ACME GOLD COMPANY LIMITED

CONDENSED INTERIM
FINANCIAL STATEMENTS

(Unaudited)

(Presented in Canadian Dollars)

For the nine months ended

June 30, 2022 and 2021

ACME GOLD COMPANY LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited – Presented in Canadian dollars)

CONTENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of unaudited condensed interim financial statements and are in accordance with International Accounting Standard 34 - Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ACME GOLD COMPANY LIMITED
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Presented in Canadian dollars)

		As at: June 30, 2022		As at: September 30, 2021
ASSETS				
Current assets				
Cash (Note 3)	$	268,246	$	79,561
Receivable (Note 4)		14,710		4,815
Advance (Note 5)		-		13,125
Prepaid expenses (Note 6)		-		23,000
		282,956		120,501
Exploration and Evaluation Asset (Note 7)		219,566		87,820
	$	502,522	$	208,321
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	128,224	$	30,000
Shareholders' equity				
Share capital (Note 8)		506,467		212,001
Share-base payments reserve (Notes 8 and 9)		72,400		30,000
Deficit		(204,569)		(63,680)
		374,298		178,321
	$	502,522	$	208,321

Nature of Operations and Going Concern (Note 1)
Related Party Transactions (Note 11)

These financial statements were approved by the Board of Directors on July 18, 2022.

On behalf of the Board of Directors:

"*Donald Crossley*" Director
Donald Crossley

"*Mark Lotz*" Director
Mark Lotz

See accompanying notes to the condensed interim financial statements.

ACME GOLD COMPANY LIMITED
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Presented in Canadian dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2022	2021	2022	2021
EXPENSES				
Management fees (Note 11)	$ 4,500	$ 4,500	$ 13,500	$ 7,500
Office and miscellaneous	104	25	454	207
Professional fees (Note 11)	36,239	-	86,951	535
Regulatory fees	12,819	-	22,684	-
Share-based compensation (Notes 8 and 9)	-	-	14,800	30,000
Transfer agent fees	2,500	-	2,500	-
Loss and comprehensive loss for the period	$ (56,162)	$ (4,525)	$ (140,889)	$ (38,242)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	10,721,375	9,095,001	9,637,126	6,330,807

See accompanying notes to the condensed interim financial statements.

ACME GOLD COMPANY LIMITED
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited - Presented in Canadian dollars)

For the nine months ended June 30, 2022 and 2021

	Number of Shares		Share Amount		Share-based payments reserve		Deficit		Total
Balance September 30, 2021	9,095,001	$	212,001	$	30,000	$	(63,680)	$	178,321
Shares issued for cash	4,000,000		400,000		-		-		400,000
Share issue costs	-		(105,534)		-		-		(105,534)
Share-based payments									
- stock options granted	-		-		42,400		-		42,400
Loss and comprehensive loss for the period	-		-		-		(140,889)		(140,889)
Balance June 30, 2022	13,095,001	$	506,467	$	72,400	$	(204,569)	$	374,298
Balance September 30, 2020	1	$	1	$	-	$	(1,938)	$	(1,937)
Founders' shares issued	2,000,000		10,000		30,000		-		40,000
Share units issued for cash	4,500,000		90,000		-		-		90,000
Share units issued for cash	2,400,000		120,000		-		-		120,000
Share units issued for finder's fee	195,000		9,750		-		-		9,750
Share units issue costs	-		(17,750)		-		-		(17,750)
Loss and comprehensive loss for the period	-		-		-		(38,242)		(38,242)
Balance June 30, 2021	9,095,001	$	212,001	$	30,000	$	(40,180)	$	201,821

See accompanying notes to the condensed interim financial statements.

ACME GOLD COMPANY LIMITED
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Presented in Canadian dollars)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Nine months ended June 30, 2022	Nine months ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$ (56,162)	$ (4,525)	$ (140,889)	$ (38,242)
Items not affecting cash				
Share-based compensation	-	-	14,800	30,000
Changes in non-cash working capital items:				
Receivable	(13,424)	(2,825)	(9,895)	(3,068)
Advance	13,125	-	13,125	-
Prepaid expenses	13,000	-	23,000	-
Accounts payable and accrued liabilities	64,499	6,566	98,224	15,778
Net cash provided by (used in) operating activities	21,038	(784)	(1,635)	4,468
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of founders' common shares	-	-	-	10,000
Issuance of common share units	-	-	-	210,000
Issuance of common shares	400,000	-	400,000	-
Share units issue costs	(77,934)	-	(77,934)	(8,000)
Net cash from financing activities	322,066	-	322,066	212,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation assets	(124,159)	(57,492)	(131,746)	(57,492)
Net cash used in financing activities	(124,159)	(57,492)	(131,746)	(57,492)
Change in cash during the period	218,945	(58,276)	188,685	158,976
Cash, beginning of period	49,301	217,253	79,561	1
Cash, end of period	$ 268,246	$ 158,977	$ 268,246	$ 158,977

