SASQUATCH RESOURCES CORP.

Interim Condensed Financial Statements
For the six months ended October 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements, in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

SASQUATCH RESOURCES CORP.

Interim Condensed Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at		**October 31, 2022**		**April 30, 2022**
		(unaudited)		**(audited)**
Assets				
Current				
Cash and cash equivalents (Note 7)	$	516,344	$	622,415
GST/HST receivable		9,992		3,588
Prepaid expense		10,400		-
		536,736		626,003
Exploration and evaluation assets (Note 4, 5)		92,719		24,000
Total Assets	$	629,455	$	650,003
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 6)	$	15,553	$	19,309
Total Liabilities		15,553		19,309
Shareholders' Equity				
Common Shares (Note 5)		870,025		849,400
Subscription receivable		-		(113,862)
Contributed Surplus (Note 5)		71,490		17,449
Deficit		(327,613)		(122,293)
Total Shareholders' Equity		613,902		630,694
Total Liabilities and Shareholders' Equity	$	629,455	$	650,003

Subsequent Events (Note 10)

These financial statements are approved and authorized for issuance on behalf of the Board of Directors on December 16, 2022:

"Peter Smith" (signed)
Director

"Thomas Lamb" (signed)
Director

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

SASQUATCH RESOURCES CORP.

Interim Condensed Statement of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

		Three months ended October 31, 2022 (Unaudited)		52-day period ended October 31, 2021 (Unaudited)		Six months ended October 31, 2022 (Unaudited)
Operating Expenses						
Exploration and evaluation (Note 3, 4)	$	15,856	$	3,296	$	25,860
General and administrative (Note 6)		37,650		67		58,458
Professional fees (Note 6)		66,171		1,580		66,171
Stock based compensation (Note 5, 6)		-		-		54,041
		119,677		4,943		204,530
Other Expense						
Foreign exchange		-		-		790
		-		-		790
Net Loss Before Income Tax	$	(119,677)	$	(4,943)	$	(205,320)
Income tax		-		-		-
Net Loss and Comprehensive Loss	$	(119,677)	$	(4,943)	$	(205,320)
Basic Loss per Share	$	(0.01)	$	(0.00)	$	(0.01)
Weighted Average Number of Common Shares Outstanding		17,535,522		5,110,577		17,494,761

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

SASQUATCH RESOURCES CORP.

Interim Condensed Statement of Changes in Shareholders’ Equity
For the six months ended October 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Outstanding Shares	Common Shares	Subscription receivable	Contributed Surplus	Deficit	Total Shareholders' Equity
		$	$	$	$	$
Balance September 9, 2021 - date of incorporation	1	0			-	0
Common shares issued for cash (Note 5)	10,750,000	215,000	-	-	-	215,000
Common shares issued per option agreement (Note 4, 5)	250,000	5,000				5,000
Share cancellation	(1)	(0)				(0)
Net loss for the period	-	-			(4,943)	(4,943)
Balance, October 31, 2021	11,000,000	220,000	-	-	(4,943)	215,057
Balance, April 30, 2022	17,454,000	849,400	(113,862)	17,449	(122,293)	630,694
Common shares issued for cash (Note 5)	-	-	113,862		-	113,862
Common shares issued per option agreement (Note 4, 5)	250,000	20,625				20,625
Share based payment (Note 5, 6)	-	-		54,041	-	54,041
Net loss for the year	-	-			205,320	205,320
Balance, October 31, 2022	17,704,000	870,025	-	71,490	83,027	1,024,542

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

SASQUATCH RESOURCES CORP.
Interim Condensed Statement of Cash Flows
For the six months ended October 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

		Six months ended October 31, 2022		52-day period ended October 31 2021
Cash Provided by (Used in)				
Operating Activities				
Net loss	$	205,320	$	(4,943)
Items not affecting cash:				
Share-based payments		54,041		-
Changes in non-cash working capital items:				
GST/HST receivable		(6,404)		(216)
prepaid expenses		(10,400)		-
Accounts payable and accrued liabilities		(3,756)		30,137
		238,801		24,978
Investing Activities				
Purchase of exploration and evaluation assets		(48,094)		(15,000)
		(48,094)		(15,000)
Financing Activities				
Subscription receivable		113,862		
Issuance of common shares		-		215,000
		113,862		215,000
Inflow (Outflow) of Cash and Cash Equivalents		304,569		224,978
Cash and cash equivalents - Beginning of period		622,415		-
Cash and cash equivalents - End of period	$	926,984	$	224,978
Supplemental disclosure of non-cash transactions:				
Shares issued for exploration and evaluation assets	$	20,625	$	Nil

