LITHIUM ONE METALS INC.

(formerly Yorkton Ventures Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Three months ended September 30, 2022 and 2021

(unaudited)

Prepared by Management without Company's Auditors' Review

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements. The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

LITHIUM ONE METALS INC.
(formerly Yorkton Ventures Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	September 30, 2022 $	June 30, 2022 $
Assets			
Current assets			
Cash		127,903	336
GST receivable		46,916	44,163
Prepaid expenses		54,234	5,821
Total current assets		229,053	50,320
Non-current assets			
Exploration and evaluation assets	3	2,792,530	2,787,830
TOTAL ASSETS		3,021,583	2,838,150
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	541,076	452,674
Current portion of loans payable	4	270,000	260,000
Total current liabilities		811,076	712,674
Non-current liabilities			
Loan payable	4	353,000	353,000
Total liabilities		1,164,076	1,065,674
Shareholder's Equity			
Share capital	6	3,167,741	2,927,741
Share-based payment reserve	6,7	554,563	554,563
Deficit		(1,864,797)	(1,709,828)
Total shareholders' equity		1,857,507	1,772,476
Total liabilities and shareholders' equity		3,021,583	2,838,150

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved and authorized for issuance by the Board of Directors on November 29, 2022:

/s/ "Nick Watters"
Nick Watters, Director

/s/ "Gordon Neal"
Gordon Neal, Director

See accompanying notes to the consolidated financial statements.

LITHIUM ONE METALS INC.
(formerly Yorkton Ventures Inc.)
Consolidated Statements Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Three months ended September 30, 2022 $	September 30, 2021 $
Expenses			
Consulting fees		31,350	5,981
Director fees		21,000	-
General and administrative		4,820	-
Management fees	9	30,000	30,000
Professional fees	9	15,623	14,700
Transfer agent and filing fees		5,688	-
Website development		37,500	-
Total expenses		145,981	50,681
Loss before other income (expense)		(145,981)	(50,681)
Other income (expense)			
Interest expense	4	(8,988)	-
Interest income		-	40
Net loss and comprehensive loss for the year		(154,969)	(50,641)
Loss per share – basic and diluted		(0.00)	(0.00)
Weighted average shares outstanding		23,295,952	20,211,597

See accompanying notes to the consolidated financial statements.

LITHIUM ONE METALS INC.
(formerly Yorkton Ventures Inc.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital				
	Number of Shares	Amount $	Share-based Payment Reserve $	Deficit $	Total Shareholders' Equity $
Balance, June 30, 2021	20,100,000	1,920,241	303,099	(1,179,442)	1,044,298
Common shares issued pursuant to private placement	1,000,000	350,000	–	–	350,000
Common shares issued pursuant to exercise of share purchase warrants	1,700,000	170,000	–	–	170,000
Shares and share purchase warrants issued for exploration and evaluation assets	1,500,000	487,500	65,464	–	552,964
Fair value of stock options granted	–	–	185,600	–	185,600
Net loss for the year	–	–	–	(530,386)	(530,386)
Balance, June 30, 2022	24,300,000	2,927,741	554,563	(1,709,828)	1,772,476
Common shares issued pursuant to exercise of share purchase warrants	2,000,000	240,000	–	–	240,000
Net loss for the year	–	–	–	(154,969)	(154,969)
Balance, September 30, 2022	26,300,000	3,167,741	554,563	(1,864,797)	1,857,507

See accompanying notes to the consolidated financial statements.

