

# **Lode Metals Corp. (formerly Crane Capital Corp.)**

Condensed Consolidated Interim Financial Statements  
For Nine Months Ended October 31, 2022, and 2021  
(Expressed in Canadian Dollars - unaudited)

**Lode Metals Corp. (formerly Crane Capital Corp.)**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Expressed in Canadian Dollars)

	October 31, 2022	January 31, 2022 (Audited)
<b>ASSETS</b>		
<b>Current asset</b>		
Cash	\$ 457,844	\$ 561,087
Restricted cash	-	1,264,311
GST receivable	39,358	23,936
Prepaid expenses	19,444	67,312
	<b>516,646</b>	1,916,646
Deposits (Note 5)	23,383	91,311
Exploration and evaluation asset (Notes 5 and 10)	2,499,487	1,670,539
<b>TOTAL ASSETS</b>	<b>\$ 3,039,516</b>	<b>\$ 3,678,496</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 6 and 11)	\$ 100,563	\$ 175,807
Loans payable (Notes 7 and 10)	-	138,595
<b>TOTAL LIABILITIES</b>	<b>100,563</b>	314,402
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 8)	4,967,271	2,482,386
Subscription receipts (Note 8)	-	1,264,331
Special warrants (Note 8)	-	1,236,000
Reserve (Note 9)	274,255	190,891
Accumulated deficit	(2,302,573)	(1,809,514)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,938,953</b>	3,364,094
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 3,039,516</b>	<b>\$ 3,678,496</b>

These financial statements were authorized for issue by the Board of Directors on December 20, 2022. They are signed on behalf of the Board of Directors by:

/s/ "Ken Tullar"  
Director

/s/ "James Yates"  
Director

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

**Lode Metals Corp. (formerly Crane Capital Corp.)**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian Dollars)

	Three Months ended		Nine Months Ended	
	October 31, 2022	October 31, 2021	October 31, 2022	October 31, 2021
<b>EXPENSES</b>				
Consulting fees	\$ -	\$ 63,549	\$ 87,000	\$ 63,549
Foreign exchange loss (gain) (Note 7)	(871)	20,468	1,391	(14,064)
General and administrative costs	63,250	40,989	137,993	68,254
Marketing fees	7,000	3,750	21,723	18,531
Professional fees	44,905	8,380	141,294	65,710
Stock-based compensation (Notes 4 and 9)	16,813	1,236,773	83,753	1,330,825
Transfer agent, regulatory and listing	6,836	-	20,294	25,247
<b>NET AND COMPREHENSIVE LOSS</b>	<b>\$ 137,933</b>	<b>\$ 1,373,909</b>	<b>\$ 493,448</b>	<b>\$ 1,558,052</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>	<b>\$ (0.05)</b>
<b>Weighted average number of common shares outstanding</b>	<b>46,569,456</b>	<b>39,836,349</b>	<b>45,104,073</b>	<b>33,515,465</b>

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

**Lode Metals Corp. (formerly Crane Capital Corp.)**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(Expressed in Canadian Dollars)