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sasquatch Resources Corp. (formerly Scenc Resources Corp.) (the “Company”) was incorporated under the *BC Business Corporations Act* on September 9, 2021. The principal business of the Company is the acquisition, exploration and evaluation of mineral properties. The Company’s registered and records office address is 600-1090 West Georgia Street, Vancouver, BC, V6E 3V7. The Company has no subsidiaries.

These interim condensed financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the three months ended October 31, 2022, the Company incurred a net loss of $119,677, and at present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

At the time these financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company’s business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries, to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact at the date of approval of these financial statements, there may be further adverse impact on the Company’s financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These interim condensed financial statements have been prepared in accordance International Accounting Standard (“IAS”) 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended April 30, 2022, which have been prepared according to International Financial Reporting Standards as issued by the IASB.

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION (Continued)

(c) Approval of the financial statements

These interim condensed financial statements were authorized for issue by the Audit Committee and Board of Directors on December 16, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Mineral property

(i) Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as an expense as they are incurred. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. This review is based on the Company's intentions for development of the undeveloped property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

(ii) Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management, are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property (Continued)

(iii) Impairment

The carrying value of all categories of mineral property and exploration are reviewed at each reporting period by management for indicators the recoverable amount may be less than the carrying value. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs.

Once calculated, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures, underlying the fair value estimates are subject to risks uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior reporting periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property (Continued)

(iv) Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(b) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are priced, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Capital stock – the market trading price of the common share;
- Warrant reserve – based on the valuation derived using the Black-Scholes option pricing model; and
- Flow-through premium – any excess, recorded as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed as exploration and evaluation costs and the flow-through premium, if any, is amortized to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Flow-through shares (Continued)

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule in accordance with Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

(c) Mining exploration tax recoveries

The Company recognizes mining exploration tax recoveries in the period in which there is reasonable expectation, based on management's estimate, of receiving a refund. The amount of tax credit receivable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

(d) Financial instruments

(i) Financial assets

<u>Initial recognition and measurement</u>

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

<u>Subsequent measurement</u>

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are carried in the statement of financial position at fair value with changes in fair value included in other comprehensive income. The Company has no financial assets classified as fair value through other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(i) Financial assets

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company classifies cash and cash equivalents as fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset measured at amortized cost is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if necessary. The Company has no financial assets classified as amortized cost.

(ii) Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

i. the contractual rights to receive cash flows from the financial asset have expired; or
ii. the Company has transferred substantially all the risks and rewards of the financial asset.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Financial liabilities at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company's accounts payable and accrued liabilities are measured at amortized cost.

Financial liabilities at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company has no financial liabilities classified as fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and cash equivalents. Their carrying values approximate the fair values due to short-term maturity of these instruments.

(e) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The Company follows the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component. The fair value of the common shares issued in a private placement are determined to be the more easily measurable component and are valued at their fair value on the announcement date and the balance, if any, is allocated to the attached warrants.

(f) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(h) Stock based compensation

Share-based expenses for directors, officers, employees and consultants are measured at fair value at the date of grant and recorded as stock-based compensation expense on the statement of comprehensive loss with a corresponding increase in contributed surplus. The fair value, using the Black-Scholes model, determined at the grant date is expensed over the vesting period based on the Company's estimate of options that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise is credited to capital stock. Shares are issued from treasury upon the exercise. If warrants expire or granted options vest and then subsequently expire, no reversal of contributed surplus is recognized.

(i) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Use of estimates and judgments (Continued)

Significant areas requiring the use of management's judgments include:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Stock based Compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them which are disclosed in Note 5.