LITHIUM ONE METALS INC.
(formerly Yorkton Ventures Inc.)
Consolidated Statements of Cash flows
(Expressed in Canadian dollars)

	Three months ended	
	September 30, 2022 $	September 30, 2021 $
Operating activities		
Net loss for the year	(154,969)	(50,641)
Items not involving cash:		
Share-based compensation	-	-
Changes in non-cash working capital items:		
Accrued interest receivable	-	-
GST receivable	(2,753)	(224)
Prepaid expenses	(48,413)	1,451
Accounts payables and accrued liabilities	88,402	49,421
Net cash flows provided by (used in) operating activities	(117,733)	7
Investing activities		
Exploration and evaluation asset expenditures	(4,700)	(735,515)
Proceeds from loan receivable	-	-
Net cash flows used in investing activities	(4,700)	(735,515)
Financing activities		
Proceeds from issuance of common shares	240,000	-
Proceeds from loans payable	10,000	230,000
Share subscription received in advance	-	170,000
Net cash flows provided by financing activities	250,000	400,000
Decrease in cash	(127,567)	(335,508)
Cash, beginning of year	336	345,533
Cash, end of year	127,903	10,025
Non-cash investing and financing activities:		
Fair value of common share issued for exploration and evaluation assets	-	-
Fair of value of share purchase warrants issued for exploration and evaluation assets	-	-

See accompanying notes to the consolidated financial statements.

1. Nature and continuance of operations

Lithium One Metals Inc. ("the Company") was incorporated on August 30, 2006, under the Business Corporations Act of British Columbia, and changed its name from Yorkton Ventures Inc. to Lithium One Metals Inc. on April 20, 2022. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the trading symbol LONE. The Company's head office is located at 1090 Hamilton Street, Vancouver, BC, V6B 2R9, Canada.

The Company's principal business activities are the exploration and evaluation of resource properties in North America. The Company is in the process of exploring its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These interim consolidated 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 its assets and discharge its liabilities in the ordinary course of business. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. During the quarter ended September 30, 2022, the Company incurred a net loss of $154,969. As at September 30, 2022, the Company had a working capital deficit of $582,023 and an accumulated deficit of $1,864,797. 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 of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

The financial statements were authorized for issue on November 29, 2022 by the directors of the Company.

Statement of compliance

The financial statements of the Company have been prepared in accordance 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"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2022.

2. Significant accounting policies (continued)

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 2. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

Significant accounting policies and basis of preparation (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary. A subsidiary is an entity in which the Company has control, directly or indirectly. Control is defined as the investor being exposed, or having rights, to variable returns from its involvement with the investee and having the ability to affect those returns through its power over the investee.

All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's subsidiary as at September 30, 2022 are as follows:

Name	Place of incorporation	Ownership %
9412-1068 Quebec Inc.	Quebec	100%
1370835 BC Ltd.	British Columbia	100%

Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and its subsidiary is the Canadian dollar.

All financial information has been presented in Canadian dollars in these consolidated financial statements, except when otherwise indicated.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Revenue, expense items and capitalized exploration and evaluation expenditures are translated using the average rate of exchange during the financial statement periods, except for depreciation and amortization, which are translated at historic rates.

Foreign exchange gains and losses resulting from the translation of transactions and balances denominated in foreign currencies are included in the consolidated statement of operations.

2. Significant accounting policies (continued)

Significant accounting judgments, estimates, and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based payments and unrecognized deferred income tax assets.

Significant accounting judgments, estimates, and assumptions (continued)

Share-based compensation

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options.

Deferred income taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

Significant Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the recoverability of exploration and evaluation assets and going concern assumption.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

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 is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant accounting policies (continued)

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statement of operations.

Exploration and evaluation expenditures

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

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company.

The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the consolidated statement of operations.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

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

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. As at June 30, 2022, the Company has 8,600,000 (2021 – 8,420.000) potentially dilutive shares.

2. Significant accounting policies (continued)

Impairment of non-current assets

The carrying amount of the Company's non-current assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of operations.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of the option is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company become party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate.

The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

2. Significant accounting policies (continued)

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVPL are measured at fair value with changes in fair value recognized in the consolidated statement of operations.

Financial instruments (continued)

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statement of operations. The election is available on an investment-by-investment basis.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash is classified as and measured at amortized cost.

Financial liabilities

Financial liabilities, including accounts payable and accrued liabilities and finance leases are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities and loans payable are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in the consolidated statement of operations.

