GOLD TERRA RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

September 30, 2022

(Expressed in Canadian Dollars)

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Current			
Cash and cash equivalents		$ 666,031	$ 2,149,245
GST/HST receivables		46,858	82,783
Prepaids and deposits		62,389	87,290
		775,278	2,319,318
Non-current			
Equipment	3	4,478	5,175
Reclamation deposits	5	152,540	152,540
Exploration and evaluation assets	6	45,588,147	40,113,063
		45,745,165	40,270,778
		$ 46,520,443	$ 42,590,096
LIABILITIES			
Current			
Trade payables and accrued liabilities	7, 8	$ 859,799	$ 235,710
Deposit payable	4	-	25,000
Deferred premium on flow-through shares	13	-	36,738
		859,799	297,448
Non-current			
Deferred income tax liability		690,000	158,000
		690,000	158,000
		1,549,799	455,448
SHAREHOLDERS' EQUITY			
Share capital	9	60,576,549	56,724,768
Share-based payment reserve	9, 10	4,508,227	4,342,798
Deficit		(20,114,132)	(18,932,918)
		44,970,644	42,134,648
		$ 46,520,443	$ 42,590,096

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 22, 2022.

They are signed on the Company's behalf by:

"Gerald Panneton"	*"Patsie Ducharme"*
Gerald Panneton, Chairman and Chief Executive Officer	Patsie Ducharme, Director

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited; Expressed in Canadian dollars)

	Note	Three months ended September 30 2022	Three months ended October 31 2021	Nine Months Ended September 30, 2022	Nine Months Ended October 31, 2021
EXPENSES					
Amortization	3	$ 766	$ 643	$ 2,176	$ 1,654
Consulting	8	12,975	-	51,933	1,820
Directors' fees	8	13,750	19,280	52,250	57,780
Management compensation	8	112,500	150,000	337,500	450,000
Office, rent and miscellaneous		15,447	24,426	42,055	38,954
Professional fees	8	53,659	48,672	206,700	149,312
Salaries and benefits		61,143	43,981	189,897	141,428
Share-based payments	8, 9	51,718	94,198	165,429	329,221
Transfer agent, filing fees and shareholder communications		182,336	179,536	581,825	526,840
Travel and related costs		24,316	10,009	99,713	10,009
		(528,610)	(570,745)	(1,729,478)	(1,707,018)
OTHER ITEMS					
Flow-through share premium reversal	13	350,088	305,934	1,080,264	833,429
LOSS BEFORE INCOME TAXES		(178,522)	(264,811)	(649,214)	(873,589)
Deferred income tax expense		(291,000)	(451,000)	(532,000)	(451,000)
NET AND COMPREHENSIVE LOSS FOR THE PERIOD		$ (469,522)	$ (715,811)	$ (1,181,214)	$ (1,324,589)
Loss per share - basic and diluted		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		218,252,660	189,328,637	213,545,155	188,390,908

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Note	Number of shares		Share capital		Reserves		Deficit		Total shareholders' equity
Balance at January 31, 2021 (audited)		**181,328,637**	**$**	**53,294,764**	**$**	**3,966,232**	**$**	**(16,449,642)**	**$**	**40,811,354**
Loss for the year		-		-		-		(1,324,589)		(1,324,589)
Shares issued on private placement	9	8,000,000		2,880,000		-		-		2,880,000
Share issuance costs	9	-		(34,007)		-		-		(34,007)
Flow-through share premium	9	-		(880,000)		-		-		(880,000)
Share-based payments	9	-		-		329,221		-		329,221
Balance at October 31, 2021 (unaudited)		**189,328,637**		**55,260,757**		**4,295,453**		**(17,774,231)**		**41,781,979**
Loss for the period		-		-		-		(1,158,687)		(1,158,687)
Shares issued on financing	9	7,142,857		1,500,000		-		-		1,500,000
Share issuance costs	9	-		(35,989)		-		-		(35,989)
Share-based payments	9	-		-		47,345		-		47,345
Balance at December 31, 2021 (audited)		**196,471,494**		**56,724,768**		**4,342,798**		**(18,932,918)**		**42,134,648**
Loss for the period		-		-		-		(1,181,214)		(1,181,214)
Shares issued on financing	9	21,721,166		5,604,970		-		-		5,604,970
Shares issued to acquire property	9	60,000		13,800		-		-		13,800
Share issuance costs	9	-		(723,463)		-		-		(723,463)
Flow-through share premium	13	-		(1,043,526)		-		-		(1,043,526)
Share-based payments	9	-		-		165,429		-		165,429
Balance at September 30, 2022 (unaudited)		**218,252,660**	**$**	**60,576,549**	**$**	**4,508,227**	**$**	**(20,114,132)**	**$**	**44,970,644**

