

BATHURST METALS CORP.
(An Exploration Stage Company)

Financial Statements
Years Ended September 30, 2021 and 2020
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BATHURST METALS CORP.

Opinion

We have audited the financial statements of Bathurst Metals Corp. (the "Company"), which comprise:

- the statements of financial position as at September 30, 2021 and 2020;
- the statements of loss and comprehensive loss for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that at September 30, 2021 the Company has a working capital deficit of \$203,283 and an accumulated deficit of \$10,478,108. As stated in Note 1, these events, or conditions along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Vancouver

1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley

600 - 19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

Nanaimo

201 - 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Hervé Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
January 24, 2022

Vancouver

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Vancouver, BC V6C 2B3
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F: 604 688 4675

Langley

600 - 19933 88 Ave
Langley, BC V2Y 4K5
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BATHURST METALS CORP.
(An Exploration Stage Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2021	September 30, 2020
Assets		
Current		
Cash	\$ 59,970	\$ 11,168
Accounts receivable	33,685	7,485
Prepaid expenses (note 11)	6,370	1,337
	100,025	19,990
Non-Current		
Reclamation bonds (note 6)	23,500	23,500
Mineral property interests (note 7)	545,625	167,589
	\$ 669,150	\$ 211,079
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 259,617	\$ 69,805
Due to related parties (note 11)	43,691	144
Loans payable (note 8)	-	105,315
	303,308	175,264
Shareholders' Equity		
Capital Stock (note 9)	8,789,254	7,763,020
Subscriptions Received (note 9)	-	376,000
Share-Based Payments Reserve (note 10)	1,890,271	1,250,821
Reserves	164,425	164,425
Deficit	(10,478,108)	(9,518,451)
	365,842	35,815
	\$ 669,150	\$ 211,079

Approved on behalf of the Board:

"Harold Forzley" Director

 Harold Forzley

"Stephen Millen" Director

 Stephen Millen

BATHURST METALS CORP.
(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
Years Ended September 30
(Expressed in Canadian Dollars)

	2021	2020
Expenses		
Accounting and audit	\$ 25,943	\$ 32,323
Consulting (note 11)	85,000	15,000
Filing and listing fees	10,723	14,670
General and office	2,364	8,843
Interest and bank charges (note 8)	874	34,423
Investor relations	4,273	3,181
Legal	30,301	20,709
Management fees (note 11)	122,550	41,000
Marketing (note 11)	10,000	643
Meals and entertainment	3,341	3,254
Transfer agent fees	23,983	13,726
Travel	958	2,050
Interest income	(103)	(90)
Write-off of payable balances	-	(17,141)
Share-based payments (note 10)	639,450	-
Loss and Comprehensive Loss for Year	\$ 959,657	\$ 172,591
Loss Per Share, Basic and Diluted	\$ (0.02)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding, Basic and Diluted	44,638,387	26,900,988

BATHURST METALS CORP.
(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock		Subscriptions Received	Share-Based Payments Reserve	Reserves	Deficit	Total
	Number of Shares	Amount					
Balance, September 30, 2019	26,818,240	\$ 7,010,416	\$ -	\$ 1,250,821	\$ 164,425	\$ (9,345,860)	\$ (920,198)
Shares issued for mineral property interests	333,333	45,000	-	-	-	-	45,000
Share subscriptions	-	-	376,000	-	-	-	376,000
Shares issued on conversion of promissory notes payable	2,990,000	149,500	-	-	-	-	149,500
Shares issued for debt	5,629,188	562,919	-	-	-	-	562,919
Share issue costs	-	(4,815)	-	-	-	-	(4,815)
Net loss for the year	-	-	-	-	-	(172,591)	(172,591)
Balance, September 30, 2020	35,770,761	\$ 7,763,020	\$ 376,000	\$ 1,250,821	\$ 164,425	\$ (9,518,451)	\$ 35,815
Balance, September 30, 2020	35,770,761	\$ 7,763,020	\$ 376,000	\$ 1,250,821	\$ 164,425	\$ (9,518,451)	\$ 35,815
Units issued for cash	9,110,000	920,000	(376,000)	-	-	-	544,000
Flow-through shares issued	888,889	160,000	-	-	-	-	160,000
Share issue costs	-	(53,766)	-	-	-	-	(53,766)
Share-based payments	-	-	-	639,450	-	-	639,450
Net loss for the year	-	-	-	-	-	(959,657)	(959,657)
Balance, September 30, 2021	45,769,650	\$ 8,789,254	\$ -	\$ 1,890,271	\$ 164,425	\$ (10,478,108)	\$ 365,842

See notes to financial statements.

