

BADEN RESOURCES INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(Unaudited)
THREE MONTHS ENDED SEPTEMBER 30, 2021

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of the Company and all information contained in the report have been prepared by and are the responsibility of the Company's management. The Board of Directors has reviewed the condensed interim financial statements and related financial reporting matters.

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

BADEN RESOURCES INC.

Condensed Interim Statement of Financial Position

(Expressed in Canadian Dollars)

| As at | Note | September 30, 2021 | June 30, 2021 |
|---|-------------|-------------------------------|--------------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current | | | |
| Cash and cash equivalents | | 323,895 | 402,566 |
| GST receivable | | 9,289 | 5,373 |
| Promissory note receivable | 3 | 5,000 | 5,000 |
| | | 338,184 | 412,939 |
| Non-current assets | | | |
| Exploration and evaluation assets | 3 | 125,047 | 70,000 |
| Total assets | | 463,231 | 482,939 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current | | | |
| Accounts payable and accrued liabilities | | 15,778 | 10,500 |
| Total liabilities | | 15,778 | 10,500 |
| Shareholders' equity | | | |
| Share capital | 5 | 683,245 | 682,920 |
| Reserves | 5 | 30,694 | 30,809 |
| Deficit | | (266,486) | (241,290) |
| Total shareholders' equity | | 447,453 | 472,439 |
| Total liabilities and shareholders' equity | | 463,231 | 482,939 |

Nature of operations and going concern (Note 1)

These financial statements were approved by the Board of Directors on November 22, 2021:

*"Steve Mathiesen"**Steve Mathiesen, Director*

*"Howard Milne"**Howard Milne, Director*

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

BADEN RESOURCES INC.

Condensed Interim Statement of Loss and Comprehensive Loss

For the three months ended September 30, 2021

(Expressed in Canadian Dollars)

| | Note | 2021 | 2020 |
|---|------|-------------------|------------------|
| | | \$ | \$ |
| EXPENSES | | | |
| Bank charges and interest | | 65 | 104 |
| Listing, filing and transfer agent fees | | 3,185 | 11,650 |
| Management fees | 4 | 12,000 | - |
| Marketing and advertising | | 27 | 68 |
| Operating, general and administrative | | 653 | 244 |
| Professional fees | | 4,700 | 3,000 |
| Rent | | 4,500 | - |
| Share-based compensation | 5 | - | 5,540 |
| Telephone and communications | | 300 | - |
| Loss before other item | | (25,430) | (20,606) |
| Other item | | | |
| Interest income | | 234 | - |
| Net loss and comprehensive loss | | (25,196) | (20,606) |
| Loss per share – basic and diluted | | (0.00) | (0.00) |
| Weighted average number of common shares outstanding | | 11,936,982 | 9,954,280 |

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

BADEN RESOURCES INC.

Condensed Interim Statement of Changes in Shareholders' Equity

For the three months ended September 30, 2021

(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital | Reserves | Deficit | Total Equity |
|--|-----------------------------|--------------------------|-----------------|------------------|-------------------------|
| | | \$ | \$ | \$ | \$ |
| Balance, June 30, 2020 | 8,266,000 | 314,300 | 21,019 | (53,595) | 281,724 |
| Issuance of common shares for cash at \$0.10 | 3,470,000 | 347,000 | - | - | 347,000 |
| Share-based compensation | - | - | 5,540 | - | 5,540 |
| Loss and comprehensive loss | - | - | - | (20,606) | (20,606) |
| Balance, September 30, 2020 | 11,736,000 | 661,300 | 26,559 | (74,201) | 613,658 |
| Issuance of common shares for acquisition of property interest | 200,000 | 30,000 | - | - | 30,000 |
| Share issuance costs | - | (8,380) | 4,250 | - | (4,130) |
| Loss and comprehensive loss | - | - | - | (167,089) | (167,089) |
| Balance, June 30, 2021 | 11,936,000 | 682,920 | 30,809 | (241,290) | 472,439 |
| Issuance of common shares on exercise of warrants at \$0.10 | 2,100 | 210 | - | - | 210 |
| Allocation of warrants exercised | - | 115 | (115) | - | - |
| Loss and comprehensive loss | - | - | - | (25,196) | (25,196) |
| Balance, September 30, 2021 | 11,938,100 | 683,245 | 30,694 | (266,486) | 447,453 |

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

BADEN RESOURCES INC.