Impairment of mineral properties

The Company's mineral property represents acquisition costs relating to the Company's mineral properties. At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the greater of the asset's value in use and fair value less costs to sell. The Company considers both external and internal sources of information in assessing whether there are any indications that the Company's mineral properties are impaired.

4. MINERAL PROPERTY

The Mount Sicker Property claims consist of a single contiguous block of 17 cell mineral claims covering 2,103 hectares situated within the Victoria Mining Division of British Columbia, Canada. On October 1, 2021 ("Mount Sicker Property Option Agreement"), and November 5, 2021 ("Tyee Property Option Agreement"), the Company entered into two option agreements, each with a director of the Company and 802213 Alberta Ltd. (collectively, the "Optionor"), whereby the Company was granted an exclusive option to acquire a 100% interest in 16 of the mineral claims making up the Mount Sicker Property. The remaining claim making up the property was acquired by the Company through staking.

Under the terms of the option agreements, the Company is required to issue 2,750,000 common shares (of which 650,000 common shares have been issued as of October 31, 2022), in aggregate, and pay $300,000 (of which $60,000 has been paid to date), in aggregate, to the Optionor, and to incur $250,000 in exploration expenditures on the property, in aggregate, all of which are to be paid, issued or incurred within three years of the agreement dates.

4. MINERAL PROPERTY (Continued)

Per the terms of the Mount Sicker Property Option Agreement, the Company is required to grant to each of the two Optionors a 1.0% Net Smelter Returns ("NSR") royalty on the 15 claims covered by the agreement. The Company has the option to repurchase one-half of the NSR from each of the two Optionors by paying $1,000,000 to each party at any time prior to the commencement of commercial production on the property.

Per the terms of the Tyee Property Option Agreement, the Company is required to grant to each of the two Optionors a 1.0% NSR royalty on the 1 claim covered by the agreement. The Company has the option to repurchase one-half of the NSR from each of the two Optionors by issuing 250,000 common shares to each party at any time prior to commencement of commercial production on the property.

On September 16, 2022, the Company acquired two additional mineral claims covering 1,232.13 hectares adjacent to the Company's Mount Sicker Property pursuant to an asset purchase agreement with 911 Mining Co., a related party, owned by a director of the Company. As consideration for the claims, the Company paid $2,528.40, representing a reimbursement of costs to select the claims.

On September 16, 2022, the Company received the transfer of one mineral claim comprising the Mount Sicker Property that had been held on behalf of the Company through a bare trustee. As consideration for the claim, the Company paid the bare trustee $520.72, representing a reimbursement of the cost to select the claim.

5. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

As at October 31, 2022, the total issued and outstanding share capital consists of 17,704,000 common shares issued as follows:

(i) On September 9, 2021, the Company issued 1 common share at a price of $0.01 in connection with the incorporation of the Company. The share was subsequently surrendered, and the certificate cancelled.

(ii) On October 1, 2021, the Company entered into an option agreement and issued 250,000 common shares and paid $15,000 in cash in relation to the option agreement (Note 4). These shares were valued at $5,000. The value of these shares was determined with reference to the price of common shares issued on October 8, 2021.

(iii) On October 8, 2021, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $215,000 by the issuance of 10,750,000 common shares at a price of $0.02 per share.

(iv) On November 5, 2021, the Company entered into an option agreement and issued 200,000 common shares in relation to the option agreement (Note 4). These shares were valued at $4,000. The value of these shares was determined with reference to the price of common shares issued on October 8, 2021.

5. SHAREHOLDERS' EQUITY (Continued)

(v) On April 30, 2022, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $625,400 by the issuance of 6,254,000 common shares at a price of $0.10 per share. At April 30, 2022, the Company recorded $113,862 in subscription receivable related to proceeds not yet received for shares issued in the financing. During the quarter ended July 31, 2022, the Company received the full amount of $113,862 of subscription receivable.

(vi) On October 1, 2022, the Company issued 250,000 common shares in relation to the option agreement for Mount Sicker (Note 4). These shares were valued at $20,625. The value of these shares of $0.0825 was determined with reference to the price of common shares at issuance date.