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

2. Significant accounting policies (continued)

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

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

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable income or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

2. Significant accounting policies (continued)

Restoration and environmental obligations (continued)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the consolidated statement of operations for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets. As at June 30, 2021 and 2022, the Company has no restoration and environmental obligations.

New accounting standards and interpretations adopted

The Company is not aware of any applicable but not-yet-adopted standards that are expected to materially affect the consolidated financial statements of future periods.

(Expressed in Canadian dollars)

3. Exploration and evaluation assets

	Parkview $	Cyr-Kapiwak $	Sirmac $	Knights Melange $	Bellechasse-Timmins $	Total $
Acquisition costs:						
Balance, June 30, 2022	170,000	265,515	177,874	125,090	1,700,000	2,438,479
Additions	-	-	-	-	-	-
Balance, September 30, 2022	170,000	265,515	177,874	125,090	1,700,000	2,438,479
Exploration costs:						
Balance, June 30, 2022	170,757	–	–	170,757	7,838	349,351
Assessment and report writing	-	–	–	-	–	-
Claims renewal	-	–	–	–	-	-
Consulting (Note 9)	4,700	–	–	-	–	4,700
Surveys	-	–	–	-	–	-
Balance, September 30, 2022	175,456	–	–	170,757	7,838	354,051
Net carrying value, September 30, 2022	345,456	265,515	177,874	295,847	1,707,838	2,792,530

(Expressed in Canadian dollars)

3. Exploration and evaluation assets (continued)

	Parkview $	Cyr-Kapiwak $	Sirmac $	Knights Melange $	Bellechasse-Timmins $	Total $
Acquisition costs:						
Balance, June 30, 2020	–	–	–	–	–	–
Additions	–	–	–	–	700,000	700,000
Balance, June 30, 2021	–	–	–	–	700,000	700,000
Additions	170,000	265,515	177,874	125,090	1,000,000	1,738,479
Balance, June 30, 2022	170,000	265,515	177,874	125,090	1,700,000	2,438,479
Exploration costs:						
Balance, June 30, 2020 and 2021	–	–	–	–	–	–
Assessment and report writing	2,475	–	–	2,475	–	4,950
Claims renewal	–	–	–	–	7,837	7,837
Consulting (Note 9)	21,676	–	–	21,676	–	43,352
Surveys	146,606	–	–	146,606	–	293,212
Balance, June 30, 2022	170,757	–	–	170,757	7,838	349,351
Net carrying value, June 30, 2021	–	–	–	–	700,000	700,000
Net carrying value, June 30, 2022	340,757	265,515	177,874	295,847	1,707,838	2,787,830

3. Exploration and evaluation assets (continued)

(a) Parkview Property, Newfoundland

On July 12, 2021, the Company entered into an option agreement (the ”Parkview Agreement”), whereby it can acquire a 100% interest in certain mineral claims located in Newfoundland, Canada. To acquire the 100% interest, the Company is to make the following cash and share payments:

- Payment of $50,000 (paid) and the issuance of 400,000 shares (issued) on TSX-V approval;
- Payment of $50,000 and issuance of 300,000 shares on or before 14 months following TSX-V approval;
- Payment of $50,000 and issuance of 400,000 shares on or before the second-anniversary of TSX-V approval; and
- Payment of $50,000 and issuance of 600,000 shares on or before third-year anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% net smelter return (“NSR”), of which half can be repurchased for $1,000,000. Furthermore, the Company will commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company begins commercial production or makes a buyout payment to the vendor.

Pursuant to an Agreement dated July 08, 2022, all obligations of the Company under the Parkview Agreement from July 08, 2022 have been assumed by 1370835 BC Ltd., a wholly-owned subsidiary of the Company, as at September 30, 2022.

(b) Cyr-Kapiwak Property, Quebec

On December 3, 2021, the Company entered into an agreement to acquire a 100% interest in the Cyr-Kapiwak property located in Quebec, Canada.