Supplemental Information with Respect to Cash Flows (Note 13)

See accompanying notes to the condensed interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Acme Gold Company Limited (the "Company") was incorporated under the laws of British Columbia, Canada, on September 25, 2020. The Company's head office address is 992 East 13th Avenue, Vancouver, BC, V5T2L6. The registered and records office address is Suite 1170, 1040 West Georgia Street, Vancouver, BC, Canada, V6E4H1.

The Company obtained a listing, effective May 26, 2022, on the Canadian Securities Exchange ("CSE") under the symbol "AGE".

The Company is an exploration stage company and is engaged principally in the acquisition and exploration of mineral properties. The recovery of the Company's investment in its exploration and evaluation assets is dependent upon the future discovery, development, and sale of minerals, upon the ability to raise sufficient capital to finance these activities, and/or upon the sale of these properties.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Adverse financial market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. Accordingly, these material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

As at June 30, 2022, the Company had working capital of $154,732 (September 30, 2021: working capital of $90,501) and shareholders' equity of $374,298 (September 30, 2021: shareholder's equity of $178,321).

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent 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"). The accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended September 30, 2021. The condensed interim financial statements do not include all of the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's September 30, 2021 annual financial statements.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2022 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

IAS 1 - *Presentation of Financial Statements*

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. CASH

All cash balances are denominated in Canadian dollars and held in deposits at a Canadian chartered bank.

4. RECEIVABLE

The receivable amounts relate to Canadian refundable value added taxes.

5. ADVANCE

The Company paid an advance fee of $13,125 to a securities dealer to act as its agent in connection with the listing on the CSE. The CSE listing was completed on May 26, 2022, and this advance was applied against the share issue costs charged by the securities dealer during the period ended June 30, 2022.

6. PREPAID EXPENSES

The Company has incurred certain legal and agent's fees in connection with the listing on the CSE. The CSE listing was completed on May 26, 2022, and the prepaid amount was applied against the share issue costs charged by the securities dealer during the period ended June 30, 2022.

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(Unaudited – Presented in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSET

On February 18, 2021, the Company entered into a mineral property Option Agreement (the "Agreement") with Orogen Royalties Inc ("Orogen"). Pursuant to the Agreement, the Company has an option to acquire a 100% interest in the mineral claims known as the Lemon Lake Property (the "Property"), located in the Cariboo Mining District of British Columbia, by making a series of cash payments totaling $575,000 to Orogen over a period of 5 years. In addition, the Company must commit to undertaking exploration work of $3 million on the Property during that period. Orogen will retain a 1% Net Smelter Return ("NSR") on the Property after completion of the earn-in; the Company can purchase 0.25% of the NSR for $1.5 million. Furthermore, the Company must make cash payments totaling $700,000 to underlying vendors of the Property upon reaching specified dates and milestones. The underlying vendors also retain a 2% NSR, 1.25% of which can be purchased for $2.5 million.

The Property cash payments and work commitment are summarized as follows:

Date	Cash Payment	Exploration Work Commitment – Incremental Amounts by Year
February 18, 2022	-	$75,000
February 18, 2023	$10,000	$75,000
February 18, 2024	$65,000	$350,000
February 18, 2025	$100,000	$1,000,000
February 18, 2026	$400,000	$1,500,000
	$575,000	$3,000,000

As of September 20, 2021, the Company had spent $87,907 for exploration work on the property, thereby fulfilling the February 18, 2022 work commitment. The amount of $12,907, being in excess of the required $75,000 February 18, 2022 work commitment, will be applied to the February 18, 2023 work commitment. During the period ended June 30, 2022, the Company spent a further $124,246 on exploration work on the property, for a total of $137,153 applicable to the February 23, 2023 work commitment. These amounts are exclusive of the acquisition payment of $7,500, noted below.