Condensed Interim Statement of Cash Flows
For the three months ended September 30, 2021
(Expressed in Canadian Dollars)

| | 2021 | 2020 |
|--|-----------------|----------|
| | \$ | \$ |
| Cash flows used in operating activities: | | |
| Net loss | (25,196) | (20,606) |
| Adjustments for: | | |
| Share-based compensation | - | 5,540 |
| Changes in non-cash working capital items: | | |
| GST receivable | (3,916) | 1,942 |
| Accounts payable and accrued liabilities | 5,278 | 500 |
| Net cash used in operating activities | (23,834) | (12,624) |
| Financing activities | | |
| Proceeds from issuance of shares | 210 | 347,000 |
| Share issuance costs | - | (4,130) |
| Net cash provided by financing activities | 210 | 342,870 |
| Investing activities | | |
| Exploration and evaluation assets | (55,047) | - |
| Reclamation bond | - | (5,000) |
| Net cash used in investing activities | (55,047) | (5,000) |
| Increase in cash | (78,671) | 325,246 |
| Cash, beginning | 402,566 | 242,028 |
| Cash, ending | 323,895 | 567,274 |

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

BADEN RESOURCES INC.

NOTES TO THE CODENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30 2021

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Baden Resources Inc. (the "Company") was incorporated in the Province of British Columbia on January, 19, 2020 under the Business Corporations Act of British Columbia. The Company is focused on acquisition, exploration, and development of mineral properties in British Columbia. The Company's business office is located at Suite 503 – 905 W. Pender Street, Vancouver BC V6C 1L6. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "BDN".

These condensed interim 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 for the foreseeable future. As at September 30, 2021, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$266,486. The continuing operations of the Company are dependent upon its ability to obtain sufficient financing and the success of its exploration activities. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. SUMMARY SIGNIFICANT ACCOUNTING

Basis of preparation

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited condensed interim financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited condensed interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2021.

Basis of measurement

These unaudited condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The unaudited condensed interim financial statements are presented in Canadian dollars, unless otherwise noted.

Accounting Standards and Interpretations Issued but Not Yet Adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

BADEN RESOURCES INC.

NOTES TO THE CODENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30 2021

(Expressed in Canadian dollars)

3. EXPORATION AND EVALUATION ASSET

The Company as of February 17, 2021, terminated its option of the Bertha Property mining claims and as a result, wrote down the related Exploration and Evaluation Assets by \$67,260. The \$5,000 reclamation bond for the Bertha Property was transferred to the property owner in exchange for a promissory note for \$5,000 due February 17, 2022 without interest.

The Company entered into an Option Agreement (“Option Agreement”) dated March 12, 2021 to acquire an option on a 75% interest in the Midway Property, consisting of 24 mining claims located in Southeastern BC (the “Property”). Under the terms of the Option Agreement, the Company will earn a 75% working interest in the Property upon completion of the following:

- a) Cash payments totaling \$500,000 consisting of: (i) \$5,000 upon signing of the Option Agreement (paid); (ii) \$15,000 upon the Company’s listing on the CSE (paid); (iii) further payments totaling \$480,000 paid on the first through fifth anniversary dates of the Company’s listing on the CSE;
- b) Payments totaling 800,000 shares of the Company consisting of: (i) 200,000 shares upon the Company’s listing on the CSE (issued); (ii) 120,000 shares each of the first through fifth anniversary dates of the Company’s listing upon the CSE; and
- c) Expenditures on the Property totaling \$1,120,000 consisting of: (i) \$120,000 spend prior to October 31, 2021 (subsequently amended to \$150,000 prior to December 31, 2021); (ii) \$200,000 spend prior to the second, third and fourth anniversary dates of the Company’s listing upon the CSE; (iii) \$400,000 spend prior to the fifth anniversary dates of the Company’s listing upon the CSE.

The requirements of the Company to: (i) make cash payments of \$20,000 to the Optionor on or before the Listing Date; (ii) issue 200,000 shares to the Optionor on the Listing Date; and (iii) incur exploration expenditures in a minimum amount of \$150,000 on the Property on or before December 31, 2021, are to be treated as firm commitments.

A continuity of the Company’s exploration and evaluation asset is as follows:

| | Bertha Property | Midway Property | Total |
|---|----------------------------|----------------------------|----------------|
| | \$ | \$ | \$ |
| Acquisition costs: | | | |
| Balance, June 30, 2020 | 10 | - | 10 |
| Additions | - | 50,000 | 50,000 |
| Write-off of mineral property | (10) | - | (10) |
| Balance, June 30, 2021, and September 30, 2021 | - | 50,000 | 50,000 |
| Deferred exploration expenditures: | | | |
| Balance, beginning of period | 57,950 | - | 57,950 |
| Geological | 9,300 | 20,000 | 29,300 |
| Write-off of mineral property | (67,250) | - | (67,250) |
| Balance, June 30, 2021 | - | 20,000 | 20,000 |
| Assaying and sampling | - | 13,538 | 13,538 |
| Geological | - | 32,977 | 32,977 |
| Travel and accommodations | - | 8,532 | 8,532 |
| Balance, September 30, 2021 | - | 75,047 | 75,047 |
| Total exploration and evaluation assets | | | |
| As at June 30, 2021 | - | 70,000 | 70,000 |
| As at September 30, 2021 | - | 125,047 | 125,047 |

BADEN RESOURCES INC.