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited; Expressed in Canadian dollars)

	Nine Months Ended September 30, 2022	Nine Months Ended October 31, 2021
Cash provided by (used in):		
Operating activities		
Net loss	$ (1,181,214)	$ (1,324,589)
Items not involving cash:		
Deferred income tax expense	532,000	451,000
Amortization	2,176	1,654
Share-based payments	165,429	329,221
Flow-through premium reversal	(1,080,264)	(833,429)
Changes in non-cash working capital items:		
Receivables	35,925	37,484
Prepaids and deposits	24,901	10,607
Deposit	(25,000)	-
Trade payables and accrued liabilities	81,119	(18,807)
Net cash used in operating activities	(1,444,928)	(1,346,859)
Investing activities		
Expenditures on exploration and evaluation assets	(4,918,314)	(3,060,003)
Purchase of equipment	(1,479)	(3,302)
Net cash used in investing activities	(4,919,793)	(3,063,305)
Financing activities		
Issuance of common shares, net of share issuance costs	4,881,507	2,845,993
Net cash provided by financing activities	4,881,507	2,845,993
Change in cash and cash equivalents	(1,483,214)	(1,564,171)
Cash and cash equivalents - beginning of period	2,149,245	3,281,202
Cash and cash equivalents - end of period	$ 666,031	$ 1,717,031

Supplemental cash flow information (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Gold Terra Resource Corp. (the "Company" or "Gold Terra") was incorporated under the Business Corporations Act (British Columbia) on August 1, 2007 and its principal activity is the exploration and development of mineral properties in Canada. The Company changed its name from TerraX Minerals Inc.to Gold Terra Resource Corp. on February 13, 2020. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "YGT" and OTCQX Market under the symbol "YGTFF".

The head office of the Company is located at 410-325 Howe Street, Vancouver, British Columbia, Canada, V6C 1Z7. The registered address and records office of the Company is located at 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

The Company has one wholly-owned subsidiary, Gold Matter Corporation ("Gold Matter"), which was incorporated under the Business Corporations Act (Ontario).

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2022, the Company has not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards ("IFRS")

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

Basis of consolidation and presentation

These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

The preparation of condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

(Unaudited; Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Change of fiscal year end

Effective in 2021, the fiscal year end of the Company was changed from January 31 to December 31 in order to align the Company's year-end with that of comparative companies and its subsidiary, which operates on a calendar fiscal year end in New Brunswick, Canada. Accordingly, the prior year's consolidated financial statements are prepared for 11 months from February 1 to December 31, 2021, and as a result, the comparative figures stated in the statements of comprehensive loss, changes in shareholders' equity, and cash flow and the related notes might not be comparable.

Significant accounting policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the period ended December 31, 2021.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the period ended December 31, 2021. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended September 30, 2022 are not necessarily indicative of the results that may be expected for the current fiscal year.

New accounting standards and interpretations

There were no new accounting standards and interpretations which had a material impact on adoption during the nine months ended September 30, 2022.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed consolidated interim financial statements.