	<b>For the Nine Months Ended October 31, 2022</b>	<b>For the Nine Months Ended October 31, 2021</b>
<b>Cash flows provided from (used in):</b>		
<b>OPERATING ACTIVITIES</b>		
<b>Net loss</b>	\$ (493,448)	\$ (1,558,052)
<b>Non-cash items:</b>		
Stock-based compensation	83,753	1,330,825
Foreign exchange loss/(gain)	1,391	(2,130)
<b>Net changes in non-cash working capital items:</b>		
GST receivable	(15,422)	(12,569)
Prepaid expenses	47,868	(100,999)
Accounts payable and accrued liabilities	(238,334)	359,981
<b>Net cash flows provided by (used in) operating activities</b>	<b>(614,192)</b>	<b>17,056</b>
<b>INVESTING ACTIVITIES</b>		
Mineral property acquisition and exploration costs	(805,844)	(915,145)
Cash received upon reverse takeover transaction	-	733,623
Deposits	67,928	(43,532)
<b>Net cash flows used in investing activities</b>	<b>(737,916)</b>	<b>(225,054)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	-	20,000
Proceeds from issuance of subscription receipts	-	1,264,331
Proceeds from issuance of special warrants	-	1,220,202
Share issuance costs	(15,446)	-
<b>Net cash flows provided by financing activities</b>	<b>(15,446)</b>	<b>2,504,533</b>
<b>Net increase in cash</b>	<b>(1,367,554)</b>	<b>2,296,535</b>
<b>Cash, beginning</b>	<b>1,825,398</b>	<b>5,865</b>
<b>Cash, ending</b>	<b>\$ 457,844</b>	<b>\$ 2,302,400</b>
<b>Non-cash investing activity:</b>		
Exploration and evaluation expenditures included within accounts payable	\$ 75,568	\$ 32,571

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

**Lode Metals Corp. (formerly Crane Capital Corp.)**  
**Condensed Consolidated Interim Statement of Changes in Shareholders' Equity**  
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Subscription receipts	Special warrants	Reserve	Accumulated deficit	Total
<b>Balance at January 31, 2021</b>	<b>16,485,714</b>	<b>\$ 220,200</b>	-	-	-	<b>\$ (79,561)</b>	<b>\$ 140,639</b>
Shares issued in private placements (Notes 8 and 10)	1,000,000	20,000	-	-	-	-	20,000
Shares issued for reverse takeover (Notes 4 and 8)	21,597,005	2,159,700	-	-	-	-	2,159,700
Shares issued for services (Note 8)	343,000	120,050	-	-	-	-	120,050
Subscription receipt financing (Note 8)	-	-	1,264,331	-	-	-	1,264,331
Special warrants financings (Note 8)	-	-	-	1,220,202	-	-	1,220,202
Stock-based compensation (Note 9)	-	-	-	-	144,097	-	144,097
Net and comprehensive loss for the period	-	-	-	-	-	(1,588,052)	(1,588,052)
<b>Balance at October 31, 2021</b>	<b>39,425,719</b>	<b>\$ 2,519,950</b>	<b>\$ 1,264,331</b>	<b>\$ 1,220,202</b>	<b>\$ 144,097</b>	<b>\$ (1,637,613)</b>	<b>\$ 3,510,967</b>
<b>Balance at January 31, 2022</b>	<b>39,425,719</b>	<b>2,482,386</b>	<b>1,264,331</b>	<b>1,236,000</b>	<b>190,891</b>	<b>(1,809,514)</b>	<b>3,364,094</b>
Conversion of subscription receipts (Note 8)	3,612,316	1,264,331	(1,264,331)	-	-	-	-
Conversion of special warrants (Note 8)	3,531,426	1,236,000	-	(1,236,000)	-	-	-
Stock-based compensation (Note 9)	-	-	-	-	83,753	-	83,753
Cancelled options (Note 9)	-	-	-	-	(389)	389	-
Share issuance costs	-	(15,446)	-	-	-	-	(15,446)
Net and comprehensive loss for the period	-	-	-	-	-	(493,448)	(493,448)
<b>Balance at October 31, 2022</b>	<b>46,569,461</b>	<b>\$ 4,967,271</b>	<b>-</b>	<b>-</b>	<b>\$ 274,255</b>	<b>\$ (2,302,573)</b>	<b>\$ 2,938,953</b>

The accompanying notes form an integral part of these condensed consolidation interim financial statements.

# Lode Metals Corp. (formerly Crane Capital Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended October 31, 2022 and 2021

(Expressed in Canadian Dollars - unaudited)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Lode Metals Corp. (formerly Crane Capital Corp.) (the “Company” or “Lode Metals”) is a gold focused Canadian exploration company. The Company’s registered office is located at Suite 1008, 550 Burrard Street, Vancouver, BC, V6C 2B5.