BATHURST METALS CORP.
(An Exploration Stage Company)
Statements of Cash Flows
Years Ended September 30
(Expressed in Canadian Dollars)

	2021	2020
Operating Activities		
Net loss for the year	\$ (959,657)	\$ (172,591)
Items not affecting cash		
Write-off of payable balances	-	(17,141)
Interest expense accrued on loans payable	-	8,364
Share-based payments	639,450	-
	(320,207)	(181,368)
Changes in non-cash working capital		
Accounts receivable	(26,200)	(5,833)
Prepaid expenses	(1,624)	3,604
Accounts payable and accrued liabilities	10,632	(120,392)
Due to related parties	19,904	(88,803)
Interest paid	-	(344)
Cash Used in Operating Activities	(317,495)	(393,136)
Investing Activity		
Acquisition of mineral interests	(13,650)	(77,704)
Investment in of mineral assets	(164,972)	(44,885)
Cash Used in Investing Activity	(178,622)	(122,589)
Financing Activities		
Proceeds from promissory notes payable	-	271,000
Repayment of loans payable (note 8)	(105,315)	(25,000)
Proceeds from loans payable	-	63,000
Proceeds on common share units issuance	544,000	-
Flow-through shares issued	160,000	-
Share subscriptions received	-	130,000
Share issue costs	(53,766)	-
Cash Provided by Financing Activities	544,919	439,000
Increase (Decrease) in Cash	48,802	(76,725)
Cash, Beginning of Year	11,168	87,893
Cash, End of Year	\$ 59,970	\$ 11,168
Non-cash transaction:		
Share issue costs in accounts payable and accrued liabilities	\$ -	\$ 4,815
Shares issued on conversion of promissory notes payable	\$ -	\$ 149,500
Shares subscription for promissory notes payable	\$ -	\$ 246,000
Shares issued for loans payable	\$ -	\$ 192,253
Shares issued for related party loans	\$ -	\$ 370,666
Mineral property interest accrued in accounts payable and accrued liabilities	\$ 179,180	\$ -
Mineral property interests accrued in due to related parties	\$ 20,234	\$ -
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest	\$ 1,378	\$ 20,957

BATHURST METALS CORP.
(An Exploration Stage Company)
Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Bathurst Metals Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on January 24, 2006. The Company changed its name from Pacific Cascade Minerals Inc. to Bathurst Metals Corp. on August 12, 2020 and commenced trading on August 14, 2020 under the stock symbol “BMV”. The Company is involved in the acquisition, exploration and development of mineral properties located in Nunavut, Canada. The Company’s registered office is located at 665 Dougall Road, Gibsons, British Columbia, V0N 1V8. The Company’s shares trade on the TSX Venture Exchange (“TSXV”).

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several adverse conditions may cast significant doubt on the validity of this assumption. The Company reported a net loss of \$959,657 for the year ended September 30, 2021 (September 30, 2020 – \$172,591), and as at September 30, 2021 has a working capital deficit of \$203,283 (September 30, 2020 – working capital deficit of \$155,274), an accumulated deficit of \$10,478,108 (September 30, 2020 – \$9,518,451), and to date has no source of revenue or operating cash flow.

The Company’s ability to continue as a going concern is dependent on the Company being able to obtain the necessary financing to meet administrative overheads and to complete the acquisition, exploration, and development of its mineral property interests into profitable mining operations.