3. EQUIPMENT

Cost		
Balance, January 31, 2021	$	218,231
Acquisitions		3,302
Balance, December 31, 2021		221,533
Acquisitions		1,479
Balance, September 30, 2022	$	223,012
Accumulated amortization		
Balance, January 31, 2021	$	214,061
Amortization		2,297
Balance, December 31, 2021		216,358
Amortization		2,176
Balance, September 30, 2022	$	218,534
Net book value, December 31, 2021	$	5,175
Net book value, September 30, 2022	$	4,478

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4. DEPOSIT PAYABLE

The Company held a $25,000 deposit payable to its sublessee up until the lease terminated on January 31, 2022.

5. RECLAMATION DEPOSITS

As of September 30, 2022, security deposits of $152,540 (December 31, 2021 - $152,540) were deposited with the Minister of Aboriginal Affairs and Northern Development Canada for land use permits issued by the Mackenzie Valley Land and Water Board ("MVLWB") for the Company's exploration properties in the Northwest Territories. The security deposits will be refunded once the land use permit ends and a final report describing land use activities during the respective term of the permits are submitted to the MVLWB and reclamation activities are completed.

6. EXPLORATION AND EVALUATION ASSETS

(a) Yellowknife City Gold Project, Northwest Territories

The Yellowknife City Gold project ("YCG") is comprised of the Northbelt, Southbelt, Eastbelt and Quyta-Bell properties in the Northwest Territories as well as additional claims and property interests that have been acquired and incorporated into the Northbelt, Southbelt and Eastbelt properties as described in more detail below.

In May 2013 and May 2015, the Company granted Osisko Gold Royalties Ltd. (formerly Virginia Mines Inc.) ("Osisko") an option to acquire a 3% net smelter return royalty ("NSR") on certain properties in the YCG by making a payment of $4,000,000 within three months following commencement of production.

Northbelt Property

The Company owns 100% of the mineral lease and claims in the Northbelt Property.

To September 30, 2022, the Company has incurred exploration and evaluation expenditures, net of recoveries, totalling $34,767,435 (December 31, 2021 - $32,361,266) on the Northbelt Property.

Southbelt Property

The Company owns 100% of the mineral claims in the Southbelt Property.

To September 30, 2022, the Company has incurred exploration and evaluation expenditures totalling $581,659 (December 31, 2021 - $578,959) on the Southbelt Property.

Eastbelt Property

On February 1, 2017, the Company announced that it had staked certain claims east of the City of Yellowknife known as the Eastbelt Property that have been incorporated into the YCG.

On September 15, 2017, the Company acquired contiguous claims which have been incorporated into the Eastbelt Property. The claims are subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000. On completion of the acquisition, the Company is also obligated to pay an annual advance royalty of $6,000 until the commencement of production. As consideration, the Company paid a total of $50,000 and issued a total of 150,000 common shares, of which the last 50,000 common shares were issued on November 1, 2019.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

(a) Yellowknife City Gold Project, Northwest Territories (cont'd)

On November 17, 2017, the Company acquired an additional contiguous claim that has been incorporated into the Eastbelt Property. As consideration, the Company paid $5,000 and issued 40,000 common shares at a fair value of $20,000. The Company also incurred additional acquisition costs of $17,166.

On September 25, 2018, the Company acquired additional contiguous claims, the Tom and Sickle claims, that have been incorporated into the Eastbelt Property. As consideration, the Company paid $25,000 and issued 250,000 common shares at a fair value of $95,000. The Company also incurred additional acquisition costs of $132,380. These claims are subject to a 2% NSR.

On January 30, 2020, the Company announced that it acquired 100% interest in two claims, Aurora 1 and 2 in Yellowknife which are contiguous to the existing properties. The acquisition terms are:

- $10,000 cash paid upon TSX-V acceptance for filing of the agreement (paid);
- 100,000 common shares issued upon TSX-V acceptance for filing of the agreement (issued); and
- A 2% NSR royalty with a buyback of 1% for $1,000,000 and an additional 0.5% buyback for a further $1,000,000.

To September 30, 2022, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $1,663,721 (December 31, 2021 - $1,640,809) on the Eastbelt Property.

Quyta-Bell Property

On March 7, 2018, the Company announced that it had expanded its land position at the YCG through the staking of an additional 337.5 square kilometers immediately to the north of its current properties. These additional 47 claims have been named the Quyta-Bell property and have been incorporated into the YCG.