On April 12, 2021, Lode Metals acquired all of the outstanding shares of 2262496 Alberta Ltd. (“226”) by way of share exchange agreement (Note 4) (the “Transaction”). 226 has been identified for accounting purposes as the acquirer, and accordingly the Company is considered to be a continuation of 226, and the net assets of Lode Metals at the date of the reverse acquisition are deemed to have been acquired by 226. These consolidated financial statements include the results of operations of Lode Metals from April 12, 2021. The comparative figures are those of 226 prior to the reverse acquisition and of the Company from April 12, 2021. The Transaction provided the Company with business operations for the purposes of the listing of the Company’s common shares on the Canadian Securities Exchange (“CSE”). On March 23, 2022, the Company received final receipt from the British Columbia Securities Commission of the Company’s Long Form Prospectus dated March 22, 2022 and the Company’s common shares were listed on the CSE.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At October 31, 2022, the Company had cash of \$457,844 and its current assets exceed its current liabilities by \$416,083. The Company currently has no active business and is not generating any revenues. It has incurred losses since inception and had an accumulated deficit of \$2,302,573 as at October 31, 2022. Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern. The Company’s ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

#### (b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss (“FVTPL”), which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

#### (c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 226 and Elkhorn Gold Exploration LLC. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

#### (d) Presentation and functional currency

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

#### (e) Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future and to exercise judgment in applying the Company’s accounting policies. Actual results could differ from these estimates. Estimates and underlying assumptions

## **2. BASIS OF PREPARATION (continued)**

are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgments and assumptions made by management and other major sources of measurement uncertainty.

### Significant accounting judgments

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

#### *Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### *Impairment of long-lived assets*

The Company evaluates each long-term asset each reporting period to determine if there are any indications of impairment. If any such indications exist, an estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The estimates and assumptions used to estimate the recoverable amount of the long-lived assets are subject to risk and uncertainty and there is the possibility that changes in circumstances will alter these estimates and assumptions.

### Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the interim condensed consolidated statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows;

#### *Income taxes*

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at October 31, 2022 and 2021, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

## Lode Metals Corp. (formerly Crane Capital Corp.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended October 31, 2022 and 2021

(Expressed in Canadian Dollars)

## 2. BASIS OF PREPARATION (continued)

### (e) Significant accounting judgments and estimates (continued)

#### *Valuation of stock-based compensation*

The Company uses the Black-Scholes Option Pricing Model for valuation of stock-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended January 31, 2022 and have been consistently followed in the preparation of these condensed consolidated interim financial statements. Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

## 4. REVERSE TAKEOVER TRANSACTION

On April 12, 2021, the Company closed the acquisition of 226 contemplated in the letter of intent (the "LOI") dated January 28, 2021, which constituted a reverse takeover transaction (the "Transaction") (Note 1). Pursuant to the Transaction, 226 shareholders were issued an aggregate of 17,485,714 common shares of the Company in exchange for all of the issued and outstanding shares of 226, with 226 continuing as a wholly owned subsidiary of the Company. The original shareholders of the Company retained 21,597,005 common shares.

The Transaction resulted in 226 obtaining control of the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity. The Transaction has been accounted for as a reverse acquisition transaction in accordance with IFRS 2, Share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the Transaction does not constitute a business combination.

For accounting purposes, 226 is treated as the accounting parent (legal subsidiary) and the Company as the accounting subsidiary (legal parent). The fair value of the consideration paid by 226, less the fair value of net assets of Lode Metals acquired by 226 constitutes stock-based compensation expense and has been recorded in the statement of loss and comprehensive loss in the year ended January 31, 2022.