The Company has relied mainly upon the issuance of capital stock and loan arrangements to finance its activities. Future capital requirements will depend on many factors including the Company’s ability to execute its business plan. The Company intends to continue relying upon the issuance of capital stock to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company’s business, results of operations and financial condition.

These financial statements do not include any adjustments 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.

Since January 2020, the continuing outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. This may impact the Company’s ability to obtain additional financing to support exploration activities.

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Notes to Financial Statements
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2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the Board of Directors and authorized for issue on January 24, 2022.

(b) Basis of measurement

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

(c) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

(d) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Actual results could differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgment and assumptions applied in the preparation of these financial statements and other major sources of measurement uncertainty are discussed in note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies used in the preparation of these financial statements:

(a) Mineral property interests

All costs related to the acquisition, exploration and development of mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

BATHURST METALS CORP.
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property interests (Continued)

All deferred resource property expenditures are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, any amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

(b) Provisions for decommissioning and restoration liabilities

The Company recognizes an estimate of the liability associated with a decommissioning and restoration obligation in the financial statements at the time the liability is incurred. The estimated fair value of the decommissioning and restoration obligation is recorded as a liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to operations in the period. The decommissioning and restoration obligation can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the decommissioning and restoration obligation are charged against the decommissioning and restoration obligation to the extent of the liability recorded.

(c) Equity units

Proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the proceeds are firstly allocated to common shares based on the trading price on the date of issue of the units and the balance, if any, allocated to the attached share purchase warrants.

(d) Flow-through shares

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

The Company allocates proceeds received first to share capital based on the trading price on the date of issue, and any excess is allocated to flow-through premium liability. For a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

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

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Flow-through shares (Continued)

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

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

(e) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of capital stock. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to capital stock along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Earnings (loss) per share

Earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(g) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Deferred tax assets and liabilities are measured using substantively enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially enacted. The amount of deferred income tax assets is limited to the amount of the benefit that is probable of being realized.

(h) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the statement of financial position date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenue and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with changes in fair value therein, recognized in profit or loss.

The Company classifies cash as fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method.

There are no financial assets classified as measured at amortized cost.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is carried in the statement of financial position with changes in fair value in other comprehensive income.

There are no financial assets classified as measured at FVTOCI.

Derecognition

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

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial liabilities

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

The Company's financial liabilities included accounts payable and accrued liabilities, loans payable, and balance due to related parties. These are measured at amortized cost.

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash, accounts payable and accrued liabilities, loans payable, and balances due to related parties. Their carrying values approximate the fair values due to short-term maturity of these instruments.

4. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments

The Company has made the following critical judgments, apart from those involving estimations, in the process of applying its accounting policies that have the most significant effect on the amounts recognized in the financial statements:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. See note 1 for more information.

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4. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgments (Continued)

Impairment of mineral property interests

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

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that may have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Provision for decommissioning

An obligation to incur future reclamation, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. As at September 30, 2021 and September 30, 2020, management has determined that the Company has an obligation for decommissioning of \$20,000 included in accounts payable and accrued liabilities.

Income taxes

In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

Share-based payments

Assumptions are used in determining share-based payments. The fair value of stock options and warrants are subject to the limitation of the Black-Scholes option pricing model that requires market data and estimates used by the Company in the assumptions. These inputs are subjective assumptions and changes in these inputs can materially affect the fair value estimated.

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5. RISK MANAGEMENT

The Company's risk exposures are summarized below.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As the majority of the Company's loans payable have fixed interest rates (note 8), the Company's sensitivity analysis indicates that exposure to interest rate risk is minimal.

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk on its financial instruments.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

(b) 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. Concentration of credit risk exists with respect to the Company's cash of \$59,970 (September 30, 2020 - \$11,168), and the Company's reclamation bonds and deposit of \$23,500 (September 30, 2020 - \$23,500), which are held at a single major Canadian financial institution.

Credit risk is minimized by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade rating by a primary ratings agency.

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5. RISK MANAGEMENT (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at September 30, 2021, the Company has cash of \$59,970 (September 30, 2020 - \$11,168) available to settle current liabilities of \$303,308 (September 30, 2020 - \$175,264).