To acquire a 100% interest, the Company is required to pay $25,000 (paid) and issue 250,000 units (issued). Each unit is to consist of one common share and one share purchase warrant exercisable at $0.60 per common share for a period of eighteen months. In addition, the vendor retains a 2% NSR royalty. The Company can purchase half of the NSR at any time in exchange for a payment of $1,000,000.

(c) Sirmac Property, Quebec

On January 11, 2022, the Company entered into an agreement to acquire a 100% interest in the Sirmac property located in Quebec, Canada. To acquire the 100% interest, the Company is required to pay $25,000 (paid) and issue 250,000 units (subsequently issued). Each unit is to consist of one common share and one share purchase warrant exercisable at $0.60 per common share for a period of eighteen months. In addition, the vendor retains a 2% net smelter return (“NSR”) royalty.The Company can purchase half of the NSR at any time in exchange for a payment of $1,000,000.

3. Exploration and evaluation assets (continued)

(d) Knights-Melange Property, Newfoundland

On July 12, 2021, the Company entered into an option agreement (the ”Knights-Melange Agreement”), whereby it can acquire a 100% interest in certain mineral claims located in Newfoundland, Canada. To acquire a 100% interest, the Company is to make the following cash and share payments:

- Payment of $70,000 (paid) and the issuance of 600,000 shares (issued) on TSX-V approval;
- Payment of $50,000 and issuance of 300,000 shares on or before 14 months following TSX-V approval;
- Payment of $50,000 and issuance of 400,000 shares on or before the second-anniversary of TSX-V approval; and
- Payment of $50,000 and issuance of 600,000 shares on or before third-year anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR royalty, of which half can be repurchased for $1,000,000. Furthermore, the Company will commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company begins commercial production or makes a buyout payment to the vendor.

Pursuant to an Agreement dated July 08, 2022, all obligations of the Company under the Knights-Melange Agreement from July 08, 2022 have been assumed by 1370835 BC Ltd., a wholly-owned subsidiary of the Company, as at September 30, 2022.

(e) Bellechase-Timmins Property, Quebec

On July 3, 2020, the Company entered into an agreement with Delta Resources Limited (“Delta”) to acquire a 100% interest in the Bellechase-Timmins mineral property located in Quebec, Canada.

To acquire the 100% interest, the Company was required to pay $1,700,000 (paid). In addition, Delta retains a 1% net smelter return (“NSR”) royalty. The Company can purchase half of the NSR in exchange for $1,000,000.

4. Loans payable

On September 23, 2021, the Company received a loan of $230,000 which is non-interest bearing, unsecured, and due on December 31, 2022. $130,000 of the loan remains outstanding at September 30, 2022.

On January 19, 2022, the Company received a loan of $30,000 which is non-interest bearing, unsecured, and due on December 31, 2022. The loan remains outstanding at September 30, 2022.

On April 1, 2022, the Company received a loan $353,000 which is unsecured, bears interest at 10% per annum, and is due on December 31, 2023. The loan remains outstanding at September 30, 2022.

On September 15, 2022, the Company received a loan of $110,000 which is unsecured, bears interest at 10% per annum, and is due on December 31, 2022. The loan remains outstanding at September 30, 2022.

(Expressed in Canadian dollars)

5. Income taxes

As at June 30, 2022, the Company's non-capital losses carried forward of $1,240,023, which is available to offset future years' taxable income. These losses expire as follows.

	$
2036	18,947
2037	173,743
2038	156,284
2039	85,734
2040	214,466
2041	234,260
2042	356,589
	1,240,023

The Company also has available resource related expenditure pools totaling $2,894,055, which may be deducted against future taxable income on a discretionary basis.

6. Share capital

Authorized share capital

Unlimited number of common shares without par value

Share transactions for the quarter ended September 30, 2022:

(a) On September 12, 2022, the Company issued 2,000,000 common shares for proceeds of $240,000 pursuant to the exercise of share purchase warrants.