The purchase price is allocated as follows:

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Consideration	
Fair value of the Company's shares	
(21,597,005 common shares at \$0.10 per share)	\$ 2,159,700
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Net assets acquired	
Cash	733,623
Receivables	298,206
Accounts payable	(58,857)
Net assets	972,972
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<b>Stock-based compensation expense</b>	<b>\$ 1,186,728</b>
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**5. EXPLORATION AND EVALUATION ASSET**

	<b>Cracker Creek</b>	
<b>Acquisition Costs</b>		
Balance, January 31, 2021	\$	253,588
Additions		247,720
Balance, January 31, 2022	\$	501,308
Additions		129,413
Balance, October 31, 2022	\$	630,721
<b>Deferred Exploration Costs</b>		
Balance, January 31, 2021	\$	81,997
Consulting (Note 10)		761,162
Land maintenance		94,411
Geophysics		142,676
Other		88,985
Balance, January 31, 2022	\$	1,169,231
Consulting (Note 10)		247,095
Land maintenance		34,056
Geophysics		93,133
Other		325,251
Balance, October 31, 2022	\$	<b>1,868,766</b>
<b>Total</b>		
Balance, January 31, 2022	\$	1,670,539
<b>Balance, October 31, 2022</b>	<b>\$</b>	<b>2,499,487</b>

*Cracker Creek Gold Property, Oregon, USA*

On November 9, 2020, 226 entered into an Exploration and Purchase Option Agreement (the "Option Agreement") with Cracker Creek Gold Corporation ("Cracker Creek") whereby 226 has the option (the "Option") to acquire an undivided 100% legal and beneficial right, title and interest in and to the Cracker Creek Gold Property (the "Property") located in Bourne, Oregon, USA for a total purchase price of US\$3,000,000 (the "Purchase Price").

To maintain the Option Agreement in good standing, 226 must:

- i) Pay US\$100,000 in cash upon signing (paid \$131,503 during the period ended January 31, 2021); and
- ii) Pay US\$60,000 every six months after the signing date until the date that 226 exercises the Option as provided under the Option Agreement or until the date that the Option Agreement is terminated according to its terms (\$77,842 paid during the nine months ended October 31, 2022; \$149,017 paid during the year ended January 31, 2022).

If the Option Agreement has been maintained in good standing, 226 may exercise its option to purchase the Property at any time after the signing date as follows:

- i) On or before May 1, 2024, deliver notice to Cracker Creek of 226's decision to exercise the Option (the "Exercise Notice");
- ii) Concurrently with 226's delivery of the Exercise Notice to Cracker Creek, pay Cracker Creek by wire transfer US\$300,000 immediately as a deposit towards the Purchase Price; and
- iii) Perform certain closing requirements including payment in full of the remaining balance of the Purchase Price.

The Property is subject to a 2.5% net smelter returns ("NSR") royalty held by Cracker Creek.

On November 21, 2020, 226 entered into a Services Agreement (the "Services Agreement") with Minefinders LLC ("Minefinders") for services provided by Minefinders related to the signing of the Option Agreement with Cracker Creek. As consideration for services rendered, 226 has agreed to make certain payments to Minefinders and to grant to Minefinders a 0.5% NSR royalty (the "Minefinders NSR") at the commencement of commercial production at the Property. 226 shall have the option (the "Royalty Option") to purchase the Minefinders NSR at any time within two years of signing the Services Agreement for US\$500,000.

## Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements  
For the Nine Months Ended October 31, 2022 and 2021  
(Expressed in Canadian Dollars)

### 5. EXPLORATION AND EVALUATION ASSET (continued)

The payments for services rendered shall be made by 226 as follows:

- i) US\$40,000 in cash upon signing (paid \$68,797 during the period ended January 31, 2021);
- ii) US\$40,000 every six months after the signing date until the earlier of (i) the date that 226 exercises its Option as provided under the Option Agreement, (ii) the date that the Option Agreement is terminated according to its terms and (iii) May 1, 2024 (paid \$53,288 during the period ended January 31, 2021, \$98,703 during the year ended January 31, 2022 and \$51,571 paid during nine months ended October 31, 2022);
- iii) Unless the Royalty Option has been exercised by 226, US\$500,000 on the date that commercial production is achieved; and
- iv) Unless the Royalty Option has been exercised by 226, US\$500,000 on the date that is 12 months from the date that commercial production is achieved.