On March 16, 2021, the Company entered into an option agreement to acquire 100% interest in a claim in Yellowknife which is contiguous to the existing properties. The acquisition terms are:

- make cash payments of $15,000 (paid) and issue 40,000 shares upon receipt of TSX-V approval (issued);
- make cash payments of $5,000 (paid) and issue 20,000 shares by April 6, 2022 (issued);
- make cash payments of $5,000 and issue 20,000 shares by April 6, 2023; and
- make cash payments of $5,000 and issue 20,000 shares by April 6, 2024;

To September 30, 2022, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $491,354 (December 31, 2021 - $471,451) on the Quyta-Bell property.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

(b) Con Mine Option Property

On November 22, 2021, the Company announced that it entered into a definitive option agreement (the "Option Agreement") with Newmont Canada FN Holdings ULC ("Newmont FN") and Miramar Northern Mining Ltd. ("MNML"), both wholly owned subsidiaries of Newmont Corporation ("Newmont"), which grants Gold Terra the option, upon meeting certain requirements, to purchase MNML from Newmont FN, which includes 100% of all the assets, mineral leases, Crown mineral claims and surface rights comprising the former Con mine, as well as the areas immediately adjacent to the former Con mine (together known as the "Con Mine Option Property"). The Option Agreement replaced and superseded the initial exploration agreement signed on September 4, 2020. Pursuant to the Option Agreement in order to complete this purchase:

- Gold Terra to incur a minimum of $8,000,000 in exploration expenditures over a period of four years, which will include all exploration expenditures incurred to date under the initial exploration agreement.
- Gold Terra and Newmont agreed that Gold Terra spent approximately $3,200,000 in exploration expenditures to October 31, 2021.
- Gold Terra is also required to:
    - Complete a prefeasibility study ("PFS") with a minimum of 1.5 million ounces in all mineral resource categories;
    - Obtain all necessary regulatory approvals for the purchase and transfer of MNML's assets and liabilities to Gold Terra; and
    - Post a cash bond to reflect the status of the Con mine reclamation plan at the time of closing.
- Upon completion of the above, Gold Terra must make a final cash payment of $8,000,000.

Newmont will retain a 2% NSR on minerals produced from the Con Mine Option Property. The NSR may be reduced by 50% by the Company paying Newmont the sum of $10,000,000, for a period of two years following the announcement of commercial production.

After Gold Terra exercises its option, Newmont will have a period of two years to exercise its back-in right of a 51% participating interest in MNML and the Con Mine Option Property, which can be triggered by Gold Terra delineating a minimum of 5 million ounces of gold in the measured and indicated mineral resource categories supported by a National Instrument 43-101 technical report. To be eligible to exercise the back-in right, Newmont will:

- Reimburse Gold Terra three times the amount of all of the expenditures incurred on the Con Mine Option Property from September 4, 2020;
- Refund to Gold Terra the $8,000,000 cash payment;
- Payment of $30 (U.S.) per ounce of gold for 51% of the total ounces reported in the technical report; and
- Assume 51% of the environmental liability and its share of the posted bond.

If exercised, the back-in right is expected to be completed by a new joint venture led by Newmont. At such time, the 2% NSR would also be eliminated.

To September 30, 2022, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $6,684,581 (December 31, 2021 - $3,687,053) on the Con Mine Option Property.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

(c) Stewart Property, Newfoundland

On June 28, 2010, and as last amended on September 26, 2012, the Company entered into an option agreement to acquire a 100% interest in the Stewart Property located in the Burin Peninsula of Newfoundland. The Company completed its commitments and acquired 100% interest.

The Stewart Property is subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000.

During the eleven months ended December 31, 2021, the Company recorded an impairment of $1,086,057 and wrote down the property to $1 due to no exploration plan for this property.

(d) Mulligan Property, New Brunswick

On October 21, 2019, the Company acquired a 100% interest in the Mulligan Property through the acquisition of Gold Matter Corporation.