NOTES TO THE CODENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30 2021

(Expressed in Canadian dollars)

4. RELATED PARTY TRANSACTIONS*Key management compensation*

Key management personnel include those persons having 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 Company's Board of Directors and corporate officers. There were no remuneration of directors and key management personnel for the three months ended September 30, 2021.

| | 2021 | 2020 |
|---|---------------|-------------|
| | \$ | \$ |
| Management fees paid to a company controlled by the CEO | 6,000 | - |
| Management fees paid by a company controlled by the CFO | 6,000 | - |
| Share-based compensation paid to directors | - | 5,540 |
| | 12,000 | 5,540 |

5. SHARE CAPITAL*Authorized share capital*

Unlimited number of common shares without par value

Common Shares

On July 30, 2020, the Company issued 1,710,000 common shares at \$0.10 per unit for proceeds of \$171,000 for the first tranche of the private placement.

On September 3, 2020, the Company issued 1,760,000 common shares at \$0.10 per unit for proceeds of \$176,000. In relation to the issuance, the Company paid \$4,130 in cash and issued 77,700 finders' warrants. Each finders' warrant is exercisable at \$0.10 per share, expiring November 26, 2022. The fair value of the finders' warrants is \$4,250, determined using Black Scholes Option Pricing Model using the following assumptions: exercise price \$0.10, expected volatility 100%, expected life 2.24 years, risk-free interest rate 0.23%, expected dividend yield 0% and forfeiture rate 0%.

On May 28, 2021, the Company issued 200,000 common shares pursuant to the Midway Property Option Agreement.

On August 19, 2021, the Company issued 2,100 common shares on exercise of warrants for gross proceeds of \$210.

The following is a summary of the Company's warrants for the three months ended September 30, 2021.

| | Number | Weighted average exercise price | Weighted average life (years) |
|-----------------------------|-----------|---------------------------------------|-------------------------------------|
| | | \$ | |
| Balance, June 30, 2020 | 4,000,000 | 0.10 | - |
| Issued | 77,700 | 0.10 | - |
| Balance, June 30, 2021 | 4,077,700 | 0.10 | - |
| Exercised | (2,100) | 0.10 | - |
| Balance, September 30, 2021 | 4,075,600 | 0.10 | 0.25 |

BADEN RESOURCES INC.

NOTES TO THE CODENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30 2021

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)*Stock options*

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to 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 common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the day before the date of grant for a period of up to ten years from the date of grant.

During the three months ended September 30, 2020, the Company granted 75,000 stock options exercisable at \$0.10 per share to a consultant, expiring July 6, 2025. The fair value of the stock options granted during the period using the Black-Scholes Options Pricing Model was \$5,540.

| | Number | Weighted average exercise price | Weighted average life (years) |
|---|---------|---------------------------------------|-------------------------------------|
| | | \$ | |
| Balance, June 30, 2020 | 650,000 | 0.10 | - |
| Granted | 75,000 | 0.10 | - |
| Balance, June 30, 2021 and September 30, 2021 | 725,000 | 0.10 | 3.45 |

The fair value of the stock options granted for the three months ended September 30, 2021 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

| | 2021 | 2020 |
|-------------------------|------|-------|
| Risk-free interest rate | -% | 0.32% |
| Estimated life (years) | - | 5 |
| Expected volatility | -% | 100% |
| Expected dividend yield | - | 0% |
| Forfeiture rate | -% | 0% |

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

BADEN RESOURCES INC.

NOTES TO THE CODENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30 2021

(Expressed in Canadian dollars)

7. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk and price risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs 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 the asset or liability that are not based on observable market data.

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

- a) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.
- b) Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution and amounts receivable from the Government of Canada. As such, the Company's credit exposure is minimal.
- c) Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.
- d) Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. The Company has minimal exposure to foreign currency transactions during the three months ended September 30, 2021 and accordingly the risk is considered low.

The carrying value of Company's financial assets and liabilities as at September 30, 2021 and June 30, 2021 approximate their fair value due.