The Agreement requires the Company to make cash payments to underlying vendors of the Property at dates and milestones specified, summarized as follows:

Date or Milestone	Cash Payment
February 18, 2022	$7,500(1)
February 18, 2023	$17,500
Completion of 10,000 metres of drilling	$25,000
Announcing resource estimate of 200 million tonnes grading at least 0.5% copper equivalent	$150,000
Announcing commercial production	$500,000
	$700,000

(1) Paid February 8, 2022

(Unaudited – Presented in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSET (continued)

Exploration and evaluation expenditures

The underlying Property vendors and Orogen retain a 3% NSR on mineral production from the Property, which can be bought down to 1.5% for $4 million, summarized as follows:

Vendor	Initial NSR	Buy-down Amount	Post Buy-down NSR
Underlying Vendor #1	1.00%	$1,000,000	0.50%
Underlying Vendor #2	1.00%	$1,500,000	0.25%
Orogen	1.00%	$1,500,000	0.75%
	3.00%	$4,000,000	1.50%

Exploration and evaluation expenditures were incurred as follows:

Exploration Costs	June 30, 2022	September 30, 2021
Balance, beginning of period	$ 87,820	$ -
Acquisition cost	7,500	-
Assays and sampling	5,900	5,030
Camp, travel, and transportation	13,032	3,739
Data compilation and mapping	-	5,525
Drilling	79,221	-
Field equipment rentals	10,944	2,803
Field supplies	326	863
Geochemical and petrology	-	9,881
Geological consulting	13,838	26,804
Reporting and analysis	-	7,175
Shipping	985	-
Surveying	-	26,000
	131,746	87,820
Balance, end of period	$ 219,566	$ 87,820

8. SHARE CAPITAL

Authorized: Unlimited common shares without par value.

Fiscal 2022 Transactions:

On May 25, 2022, pursuant to an Agency Agreement, the Company completed a brokered public offering and a subsequent listing on the CSE, with the issuance of 4,000,000 common shares at a price of $0.10 per share for cash proceeds of $400,000. In connection with this financing, the Company incurred cash share issue costs of $77,934, including the broker-agents' fees and commissions of $55,000, legal fees of $18,609, and other related costs of $4,325. Pursuant to the Agency Agreement, the Company also incurred non-cash share issue costs related to 400,000 stock options granted to the broker-agent with a fair value of $27,600.

8. SHARE CAPITAL (continued)

Fiscal 2021 Transactions:

During the period ended June 30, 2021:

a) On October 23, 2020, the Company issued founders 2,000,000 common shares at a price of $0.005 per share for cash proceeds of $10,000. The founders' shares had a fair value of $40,000 and as a result, the Company recorded share-based compensation of $30,000 and a corresponding increase to share-based payments reserve.

b) On November 27, 2020, pursuant to private placement subscription agreements, the Company issued 4,500,000 common share units at a price of $0.02 per share unit for cash proceeds of $90,000. Each share unit consists of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of $0.05 for a period of 3 years starting from the date the Company obtains its intended listing on the CSE.

c) On March 25, 2021, pursuant to private placement subscription agreements, the Company issued 2,400,000 common share units at a price of $0.05 per share unit for cash proceeds of $120,000. Each share unit consists of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of $0.05 for a period of 3 years starting from the date the Company obtains its intended listing on the CSE. In connection with this private placement, the Company agreed to pay a finder's fee by the issuance of 195,000 common share units valued at $9,750.

In connection with the issuance of the common shares and warrants, the Company incurred cash share issue costs in the amount of $8,000.

9. SHARE-BASED PAYMENTS RESERVE

Stock option plan

The Company grants stock options to directors, officers, employees, and consultants pursuant to the Company's Stock Option Plan (the "Plan"). The number of options that may be issued pursuant to the Plan are limited to 15% of the Company's issued and outstanding common shares, reduced to 10% once the Company obtains its intended listing on the CSE, and to other restrictions with respect to any single participant (not greater than 5% of the issued common shares), or any one consultant (not greater than 2% of the issued common shares), or consultants performing investor relations activities (not greater than 1% of the issued common shares).

Vesting provisions may also be applied to other option grants, at the discretion of the directors. Options issued pursuant to the Plan will have an exercise price as determined by the directors, and permitted by the regulatory authorities, at the time of the grant. Options have a maximum expiry date of 10 years from the grant date.

(Unaudited – Presented in Canadian dollars)

9. SHARE-BASED PAYMENTS RESERVE (continued)

Share-based payments

As at June 30, 2022, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
400,000	$0.10	May 25, 2025
400,000	$0.10	October 31, 2026
800,000	$0.10	

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2021	-	$ -
Issued October 31, 2021	400,000	0.10
Issued May 25, 2022	400,000	0.10
Balance, June 30, 2022	800,000	$ 0.10

During the period ended June 30, 2022, the Company granted stock options as follows:

a) On October 31, 2021, the Company granted 400,000 options to directors and officers of the Company, at an exercise price of $0.10 per share, with a 5-year term, expiring on October 31, 2026. The options were fully vested at the date of grant.