To September 30, 2022, the Company has incurred expenditures including acquisition costs totalling $1,399,396 (December 31, 2021 - $1,373,524) on the Mulligan Property.

(Unaudited; Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

The following are details of the Company's exploration and evaluation assets:

	Northbelt	Southbelt	Eastbelt	Quyta-Bell	Con Mine Option	Stewart	Mulligan	Total
Balance at January 31, 2021	$ 31,886,630	$ 578,286	$ 1,619,549	$ 441,269	$ 793,476	$ 1,082,458	$ 1,369,122	$ 37,770,790
Acquisition costs	14,376	-	20,937	16,103	31,836	-	-	83,252
Exploration costs:								
Assays and drilling (Note 8)	287,718	-	-	-	2,722,288	-	12,402	3,022,408
Community	10,818	-	-	-	3,632	-	-	14,450
Consulting (Note 8)	69,164	-	300	450	51,762	-	-	121,676
Environmental	1,792	-	-	-	49,833	-	-	51,625
Field expenses	90,768	673	23	13,629	34,226	3,600	-	142,919
	460,260	673	323	14,079	2,861,741	3,600	12,402	3,353,078
Impairment	-	-	-	-	-	(1,086,057)	-	(1,086,057)
Recoveries	-	-	-	-	-	-	(8,000)	(8,000)
Balance at December 31, 2021	$ 32,361,266	$ 578,959	$ 1,640,809	$ 471,451	$ 3,687,053	$ 1	$ 1,373,524	$ 40,113,063
Acquisition costs	17,357	425	16,793	19,903	-	-	6,260	60,738
Exploration costs:								
Assays and drilling (Note 8)	2,200,105	54	-	-	2,959,519	-	27,498	5,187,176
Community	19,800	-	-	-	3,000	-	-	22,800
Consulting (Note 8)	62,743	-	-	-	132,407	-	-	195,150
Environmental	109,898	-	6,119	-	151,034	-	-	267,051
Field expenses	53,719	2,221	-	-	(2,753)	-	-	53,187
	2,446,265	2,275	6,119	-	3,243,207	-	27,498	5,725,364
Recoveries	(57,453)	-	-	-	(245,679)	-	(7,886)	(311,018)
Balance at September 30, 2022	$ 34,767,435	$ 581,659	$ 1,663,721	$ 491,354	$ 6,684,581	$ 1	$ 1,399,396	$ 45,588,147

(Unaudited; Expressed in Canadian dollars)

7. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade payables and accrued liabilities consist of the following:

	September 30, 2022	December 31, 2021
Trade payables	$ 668,185	$ 169,806
Due to related parties (Note 8)	120,364	30,904
Accrued liabilities	71,250	35,000
	$ 859,799	$ 235,710

8. RELATED PARTY TRANSACTIONS

Related Party Balances

As at September 30, 2022, $120,364 (December 31, 2021 - $30,904) was due to directors of the Company or to companies controlled by officers of the Company and recorded in trade payables and accrued liabilities (see table below). These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

Key Management Compensation

The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration to key management of the Company and the payments to companies controlled by officers of the Company as defined above were as follows:

	Amounts Incurred During		Due to Related Parties	
	Nine Months Ended September 30, 2022	Nine Months Ended October 31, 2021	As at September 30, 2022	As at December 31, 2021
Directors' fees	$ 52,250	$ 57,780	$ 31,643	$ 19,797
Geological consulting - exploration and evaluation assets [(a)]	186,805	59,181	27,324	4,379
Management compensation	337,500	450,000	37,500	-
Management expense reimbursement	-	-	2,896	6,728
Professional fees [(b)]	90,025	90,000	21,000	-
Share-based payments	60,707	149,797	-	-
	$ 727,288	$ 806,758	$ 120,364	$ 30,904

During the nine months ended September 30, 2022:

(a) The Company incurred $186,805 (nine months ended October 31, 2021 - $59,181) of geological consulting fees for its exploration and evaluation assets with a company related to the Chief Operating Officer of the Company.