The Company's accounts payable and amounts due to related parties are due in the short term (0 to 3 months).

As at September 30, 2021, there is insufficient cash balance to meet obligations. The Company will be required to raise additional capital in order to fund its operations and liabilities as they come due (see Note 15 Subsequent Events).

6. RECLAMATION BONDS

Pursuant to government regulations, and as a condition of undertaking mineral property exploration activities, the Company is obligated to provide specified amounts of security ("reclamation bonds") against potential future rehabilitation costs for the Crack Moly mineral property that had been previously written off as impaired.

The Company has pledged two guaranteed investment certificates as reclamation bonds with the following terms:

	Interest Rate	Maturity Date	Amount
Bank of Montreal	2.2%	January 12, 2022	\$ 20,000 ¹
Bank of Montreal	0.3%	July 14, 2022	3,500
			\$ 23,500

¹ The Company estimated that the undiscounted value of its site restoration obligation for Crack Moly minerals property amounts to \$20,000 and has recognized a decommissioning liability in accounts payable and accrued liabilities. As it is uncertain when reclamation activities are to occur, a discount rate has not been applied to correspond with the impact of the passage of time.

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7. MINERAL PROPERTY INTERESTS

The Company incurred the following acquisition and exploration expenditures:

Acquisition Costs	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Balance, September 30, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Option payments	-	-	46,721	-	46,721
Share issuances	-	-	45,000	-	45,000
Transaction costs	-	-	2,675	-	2,675
Staking	9,436	9,436	9,436	-	28,308
Balance, September 30, 2020	9,436	9,436	103,832	-	122,704
Staking	-	-	9,141	4,509	13,650
Balance, September 30, 2021	\$ 9,436	\$ 9,436	\$ 112,973	\$ 4,509	\$ 136,354

Exploration Costs	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Balance, September 30, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Claim extension fee	-	-	10,106	-	10,106
Transportation	-	-	34,779	-	34,779
Balance, September 30, 2020	-	-	44,885	-	44,885
Assay	514	514	5,845	5,143	12,016
Field expenses	21	21	1,871	225	2,138
Geological consulting	2,932	2,932	45,216	35,126	86,206
Legal	-	-	3,128	-	3,128
Reports	-	-	4,900	-	4,900
Transportation	6,635	6,635	128,704	82,770	224,744
Travel	1,414	1,414	13,250	15,176	31,254
Balance, September 30, 2021	\$ 11,516	\$ 11,516	\$ 247,799	\$ 138,440	\$ 409,271

As at September 30, 2021	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Acquisition	\$ 9,436	\$ 9,436	\$ 112,973	\$ 4,509	\$ 136,354
Exploration	11,516	11,516	247,799	138,440	409,271
Total	\$ 20,952	\$ 20,952	\$ 360,772	\$ 142,949	\$ 545,625

As at September 30, 2020	Gela Lake	McAvoy	TED/ Turner	McGregor/ Speers Lake	Total
Acquisition	\$ 9,436	\$ 9,436	\$ 103,832	\$ -	\$ 122,704
Exploration	-	-	44,885	-	44,885
Total	\$ 9,436	\$ 9,436	\$ 148,717	\$ -	\$ 167,589

(a) Gela Lake Project, Nunavut, Canada

The 100% Company-owned Gela Lake Project ("Gela") consisted of two (2) claim blocks that cover 3,116.39 staked hectares, originally staked on November 17, 2019. Fieldwork during August 2021 focused on only the south-central portion of the project area with assay results from 10 rock grab samples identifying consistent higher-grade copper, bismuth, and molybdenum values along the western contact of the intrusive where the Bathurst fault is projected to occur.

The claims are in good standing until December 9, 2022.

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7. MINERAL PROPERTY INTERESTS (Continued)

(b) McAvoy Lake Project, Nunavut, Canada

The 100% Company-owned McAvoy Lake Project ("McAvoy") consists of three (3) claim blocks that cover 3,661.75 staked hectares. The McAvoy consists of the M1 to M3 mineral claims. The M1 claim was part of the option agreement dated September 11, 2018 with Declan Cobalt Inc. (as described in the Turner Lake Project section below). The M2/M3 mineral claims were staked by the Company on November 17, 2019.

