.

2. Basis of Preparation

The financial statements were authorized for issuance on October 27, 2022 by the directors of the Company.

(a) Statement of Compliance with International Financial Reporting Standards

The financial statements of the Company have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

(b) Use of Estimates and Judgments

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Areas requiring a significant degree of estimation and judgment include fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and liabilities and assessment of the Company's ability to continue as a going concern.

3. Significant Accounting Policies

(a) Cash

Cash includes cash at banks.

(b) Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit and loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized at the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss.

(c) *Income Taxes*

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(d) *Income and Loss Per Share*

Basic income and loss per share amounts are calculated by dividing income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted income or loss per share amounts are determined by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(e) *Exploration and evaluation assets*

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

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

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

(e) *Exploration and evaluation assets*

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

4. Exploration and Evaluation (“E&E”) Asset

On May 11, 2021, the Company signed a letter of intent (the “LOI”) with Eagles Plains whereby the Company has the option to acquire a 60% interest in twelve mineral claims located approximately 40 km northwest of Creighton, Saskatchewan (the “Project”). On July 21, 2021, the Company signed a definitive option agreement (the “Agreement”) with respect to the Schotts Lake Property. The Agreement required aggregate cash consideration of \$500,000, the issuance of 1,000,000 common shares of the Company and a minimum of \$5,000,000 in exploration expenditures, to be incurred over a period of four years, according to the following schedule:

Cash payments:

- (i) \$10,000 upon signing of the LOI, which was expensed (paid – see Note 6);
- (ii) \$20,000 upon listing on a national Canadian stock exchange on December 20, 2021 (paid);
- (iii) \$35,000 on or before July 31, 2022 (paid – Note 12);
- (iv) \$50,000 on or before December 31, 2022;
- (v) \$75,000 on or before December 31, 2023;
- (vi) \$120,000 on or before December 31, 2024; and
- (vii) \$200,000 on or before December 31, 2025.

Share issuances:

- (i) 150,000 common shares upon listing on a national Canadian stock exchange and obtaining all necessary regulatory approvals on December 20, 2021 (issued with a fair value of \$15,000 – see Note 8);
- (ii) 150,000 common shares on or before July 31, 2022 (issued – see Note 12);
- (iii) 150,000 common shares on or before December 31, 2022;
- (iv) 150,000 common shares on or before December 31, 2023;
- (v) 200,000 common shares on or before December 31, 2024; and
- (vi) 200,000 common shares on or before December 31, 2025.

Exploration expenditures:

- (i) \$100,000 on or before July 31, 2022;
- (ii) \$500,000 on or before December 31, 2022;
- (iii) \$800,000 on or before December 31, 2023;
- (iv) \$1,600,000 on or before December 31, 2024; and
- (v) \$2,000,000 on or before December 31, 2025.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

4. Exploration and Evaluation (“E&E”) Asset (continued)

		Schotts Lake
Acquisition Costs		
Balance, June 30, 2021	\$	-
Additions		35,000
Balance, June 30, 2022	\$	35,000
Deferred Exploration Costs		
Balance, June 30, 2021	\$	-
Geological expenses		66,259
Balance, June 30, 2022	\$	66,259
Balance, June 30, 2021	\$	-
Balance, June 30, 2022	\$	101,259

As at June 30, 2022, the Company had advanced \$60,000 (June 30, 2021 - \$nil) to Eagles Plains, for future work on Schotts Lake.

5. Accounts Payable and Accrued Liabilities

As at June 30, 2022 and 2021, the Company’s accounts payable and accrued liabilities are composed of the following:

	June 30, 2022	June 30, 2021
Accounts payable (Note 7)	\$ 49,589	\$ 3,976
Accrued liabilities	11,147	10,000
Total	\$ 60,736	\$ 13,976

6. Loan payable

During the year ended June 30, 2021, a shareholder of the Company advanced \$10,000 to Eagle Plains upon execution of the LOI on behalf of the Company. The loan is non-interest bearing, unsecured, and has with no fixed terms of repayment (note 4). On September 22, 2021, the loan was repaid in full.

7. Related Parties

The Company’s related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm’s length transactions and made at normal market prices and on normal commercial terms.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

7. Related Parties (continued)

(a) Key management compensation for the years ended June 30, 2022 and 2021 were as follows:

	June 30, 2022	June 30, 2021
Consulting fees	\$ 31,839	\$ 4,279

As at June 30, 2022, \$3,150 (2021 - \$1,890) was due to related parties and is included in accounts payable and accrued liabilities (Note 5).

8. Share Capital

(a) *Authorized*

The Company has authorized an unlimited number of common shares with no par value.

(b) *Issued*

On August 20, 2021, the Company completed a private placement by issuing 3,050,000 common shares of the Company at a price of \$0.10 per common share for aggregate gross proceeds of \$305,000. During the year ended June 30, 2022, the Company incurred cash share issuance costs of \$5,000.

On December 21, 2021, the Company issued 150,000 common shares with a fair value of \$15,000 to Eagle Plains as a share payment pursuant to the definitive option agreement (Note 4).

On June 17, 2021, the Company issued 3,050,000 common shares at a price of \$0.05 per share for total proceeds of \$152,500. The Company incurred cash share issuance costs of \$714 in connection with the issuance.

(c) *Loss per share*

The basic loss per share for the year-ended June 30, 2022 was based on the loss attributable to common shareholders of \$164,608 (2021 - \$29,477) and the weighted average common shares outstanding of 11,233,096 (2021 - 5,588,986).

As at June 30, 2022, 600,000 shares were held in escrow.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

9. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery for the years ended June 30, 2022 and 2021 is as follows:

	Year-ended June 30, 2022	Year-ended June 30, 2021
Net loss	\$ (164,608)	\$ (29,477)
Statutory income tax rate	27.0%	27.0%
Expected income tax recovery	\$ (44,444)	\$ (7,959)
Effect of share issue cost	(1,375)	-
Change in valuation allowance	45,819	7,959
Income tax recovery	\$ -	\$ -

The significant components of deferred income tax assets and liabilities are as follows:

	June 30, 2022	June 30, 2021
Non-capital loss	\$ 263,260	\$ 97,478
Share issuance cost	4,460	539
Valuation allowance	(267,720)	(98,017)
Income tax recovery	\$ -	\$ -

As of June 30, 2022, the Company has non-capital tax losses of \$263,260. These losses begin to expire in the year 2038.

10. Management of Capital

The Company's capital structure consists of cash and share capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. 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.

In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts 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. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

11. Financial Instruments

(a) *Categories of Financial Instruments and Fair Value Measurements*

	June 30, 2022	June 30, 2021
Financial Assets		
Cash	\$ 220,304	\$ 204,591
Financial Liabilities		
Accounts payable	(49,589)	(3,976)
Loan payable	-	(10,000)
Net financial assets	\$ 170,715	\$ 190,615

The Company considers that the carrying amount of all its financial assets and liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

(b) *Management of Financial Risks*

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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be 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 the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assesses liquidity risk as high.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has no assets or liabilities denominated in foreign currencies. The Company assesses foreign exchange risk as low.

CANTER RESOURCES CORP.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

11. Financial Instruments (continued)

Interest rate risk

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

12. Subsequent Events

Subsequent to June 30, 2022, the Company made an option payment of \$35,000 and issued 150,000 common shares to Eagle Plains (Note 4).