(b) The Company incurred $90,025 (nine months ended October 31, 2021 - $90,000) to a company controlled by the Chief Financial Officer of the Company.

9. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued share capital

Nine months ended September 30, 2022:

a) On February 28, 2022, the Company completed a bought deal financing (the “Offering”), including the exercise in full of the underwriters’ over-allotment option. Pursuant to the Offering, (i) 8,912,500 charitable flow-through common shares (the “Charitable FT Shares”) were issued at a price of $0.30 per Charitable FT Share, (ii) 8,046,700 traditional flow-through common shares (the “Traditional FT Shares”) were issued at a price of $0.24 per Traditional FT Share, and (iii) 4,761,966 common shares (the “Common Shares”) were issued at a price of $0.21 per Common Share, for aggregate gross proceeds of $5,604,970. The Offering was made through a syndicate of underwriters led by Stifel GMP and including BMO Capital Markets and Beacon Securities Limited (collectively, the “Underwriters”). The Underwriters received a cash commission of $392,348. Share issuance costs of $331,115 were incurred with respect to this Offering.

b) The Company issued 60,000 common shares with a fair value of $13,800 towards consideration for the acquisition of exploration and evaluation assets (Note 6(a)).

Eleven months ended December 31, 2021:

a) On March 4, 2021, the Company completed a non-brokered private placement of 8,000,000 flow-through common shares of the Company (the "FT Shares") at a price of $0.36 per FT Share for gross proceeds of $2,880,000. Share issuance costs of $34,007 were incurred with respect to this placement.

b) On December 3, 2021, the Company announced that it had completed a private placement with Newmont, issuing 7,142,857 common shares at a price of $0.21 per share for gross proceeds of $1,500,000. Share issuance costs of $27,011 were incurred with respect to this placement.

Stock options

The Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer cannot exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities cannot exceed 2% of the issued and outstanding common shares.

Stock option transactions and the number of stock options for the nine months ended September 30, 2022 are summarized as follows:

(Unaudited; Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd)

Stock options (cont'd)

Expiry date	Exercise price ($)	January 31, 2021	Issued	Expired / cancelled	December 31, 2021	Issued	Expired / cancelled	September 30, 2022
June 15, 2021	0.41	1,250,000	-	(1,250,000)	-	-	-	-
December 30, 2024	0.30	2,710,000	-	(200,000)	2,510,000	-	(400,000)	2,110,000
April 14, 2025	0.30	400,000	-	-	400,000	-	-	400,000
August 11, 2025	0.435	1,125,000	-	-	1,125,000	-	-	1,125,000
December 11, 2025	0.35	1,281,250	-	(50,000)	1,231,250	-	-	1,231,250
December 18, 2025	0.35	200,000	-	-	200,000	-	-	200,000
August 16, 2026	0.26	-	200,000	-	200,000	-	-	200,000
December 31, 2026	0.26	-	993,750	-	993,750	-	-	993,750
June 10, 2027[(a)]	0.24	-	-	-	-	943,750	-	943,750
Options outstanding		6,966,250	1,193,750	(1,500,000)	6,660,000	943,750	(400,000)	7,203,750
Options exercisable		2,705,000	-	-	4,088,125	-	-	5,056,875
Weighted average exercise price ($)		$ 0.35	$ 0.26	$ 0.41	$ 0.33	$ 0.24	$ 0.30	$ 0.32

[(a)] 100,000 options subsequently expired unexercised

As at September 30, 2022, the weighted average remaining life of options outstanding was 3.33 years.

Nine months ended September 30, 2022:

On June 10, 2022, the Company granted 943,750 stock options to officers, employees, and consultants that can be exercised at $0.24 per share until June 10, 2027. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of $84,516 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.43% and an expected volatility of 58.81%.

The Company recorded $165,429 of share-based compensation expense during the nine months ended September 30, 2022, where $138,459 was granted in previous periods but vested during the nine months ended September 30, 2022.

Eleven months ended December 31, 2021:

On August 16, 2021, the Company granted 200,000 stock options to a new director that can be exercised at $0.26 per share until August 16, 2026. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of $17,091 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.29% and an expected volatility of 57.39%.