In August 2021, geologists visited the site completing geological mapping and structural analysis along the shear zone and over the Archean Age intrusive. Rock samples were also collected in one area where the intrusive is in contact with the shear zone.

The claims are in good standing until November 9, 2022.

(c) Turner Lake/TED Project, Nunavut, Canada

On September 11, 2018, the Company entered into an agreement with Canadian Palladium Resources Inc. (formerly Declan Cobalt Inc.) (the "Vendor") to purchase a 100% interest in the T1 mineral claim on the Turner Lake Project ("Turner Lake") located in Nunavut. Under the terms of the agreement, the Company agreed to purchase a 100% right title and interest in Turner Lake in exchange for 333,333 common shares (issued on July 28, 2020 at a fair market value of \$45,000) of the Company which were delivered to the Vendor within 10 days after the Company received regulatory approval (the "Completion Date"). There is a 1% net smelter return ("NSR") reserved on only the T1 mineral claim by the original property owners of Turner Lake, which may be purchased for \$1,000,000 (cash) at any time after commercial production.

The Company then staked the T2/T3 mineral claims as part of Turner Lake on November 16, 2019.

During the 2020 fiscal year, the Company reimbursed the Vendor for expenses on exploration, evaluation and development activities totaling \$46,721 (paid).

The T1 and the T2/T3 claims are in good standing until November 9 and December 9, 2022 respectively.

The TED Project ("TED") was acquired by staking on February 1, 2021 the T4-6 mineral claims covering 2,644 hectares. The company's 100% owned property is adjacent to the company's 100% owned Turner Lake Project. These projects are located approximately 60 kilometers north-northwest of the community of Bathurst Inlet in the Kitikmeot District of western Nunavut, Canada. The project area covers an eight (8) kilometre strike length of iron formations contained within upper greenschist to lower amphibolite facies.

The TED claims are in good standing until February 1, 2023.

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7. MINERAL PROPERTY INTERESTS (Continued)

(d) McGregor/Speers Lake Project Nunavut, Canada

The 100% Company-owned McGregor Lake Project (“McGregor”) and Speers Lake Project (“Speers”) consists of 12 claim blocks that cover 14,584.24 staked hectares, physically staked on September 1, 2020. The claims cover the Muskox intrusion from McGregor Lake south to the Coppermine River and extend to cover the intrusion’s contact with the Archean Age, metavolcanics, and sediments.

The summer 2021 fieldwork consisted of geological mapping, rock sampling and structural analysis. Data compilation of historic data (collected and processed by Adriana Resources Ltd. (2005-2008) and MIE Metals Corp. (2009 – 2018)) has provided an additional model for mineralization at the McGregor and this data will be layered into the future modeling on McGregor.

The McGregor and Speers claims are in good standing until September 25, 2022.

(e) Environmental

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company currently has an obligation on a property (note 6) related to the Crack Moly mineral property.

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

(f) Title to mineral property interests

Although the Company has taken steps to ensure the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company’s title. Property title may be subject to unregistered prior arrangements or transfers and title may be affected by undetected defects.

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7. MINERAL PROPERTY INTERESTS (Continued)

(g) Realization of assets

Realization of the Company's investment in mineral property interests is dependent upon the establishment of legal ownership, the attainment of successful production from the mineral property interests or from the proceeds of disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

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8. LOANS PAYABLE

	September 30, 2021	September 30, 2020
Balance, beginning of the year	\$ 105,315	\$ 226,204
Interest accrued for the year	-	8,364
Repayment	(105,315)	-
Advances	-	63,000
Shares for debt	-	(192,253)
Balance, end of year	\$ -	\$ 105,315

September 30, 2020	Principal	Accrued Interest	Total
Loan Payable 1 – interest at 8%	\$ 100,000	\$ -	\$ 100,000
Loan Payable 2 – interest at 10%	2,625	1,378	4,003
Loan Payable 3 – no interest	1,312	-	1,312
	\$ 103,937	\$ 1,378	\$ 105,315