   The fair value of these stock options was estimated to be $14,800 based on calculations using the Black Scholes pricing model. The inputs used in the Black Scholes calculation for the October 31, 2021 options are as follows:

Share price	$0.05
Risk-free interest rate	1.50%
Expected life	5 years
Dividend rate	Nil
Annualized volatility	114.74%

(Unaudited – Presented in Canadian dollars)

9. SHARE-BASED PAYMENTS RESERVE (continued)

Share-based payments (continued)

b) On May 25, 2022, in connection with the brokered public offering, the Company granted 400,000 options to the broker-agent, at an exercise price of $0.10 per share, with a 3-year term, expiring on May 25, 2025. The options were fully vested at the date of grant.

The fair value of these stock options was estimated to be $27,600 based on calculations using the Black Scholes pricing model. The inputs used in the Black Scholes calculation for the May 25, 2022 options are as follows:

Share price	$0.10
Risk-free interest rate	2.54%
Expected life	3 years
Dividend rate	Nil
Annualized volatility	113.87%

10. WARRANTS

As at June 30, 2022, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
4,500,000	$0.05	May 26, 2025
2,595,000	$0.05	May 26, 2025
7,095,000	$0.05	

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2020	-	$ -
Issued November 27, 2020	4,500,000	0.05
Issued March 25, 2021	2,595,000	0.05
Balance, September 30, 2021 and June 30, 2022	7,095,000	$ 0.05

(Unaudited – Presented in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

The Company's related parties consist of key management personnel who are executive officers and/or directors of the Company.

The Company incurred the following fees in connection with transactions with key management personnel.

	Periods ended June 30, 2022	Periods ended June 30, 2021
Management fees	$ 13,500	$ 7,500
Geological services	-	19,378
Share-based compensation	14,800	30,000
	$ 28,300	$ 56,878

On January 1, 2021, the Company entered into a management agreement with a director and officer of the Company, whereby the Company will pay a quarterly management fee of $4,500. At the discretion of this director and officer, this fee was reduced to $1,500 for each of the first two quarterly periods ended March 31, 2021.

On March 8, 2021, the Company entered into a Geological Services Agreement with a director of the Company, who is a professional geologist, whereby the director provided geological services for the initial exploration of the Company's Lemon Lake Property. This agreement ended during the period September 30, 2021 with the completion of the initial exploration programme. The costs of the provided geological services are included in the exploration and evaluation expenditures of the Company's Exploration and Evaluation Asset.

During the period ended June 30, 2022, the Company paid or accrued legal fees in the amount of $67,705 (June 30, 2021 - $8,535) to a company controlled by a family member of a director and officer of the Company. These fees included legal expenses and share issue costs.

Accounts payable and accrued liabilities includes $11,189 (September 30, 2021 - $30,000) owed to related parties.

On October 23, 2020, the Company issued founders 2,000,000 common shares with a fair value of $40,000 to directors, an officer, and a family member of a director and officer of the Company for cash proceeds of $10,000. Accordingly, the Company recorded an amount of $30,000 as share-based payments for the period ended June 30, 2021.

12. SEGMENTED INFORMATION

The Company operates primarily in Canada, is an exploration stage company, and is engaged principally in the acquisition and exploration of mineral properties.

13. SUPPLEMENTAL INFORMATION WITH RESPECT TO CASH FLOWS

During the period ended June 30, 2022, the Company incurred a non-cash share issue cost through the grant of 400,000 stock options with a fair value of $27,600; and incurred a non-cash expense through the grant of 400,000 stock options with a fair value of $14,800.

There were no other non-cash investing or financing activities for the periods presented.

14. FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Financial instrument risk exposure and risk management

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payables approximates their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk
Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

14. FINANCIAL INSTRUMENTS (continued)

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 and equity prices. Such fluctuations may be significant.

a) Interest rate risk – The Company has nominal cash balances. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

b) Foreign currency risk – The Company may be exposed to foreign currency risk on fluctuations of currency related to monetary items with a settlement currency other than Canadian dollars. Currently the Company is not exposed to foreign currency risk.

c) Price risk – The Company may be exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. CAPITAL RISK MANAGEMENT

The Company considers items included in shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

To maximize ongoing development efforts, the Company does not pay out dividends. The Company's approach to managing capital remains unchanged from the period ended September 30, 2021.