On December 31, 2021, the Company granted 993,750 stock options to its directors, officers, employees, and consultants that can be exercised at $0.26 per share until December 31, 2026. These options vest 25% every six months following the grant date. The total fair value of $118,939 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.32% and an expected volatility of 60.64%.

The Company recorded $376,566 of share-based compensation expense during the eleven months ended December 31, 2021, where $368,407 was granted in previous periods but vested during the eleven months ended December 31, 2021.

(Unaudited; Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd)

Warrants

The Company measures warrants issued with common shares in unit private placements using the residual method.

Warrant transactions and the number of warrants for the nine months ended September 30, 2022 are summarized as follows:

Expiry date	Exercise price ($)	January 31, 2021	Issued	Expired	December 31, 2021	Issued	Expired	September 30, 2022
April 12, 2021	0.60	4,209,821	-	(4,209,821)	-	-	-	-
April 12, 2021	0.40	420,982	-	(420,982)	-	-	-	-
June 26, 2021	0.36	339,144	-	(339,144)	-	-	-	-
November 17, 2021	0.60	5,887,500	-	(5,887,500)	-	-	-	-
Warrants outstanding		10,857,447	-	(10,857,447)	-	-	-	-
Weighted average exercise price ($)		$ 0.58	$Nil	$ 0.36	$Nil	$Nil	$Nil	$Nil

10. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognized as share-based payments until such time that the stock options and finder's warrants are issued, granted and exercised, at which time the corresponding amount will be transferred to share capital.

11. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables are mostly tax receivables from the government. The risk related to receivables is assessed low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

(Unaudited; Expressed in Canadian dollars)

11. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Foreign exchange risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at September 30, 2022 and no interest bearing debt, therefore, interest rate risk is nominal.

Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

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

The Company is not subject to any externally imposed capital requirements.

Fair value
The Company classifies its financial instruments into categories as follows: cash and receivables as financial assets at amortized cost; and trade payables as financial liabilities at amortized cost. The fair value of the Company's financial assets and liabilities approximates their carrying amount.

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 and 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.

Cash and cash equivalents are classified as level 1.

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended September 30, 2022 and October 31, 2021, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Nine Months Ended September 30, 2022	Nine Months Ended October 31, 2021
Exploration expenditures included in trade payables and accrued liabilities	$ 664,044	$ 210,812
Fair value of shares issued for mineral property acquisition	$ 13,800	$ -

(Unaudited; Expressed in Canadian dollars)

13. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	September 30, 2022	December 31, 2021
Balance, beginning of period	$ 36,738	$ 137,699
Deferred premium on flow-through shares issued	1,043,526	880,000
Recognition of deferred premium on flow-through shares	(1,080,264)	(980,961)
Balance, end of period	$ -	$ 36,738

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the nine months ended September 30, 2022, the Company received $4,604,958 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $1,043,526. During the nine months ended September 30, 2022, the Company incurred and renounced eligible expenditures of $4,725,194. These expenditures will not be available to the Company for future deduction from taxable income.

During the eleven months ended December 31, 2021, the Company received $2,880,000 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $880,000. During the eleven months ended December 31, 2021, the Company incurred and renounced eligible expenditures of $3,235,975. These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or “premium”, are recorded as deferred income. As at September 30, 2022, the Company had a remaining qualifying expenditure commitment of $Nil from the proceeds of flow-through shares issued on February 28, 2022.

14. SUBSEQUENT EVENTS

On October 1, 2022, 100,000 stock options expired unexercised.

On November 21, 2022, the Company completed a non-brokered private placement by issuing 12,055,585 flow-through shares (“FT Shares”) at a price of $0.20 per FT Share for gross proceeds of $2,411,117. The Company also completed a non-brokered private placement by issuing 8,572,000 shares (“Shares”) at a price of $0.16 per Share for the gross proceeds of $1,371,600. In connection with the financing, the Company paid $144,872 as a cash finder’s fee.