As at October 31, 2022, the Company had advanced \$23,383 (January 31, 2022 - \$91,311) towards deferred exploration costs.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are composed of the following:

	October 31, 2022		January 31, 2022	
Accounts payable	\$	83,001	\$	133,072
Accrued liabilities		17,562		42,735
<b>Total</b>	<b>\$</b>	<b>100,563</b>	<b>\$</b>	<b>175,807</b>

### 7. LOANS PAYABLE

On June 26, 2020, 226 entered into a Bridge Loan Agreement (the "First Loan") with two arms' length parties and one related party (the "Lenders") for a total of US\$50,000 (\$68,797). The First Loan is unsecured, non-interest bearing and repayment is due within 45 days of written demand by the Lenders. On May 27, 2022, 226 revalued the loan to \$64,048 (January 31, 2022 - \$63,595) and accordingly, recorded a foreign exchange loss of \$453, which is included within foreign exchange loss on the statement of loss and comprehensive loss for the nine months ended October 31, 2022 (2021 - \$(2,130)). The loan was repaid on May 27, 2022, for a total of US\$50,000 (\$64,048).

On October 26, 2020, 226 entered into a second Bridge Loan Agreement (the "Second Loan") with the Lenders for a total of \$75,000. The Second Loan is also unsecured, non-interest bearing and repayment is due within 45 days of written demand by the Lenders. The Second Loan was fully repaid on May 27, 2022.

### 8. SHARE CAPITAL

#### a) Authorized

Unlimited number of common shares without par value.

#### b) Issued

##### Nine months ended October 31, 2022

On March 29, 2022, the Company converted the subscription receipts and special warrants into common shares, which resulted in the issuance of 7,143,742 common shares, concurrent with final receipt from the British Columbia Securities Commission of the Company's Long Form Prospectus, and the Company's common shares were listed on the CSE. The Company incurred share issuance costs of \$15,446 in connection with the conversion.

##### Nine months ended October 31, 2021

During the nine months ended October 31, 2021, the Company issued 1,000,000 common shares for gross proceeds of \$20,000 to the CEO (Note 10).

## Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements  
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### 8. SHARE CAPITAL (continued)

On April 12, 2021, the Company issued 21,597,005 common shares with a fair value of \$2,159,700 to 226 shareholders in accordance with the Transaction (Note 4).

On August 6, 2021, the Company issued 343,000 common shares with a fair value of \$120,050 to an arm's length consultant (the "Consultant") pursuant to a one-year marketing agreement (the "Agreement"). The Agreement also stipulates a cash payment of \$10,000 per month for twelve months from the agreement date (the "Initial Term"). If the Company undertakes an offering of equity securities, the Consultant is entitled to a cash commission equal to 7% of the gross proceeds raised from the sale of securities and common shares or other securities equal to 7% of the number of securities sold to those parties introduced to the Company by the Consultant. In the event that a transaction other than an equity securities offering involved a party introduced to the Company by the Consultant, the Consultant is entitled to a minimum transaction fee of \$75,000.

On September 7, 2021, the Company closed a special warrant financing by issuing 2,307,142 special warrants (the "Special Warrants") at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$807,500 (the "Special Warrant Offering"). Each Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the British Columbia Securities Commission (the "BCSC").

On September 22, 2021, the Company closed a subscription receipt financing by issuing 3,612,316 subscription receipts (the "Subscription Receipts") at a price of \$0.35 per Subscription Receipt for aggregate gross proceeds of \$1,264,331, which are held in escrow (the "Escrowed Funds") and included in cash as reported on the condensed consolidated interim statement of financial position as at October 31, 2021. Each Subscription Receipt is convertible into one common share of the Company on the same date that the Escrowed Funds are released, which will be upon filing of a final long form prospectus of the Company with certain provincial securities regulatory authorities in Canada in order to qualify the distribution of the common shares underlying the Subscription Receipts.