- a) Loan Payable 1 – On November 12, 2012, as amended in 2015, the Company entered into a loan agreement with an arm’s length party with interest rate at 8% per annum, and a maturity date of January 13, 2013. The loan is due on demand. During the year ended September 30, 2020, interest amounting to \$94,986 was settled with the issuance of 949,863 common shares of the Company. During the year ended September 30, 2021, the total outstanding principal of \$100,000 has been repaid.
- b) Loan Payable 2 – The Company entered into a loan agreement with an arm’s length party on May 2, 2016 with a maturity date of May 2, 2017 and interest rate at 10% per annum payable quarterly. Any unpaid amount including interest accrued after the maturity date would be subject to interest at 10% per annum. During the year ended September 30, 2021, the total outstanding balance of \$2,625 together with accrued interest of \$1,378 has been repaid.
- c) Loan Payable 3 – The loan payable is due on demand with no interest terms.
During the year ended September 30, 2021, the total outstanding has been repaid.

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9. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

Unlimited number of Class A cumulative shares with a par value of \$1 per share and with special rights and restrictions.

Unlimited number of Class B non-cumulative shares with a par value of \$5 per share and with special rights and restrictions.

(b) Shares issued

Shares issued for mineral property interests

On July 28, 2020, the Company issued 333,333 common shares to Canadian Palladium Resources Inc. with a fair market value of \$45,000 (note 7).

Shares issued on conversion of promissory notes payable

On September 30, 2020, the Company issued 2,990,000 common shares at a price of \$0.05 per share for \$149,500 to extinguish the outstanding promissory notes payable. The Company also issued 2,990,000 warrants to the holders with an exercise price of \$0.05 exercisable for a period of 2 years from the date of issuance.

Shares issued for debt

On September 30, 2020, the Company issued 5,629,188 common shares at a fair value of \$0.10 per share to settle debt of \$562,919. The settlement includes 3,706,657 common shares issued to directors of the Company to settle \$370,666 of amounts due to related parties. The remainder of 1,922,531 common shares were issued to settle loans payable of \$192,253 (note 8). Share issue costs of \$4,815 were recorded.

Subscriptions received

During the year ended September 30, 2020, the Company received \$376,000 in subscriptions receivable. The common shares in connection with the subscriptions received were issued in fiscal 2021 (see below).

Units issued for cash

On October 21, 2020, the Company completed a private placement for gross proceeds of \$821,000 for 8,210,000 units at \$0.10 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at \$0.18 expiring from one year of closing. The Company paid share issue costs of \$30,450 for finder's fees, \$13,127 for legal and filing fees and \$1,105 for transfer agent fees. (See Note 10, with respect to TSXV approval to extend the warrant expiry date from October 21, 2021 to October 21, 2022.)

On February 22, 2021, the Company completed a private placement for gross proceeds of \$99,000 for 900,000 units at \$0.11 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at \$0.18 expiring one year from closing. The Company paid share issue costs of \$6,067 for legal, filing and transfer agent fees.

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9. CAPITAL STOCK (Continued)

(c) Flow-through shares issued

During the fiscal year ended September 30, 2021, the Company completed a private placement of 888,889 flow-through shares for proceeds of \$160,000 at a price of \$0.18 per share. The Company paid share issue costs of \$3,017 for legal and transfer agent fees.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined under Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that are allotted for such expenditure but have not yet been spent. In connection with the flow-through shares issued during the year ended September 30, 2021, the Company has spent all proceeds raised through the flow-through financing.

10. STOCK OPTIONS AND WARRANTS

(a) Stock option plan

The Company adopted a stock option plan on April 20, 2012 (the "2012 Plan"). The 2012 Plan provides that the aggregate number of securities reserved for issuance, set aside, and made available for issuance, may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options including all options granted by the Company to date.