Stock Options

The Company has a stock option plan (the "Plan") available to directors, employees and consultants with grants under the Plan approved from time to time by the Board of Directors. Under the plan the Company is authorized to issue options to purchase an aggregate of up to 20% of the Company's issued and outstanding shares. Each option can be exercised to acquire one common share of the Company. The exercise price for an option granted under the Plan may not be less than the market price at the date of grant.

On November 18, 2021, the Company granted 1,120,000 stock options with a ten-year term at an exercise price of $0.10 per share and may be exercised at any time from the grant date through to the expiry date.

On May 12, 2022, the Company granted 600,000 stock options with a ten-year term at an exercise price of $0.10 per share and may be exercised at any time from the grant date through to the expiry date.

Options to purchase common shares have been granted to directors, employees and consultants as follows:

	Exercise Price	Expiry Date	September 9, 2021	Granted	Exercised	Expired	October 31, 2022
$	0.10	11/18/2031	-	1,120,000	-	-	1,120,000
$	0.10	05/12/2032	-	600,000	-	-	600,000
Total outstanding			-	1,720,000	-	-	1,720,000
Total exercisable			-	1,720,000	-	-	1,720,000

The following is a summary of stock option activity from September 9, 2021 (inception) to October 31, 2022:

	Number of options	Weighted Average Exercise Price ($)
Balance outstanding at September 9, 2021	-	-
Issued	1,120,000	0.10
Balance outstanding at April 30, 2022	1,120,000	0.10
Issued	600,000	0.10
Balance outstanding at October 31, 2022	1,720,000	0.10

5. SHAREHOLDERS' EQUITY (Continued)

Stock Options (Continued)

The Company recorded a total of $54,041 as stock-based compensation expense, being the fair value of the options vested during the period ended October 31, 2022. The fair value of the options has been estimated at the date of grant using the Black-Scholes pricing model with the following weighted average assumptions:

	Six months ended 31-Oct-22
Risk-free interest rate	2.7%
Estimated volatility	100%
Expected life in years	10
Expected dividend yield	0.00%
Estimated forfeitures	0.00%
Grant date fair value per option	$0.09

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

As of October 31, 2022, the weighted average remaining life of the 1,720,000 stock options outstanding was 9.23 years.

6. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

Remuneration of key management of the Company was as follows:

	Six months ended October 31, 2022 $
Stock-based compensation	36,027
Consulting fees	19,000
Professional fees	54,000
Total	**109,027**

6. RELATED PARTY TRANSACTIONS (Continued)

During the six months ended October 31, 2022, the Company incurred $19,000 (2021 – nil) of consulting fees with the Chief Executive Officer and Chief Financial Officer of the Company, and $54,000 (2021 – nil) of professional fees were incurred by a law firm of which the Company's Corporate Secretary is a partner.

During the six months ended October 31, 2022 (2021 – nil), the Company incurred $36,037 of stock-based compensation with directors and officers of the Company.

As at October 31, 2022, the Company had $2,000 (2021 – nil) due to the Company's Chief Financial Officer, and $5,000 (2021 – nil) due to the Company's Chief Executive Officer included in accounts payable and accrued liabilities. Interest is not charged on outstanding balances and there are no specific terms of repayment.

On September 16, 2022, the Company acquired two additional mineral claims covering 1,232.13 hectares adjacent to the Company's Mount Sicker Property pursuant to an asset purchase agreement with a company controlled by a director of the Company. As consideration for the claims, the Company paid $2,528.40, representing a reimbursement of costs to select the claims.

On October 1, 2022, the Company paid $22,500 and issued 125,000 common shares to a company controlled by a director of the Company in connection with the Mount Sicker Property Option Agreement (Note 4).

7. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risk arising from these financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at October 31, 2022, the Company has cash of $516,344 available to apply against short-term business requirements and current liabilities of $15,553. All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of October 31, 2022. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

8. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the three or six months ended October 31, 2022.

9. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

10. SUBSEQUENT EVENTS

On November 5, 2022, pursuant to the Tyee Property Option Agreement dated as of November 5, 2021, the Company fulfilled its first-year option obligations by issuing an aggregate of 200,000 common shares to the Optionors (Note 4), of which 100,000 common shares were issued to a related party. The shares were issued in accordance with applicable securities laws at a price of $0.09 per share and are subject to a four month hold period.