Share transactions for the year Ended June 30, 2022:

(b) On August 11, 2021, the the Company issued 400,000 common shares with a fair of $120,000 pursuant to the Parkview mineral property agreement and 600,000 common shares with a fair value of $180,000 pursuant to the Knights Melange mineral property option agreement. Refer to Note 3.

(c) On October 12, 2021, the Company issued 1,700,000 common shares for proceeds of $170,000 pursuant to the exercise of share purchase warrants.

(d) On October 27, 2021, the Company issued 1,000,000 units at $0.35 per unit for proceeds of $350,000. Each unit consisted of a common share and a one half of a share purchase warrant. Each whole share purchase is exercisable at $0.50 per common share expiring on April 27, 2023.

(e) On February 8, 2022, the Company issued 250,000 units connection with the Cyr-Kapiwak mineral property agreement (refer to Note 12). Each unit consisted of one common share and one share purchase warrant exercisable at $0.50 per common shares expiring on August 8, 2023. The fair values of the common shares and share purchase warrants were determined to be $112,500 and $40,374, respectively. The fair value of the share purchase warrants was calculated using the Black-Scholes option pricing model with the following assumptions: volatility of 94%, expected life of eighteen months, risk-free rate of 1.21%, and no expected dividends.

(Expressed in Canadian dollars)

6. Share capital (continued)

(f) On May 3, 2022, the Company issued 250,000 units in connection with the Sirmac Agreement. Each unit consisted of one common share and one share purchase warrant exercisable at $0.60 per common share expiring on November 3, 2023. The fair values of the common shares and share purchase warrants were determined to be $75,000 and $25,090, respectively. The fair value of the share purchase warrants was calculated using the Black-Scholes option pricing model with the following assumptions: volatility of 109%, expected life of eighteen months, risk-free rate of 2.70%, and no expected dividends

7. Stock options

The Company has implemented a stock option plan pursuant to which stock options may be granted to directors, officers, employees, and consultants of the Company. The Company may grant stock options to a maximum of 10% of the issued shares of the Company at the date of granting the stock options. The minimum exercise price of each stock option must not be less than the discounted market price (as permissible by TSX-V Policy). Stock options are exercisable over periods up to ten years and vesting periods can be imposed at the discretion by the Board of Directors.

On October 14, 2021, the Company granted 1,200,000 stock options exercisable at $0.35 per common share expiring on October 14, 2023 to officers, directors, and consultants.

A summary of stock option activities is as follows:

	Number of options	**Weighted average exercise price ($)**
Balance, June 30, 2021	-	-
Granted	1,200,000	0.35
Forfeited/Cancelled	-	-
Expired	-	-
Balance, June 30, 2022	1,200,000	0.35
Granted	-	-
Forfeited/Cancelled	-	-
Expired	-	-
Balance, September 30, 2022	1,200,000	0.35

Outstanding and exercisable stock options as at September 30, 2022 are as follows:

Options Outstanding	Options exercisable	Exercise Price $	Expiry date
1,200,000	1,200,000	0.35	October 14, 2023

The weighted average contractual life remaining of all stock options as at September 30, 2022 is 1.04 years.

The total fair value of the stock options granted during the year ended June 30, 2022 was $185,600 which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of the stock options granted during the year ended June 30, 2022 was $0.16 per option.

(Expressed in Canadian dollars)

7. Stock options (continued)

The fair value of stock options granted during the year is estimated using the Black-Scholes option pricing model based on the following assumptions:

	2022
Risk-free interest rate	0.68%
Expected volatility	92%
Expected option life	2 years
Expected dividend yield	0%
Expected forfeiture rate	0%

8. Share purchase warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	**Weighted average exercise price ($)**
Balance, June 30, 2021	8,420,000	0.09
Granted	1,000,000	0.53
Exercised	(1,700,000)	0.10
Expired	(320,000)	0.50
Balance, June 30, 2022	7,400,000	0.15
Granted	-	0.00
Exercised	(2,000,000)	0.12
Expired	-	0.00
Balance, September 30, 2022	5,400,000	0.00