On October 1, 2021, the Company closed a second special warrant financing by issuing 1,224,284 special warrants ("Second Special Warrants") at a price of \$0.35 per Second Special Warrant for aggregate gross proceeds of \$428,500 (the "Second Special Warrant Offering"). Each Second Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Second Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the BCSC. The Company incurred cash share issuance costs of \$15,798 in conjunction with the Second Special Warrant Offering.

### 9. RESERVE

#### a) Stock Options

During the nine months ended October 31, 2022, the Company recognized stock-based compensation of \$83,753 (2021 - \$1,330,825) related to the vesting of previously granted options.

A continuity schedule of the Company's outstanding stock options for the nine months ended October 31, 2022 and 2021 are as follows:

	October 31, 2022		January 31, 2022	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	3,822,500	\$ 0.15	-	\$ -
Granted	-	-	3,832,500	0.15
Outstanding, end of period/year	3,822,500	\$ 0.15	3,832,500	\$ 0.15
Exercisable, end of period/year	2,486,250	\$ 0.15	950,000	\$ 0.15

At October 31, 2022, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

**Lode Metals Corp. (formerly Crane Capital Corp.)**

Notes to the Condensed Consolidated Interim Financial Statements  
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**9. RESERVE (continued)**

<b>Expiry date</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Exercise price</b>	<b>Weighted average remaining contractual life (in years)</b>
April 30, 2026	2,872,500	1,636,250	\$ 0.15	3.50
May 12, 2026	750,000	750,000	\$ 0.15	3.53
August 30, 2026	200,000	100,000	\$ 0.15	3.83
	3,822,500	2,486,250	\$ 0.15	3.52

**10. RELATED PARTY TRANSACTIONS**

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

During the nine months ended October 31, 2022, the Company incurred total consulting fees of \$132,127 to the CEO (2021 - \$126,380). The amount was capitalized in exploration and evaluation assets as it relates to project management on the property (Note 5). In addition, the CEO was paid \$16,000 during the period (2021: \$Nil).

During the nine months ended October 31, 2022, the Company recognized stock-based compensation expense related to options granted to directors and officers of \$30,402 (2021 - \$144,097).

During the nine months ended October 31, 2021, the Company issued 1,000,000 common shares for gross proceeds of \$20,000 to the CEO.

As at October 31, 2022, the Company owed \$1,601 (2021 - \$Nil) to a director of the company, which is included within accrued liabilities.

**11. FINANCIAL INSTRUMENTS****a) Categories of financial instruments and fair value measurements**

The Company's financial assets and liabilities are classified as follows:

	<b>October 31, 2022</b>	<b>January 31, 2022</b>
<b>Financial assets:</b>		
<i>Fair value through profit and loss</i>		
Cash and restricted cash	\$ 457,844	\$ 1,825,398
<b>Financial liabilities:</b>		
<i>Amortized cost</i>		
Accounts payable	\$ 83,001	\$ 133,072
Loans payable	-	138,595

The fair values of the Company's accounts payable and loans payable approximate their carrying amounts due to the short-term nature of these instruments.

**b) Management of financial risks****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. At October 31, 2022, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution as at October 31, 2022, management considers its exposure to credit risk to be low.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

## **Lode Metals Corp. (formerly Crane Capital Corp.)**

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the Nine Months Ended October 31, 2022 and 2021**

(Expressed in Canadian Dollars)

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#### **11. FINANCIAL INSTRUMENTS (continued)**

At October 31, 2022, the Company had cash of \$457,844 (January 31, 2022 – \$1,825,398) and current liabilities of \$100,563 (January 31, 2022 – \$314,402) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at October 31, 2022. The Company assessed its liquidity risk as moderate as at October 31, 2022.

##### **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's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at October 31, 2022.

##### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at October 31, 2022, management considers its exposure to foreign currency risk to be low.

#### **12. CAPITAL MANAGEMENT**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity composed of issued share capital. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.