The option price under each option is subject to a minimum of \$0.10 per share and shall not be less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded and shall not be more than ten years after the grant date. Options granted to consultants engaged in investor relations activities shall vest in stages over a minimum period of twelve months with no more than 25% of the options vesting in any three-month period. All other options granted shall vest immediately.

(b) Stock options

A continuity schedule of the Company's outstanding stock options under the stock option plan is as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance at September 30, 2019 and 2020	833,333	\$0.300
Granted	4,350,000	\$0.125
Cancelled	(833,333)	(\$0.300)
Balance at September 30, 2021	4,350,000	\$0.125

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10. STOCK OPTIONS AND WARRANTS (Continued)

(b) Stock options (Continued)

As at September 30, 2021, the Company had the following stock options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Average Fair Value at Grant Date	Remaining Contractual Life	Options Exercisable
November 5, 2030	\$ 0.125	4,350,000	\$ 0.147	9.10	4,350,000

As at September 30, 2020, the Company had the following stock options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Average Fair Value at Grant Date	Remaining Contractual Life	Options Exercisable
March 3, 2021	\$ 0.300	608,333	\$ 0.210	0.42	608,333
September 30, 2021	\$ 0.300	225,000	\$ 0.270	1.00	225,000
		833,333		1.58	833,333

The total fair value of the incentive options was calculated using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

Risk-free interest rate	0.77%
Expected volatility	144%
Expected life	10 years
Expected dividend yield	-
Share price	\$ 0.150
Exercise price	\$ 0.125
Expected forfeitures	0.00%

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of the company's stock for a length of time equal to the expected life of the options.

Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0.00% in determining the expense recorded in the accompanying statements of comprehensive loss.

The fair value of the incentive options during the year ended September 30, 2021 of \$639,450 was recognized as share-based payments. The balance consists of \$338,100 to directors and officers and \$301,350 to consultants.

(c) Warrants

On September 30, 2020, the Company issued 2,990,000 warrants included in units issued for conversion of promissory notes. Each warrant is exercisable at \$0.05 for a period of 2 years from the date of February 12, 2021, the date the Company was re-listed as a Tier 2 Issuer on the TSXV.

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10. STOCK OPTIONS AND WARRANTS (Continued)

(c) Warrants (Continued)

On October 21, 2020, the Company issued 8,210,000 warrants in connection with the unit private placement. Each warrant is exercisable for one common share at \$0.18 per share with an expiry of one year from the date of issuance.

On February 22, 2021, the Company issued 900,000 warrants in connection with the unit private placement. Each warrant is exercisable for one common share at \$0.18 per share with an expiry of one year from the date of issuance.

A continuity schedule of the Company's outstanding warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance at September 30, 2019	-	\$ -
Issued – warrants for promissory notes conversion	2,990,000	0.05
Balance at September 30, 2020	2,990,000	0.05
Issued – warrants for private placements	9,110,000	0.18
Balance at September 30, 2021	12,100,000	\$ 0.15

Expiry Date	Exercise Price	Warrants Outstanding	Remaining Contractual Life (yrs.)
February 22, 2022	\$0.18	900,000	0.40
October 21, 2022 (*)	\$0.18	8,210,000	1.05
February 12, 2023	\$0.05	2,990,000	1.00
		12,100,000	0.31

(*) Subsequent to September 30, 2021, the Company obtained approval from the TSXV to extend the expiry date of 8,210,000 warrants with expiry date of October 21, 2021 to October 21, 2022.

11. RELATED PARTY TRANSACTIONS

Related party transactions not otherwise disclosed in the financial statements are as follows:

(a) Key management compensation

Management fees expense during 2021 totaled \$122,550 (2020 - \$41,000). \$81,000 (2020 - \$36,000) was expensed to an officer of the Company and \$41,550 (2020 - \$5,000) was expensed to a company controlled by an officer of the Company. At September 30, 2021, \$17,600 of management fees were accrued and included in due to related parties (2020 - \$Nil).

Marketing expenses of \$10,000 (2020 – \$Nil) was paid to an officer of the Company.