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

Number of warrants outstanding	Exercise price $	Weighted average remaining contractual life(years)	Expiry date
500,000	0.50	0.6	April 27, 2023
4,400,000	0.12	0.8	July 23, 2023
250,000	0.60	0.8	August 8, 2023
250,000	0.60	1.1	November 3, 2023
5,400,000	0.18	0.8	

9. Related party transactions

(a) As at September 30, 2022, the Company owed $170,096 (2021 - $30,000) to a company controlled by the Chief Executive Officer of the Company which is included in accounts payable and accrued liabilities. During the quarter ended September 30, 2022, the Company incurred management fees of $30,000 (2021 - $30,000) and exploration consulting fees $4,700 (2021 - $nil) to this company.

(b) As at September 30, 2022, the Company owed $5,250 (2021 - $nil) to a company controlled by the Chief Financial Officer of the Company which is include in accounts payable and accrued liabilities. During the quarter ended September 30, 2022, the Company incurred professional fees of $5,000 (2021 - $nil) to this company.

(c) As at September 30, 2022, the Company owed $22,050, (2021 - $nil) to a company controlled by a director of the Company which is included in accounts payable and accrued liabilities. During the quarter ended September 30, 2022, the Company incurred director fees of $21,000 (2021 - $nil) to this company.

10. Financial instruments and risk management

(a) Fair values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, accrued interest receivable, and loans receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company obtains collateral on loans receivable. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign exchange rate risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(Expressed in Canadian dollars)

10. Financial instruments and risk management (continued)

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

The following amounts are the contractual maturities of financial liabilities as at September 30, 2022 and June 30, 2022:

September 30, 2022	Total $	Within 1 year $	Within 2-5 years $
Accounts payable and accrued liabilities	541,076	541,076	–
Loans payable	623,000	270,000	353,000
	1,164,076	811,076	353,000

June 30, 2022	Total $	Within 1 year $	Within 2-5 years $
Accounts payable and accrued liabilities	452,674	452,674	–
Loans payable	613,000	260,000	353,000
	1,065,674	712,674	353,000

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company’s ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

11. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company’s overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2022.

12. Subsequent events

(a) On September 22, 2022, the Company entered into a mineral property option agreement whereby the Company can acquire a 100% interest in 70 mining claims located in Quebec, Canada. To acquire the 100% interest, the Company is to make the following cash and equity payments:

- Payment of $100,000 and the issuance of 1,200,000 common shares and 1,200,000 share purchase warrants exercisable at $0.40 per common share for two years from the date of issuance within 10 days of TSX-V approval;

- Payment of $200,000 and issuance of 1,000,000 common shares on or before the first anniversary of TSX-V approval; and

- Payment of $300,000 and issuance of 2,000,000 common shares on or before the second anniversary of TSX-V approval.

Upon exercise of the option by the company, the optionor will retain a 3% NSR, two-thirds of which may be purchased by the company for $2,000,000. The transaction The acquisition remains subject to regulatory approval.

(b) On October 29, 2022, the Company entered a Mineral Purchase Agreement with True North Gems Inc. ("True North") whereby True North can earn a 50% interest in the Cyr-Kapiwak property. To acquire the 50% interest, True North is to issue 1,000,000 units with each unit consisting one common share and one share purchase warrant exercisable at $0.20 per common share for a period of two years from the date of issuance (received); and incurring property expenditures of $250,000 within 24 months.

(c) On October 31, 2022, the Company granted granted 800,000 options exercisable at $0.35 until September 30, 2023, to Consultants. Vesting as to 50% immediately and 50% in 60 days.

(d) On November 3, 2022, the Company reported its intent to issue by private placement up to 6,000,000 common shares at a price of $0.25 per share for total gross proceeds of $1,500,000. Finders` fees may be payable in accordance with policies of the TSX Venture Exchange. The issuance remains subject to regulatory approval.

(e) On November 14, 2022, the Company received $122,500 from exercise of 350,000 stock options.