Geological consulting fees capitalized include \$9,750 (2020 - \$Nil) to a company controlled by the President of the Company. As at September 30, 2021, the amount due to the company controlled by the President of the company totaled \$10,446 (2020 - \$Nil).

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11. RELATED PARTY TRANSACTIONS (Continued)

(a) Key management compensation (Continued)

Share-based payment expenses consists of \$235,200 (2020 - \$Nil) for directors and \$102,900 (2020 - \$Nil) for an officer of the Company for stock options granted during the year ended September 30, 2021.

The Company has no termination benefits, post-employment benefits and other long-term employee benefits.

(b) Expenses paid by related parties

During the year ended September 30, 2020, the Company extinguished debt of \$370,666 to directors of the Company by issuing 3,706,657 common shares.

For the 2021 fiscal year, expenses paid by related parties totaled \$95,783 (2020 - \$11,993). These expenses consist of \$72,803 (2020 - \$Nil) capitalized in mineral property interests, \$6,111 (2020 - \$Nil) in prepaid expenses and the remaining \$16,869 (2020 - \$11,993) have been expensed in the income statement. As at September 30, 2021, reimbursement for expenses payable to a director totaled \$15,645 (2020 - \$144).

12. CAPITAL DISCLOSURE

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock and loan arrangements.

Capital requirements are driven by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company strictly monitors actual expenses to budget on all exploration projects and overhead to ensure costs are controlled, commitments are met, and exploration activities are completed.

The Company considers its capital under management to be its capital stock, and loans payable, and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

13. OPERATING SEGMENTS

The Company has one industry segment, the exploration and development of mineral property interests. During the year ended September 30, 2021, the Company operated in one geographic segment in Canada.

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14. INCOME TAXES

The reconciliation of income tax provision computed at the statutory rate of 27.0% (2020 - 27.0%) to the reported income tax provision for the years ended September 30 are as follows:

	2021	2020
Net loss for year	\$ (959,657)	\$ (172,591)
Statutory income tax rate	27.0%	27.0%
Expected income tax recovery	(259,107)	(46,600)
Items not deductible for tax purposes	173,102	439
Temporary timing differences	28,683	(46,549)
Under(over) provided in prior years	-	28,986
Tax losses and tax assets not recognized	57,322	63,724
	\$ -	\$ -

The Company has capital losses of approximately \$177,045 to be carried forward indefinitely, and non-capital losses of approximately \$3,449,000 available to be carried forward to apply against future income for Canadian tax purposes. The non-capital losses expire as follows:

2028	\$	436,246
2029		386,759
2030		383,251
2031		457,479
2032		565,870
2033		273,406
2034		256,406
2035		136,230
2036		17,981
2037		18,219
2038		14,797
2040		171,927
2041		330,253
	\$	3,448,824

The potential benefit of these loss carry-forwards has not been recorded in these financial statements.

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying value of the statement of financial position items and their corresponding tax values, as well as for the benefit of losses available to be carried forward to future years for tax purposes that are probable of being realized.

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14. INCOME TAXES (Continued)

The Company's deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2021	2020
Tax value over book value of mineral property interests	\$4,338,016	\$4,498,016
Property, plant, and equipment	4,881	4,881
Share issue costs	45,902	3,852
Cumulative eligible capital	577	577
Capital loss carry-forward	177,045	177,045
Non-capital loss carry-forwards	3,448,824	3,118,571
Non-refundable income tax credits	401,085	401,085
	\$8,416,330	\$8,204,027

15. SUBSEQUENT EVENTS

Subsequent to the year ended September 30, 2021, the Company:

- (a) Obtained approval from the TSXV to extend the expiry date of 8,210,000 warrants with expiry date of October 21, 2021 to October 21, 2022.
- (b) Completed the two tranches of financing of 2,500,000 units each for a total of 5,000,000 units with each unit at \$0.10 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant is exercisable for one common share for \$0.15 with an expiry of one year from the date of issuance. The Company paid finders' fees on portions of the offering totaling \$24,100.
- (c) Effective November 15, 2021, 700,000 stock options with an exercise price of \$0.125 per share were forfeited by a former officer of the Company.