



**Rover Metals Corp.**

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2022.**

Pursuant subsection 4.3(3)(a) of National Instrument 51-102 - *Continuous Disclosure Obligations*, issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Rover Metals Corp. (“the Company” or “Rover”) for the interim period ended September 30, 2022 and 2021, have been prepared in accordance with the International Accounting Standard 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company’s management.

The Company’s independent auditors, Dale Matheson Carr-Hilton LaBonte LLP, have not performed a review of these interim financial statements.

November 29, 2022

**ROVER METALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian dollars)

	Note	September 30, 2022	December 31, 2021
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		50,662	642,772
Prepaid expenses	4	145,649	192,052
Sales tax receivable		5,474	37,912
		<b>201,785</b>	872,736
Restricted cash	5	152,277	117,277
Exploration and evaluation assets	6	4,243,961	3,011,203
Equipment	7	101,151	119,625
Investment	6(c),8	104,265	300,000
<b>Total assets</b>		<b>4,803,439</b>	4,420,841
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	6, 11	238,621	666,870
		<b>238,621</b>	666,870
Loan payable	9	38,717	35,148
Deferred income	9	1,283	4,852
<b>Total liabilities</b>		<b>278,621</b>	706,870
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	7,051,336	5,551,372
Warrant reserves	10	2,357,785	2,655,800
Stock option reserves	10	356,464	519,050
Contributed surplus	10	1,493,692	575,768
Deficit		(6,734,459)	(5,588,019)
<b>Total shareholders' equity</b>		<b>4,524,818</b>	3,713,971
<b>Total liabilities and shareholders' equity</b>		<b>4,803,439</b>	4,420,841

Nature of operations and going concern (Note 1)  
 Commitments and contingencies (Note 14)  
 Subsequent events (Note 15)

These unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 29, 2022:

***“Keith C. Minty”***

Director

***“Judson Culter”***

Director

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

**ROVER METALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited - Expressed in Canadian dollars, except number of shares outstanding)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Operating expenses</b>					
Administrative fees	11	79,125	57,250	212,248	200,610
Bank fees and interest		1,118	1,054	3,384	3,517
Communications		1,133	1,179	3,496	3,190
Foreign exchange		(4)	(19)	3,017	526
Geological management fees		-	10,000	-	17,500
Interest expense	9	1,238	1,090	3,569	2,683
Insurance		1,313	1,950	5,213	5,525
Investor relations and marketing consulting		166,814	170,641	453,375	456,806
Marketing and events		4,341	3,528	7,690	41,214
Office expenses and dues		1,726	2,550	6,369	18,341
Professional fees	11	18,143	67,028	68,659	152,563
Rent and maintenance		7,378	7,845	22,265	21,607
Stock-based compensation	10(e),11	1,494	24,070	70,042	90,470
Stock transfer agent and filing fees		14,119	21,764	62,405	85,401
Travel		6,626	3,880	18,480	9,910
		<b>304,564</b>	<b>373,810</b>	<b>940,212</b>	<b>1,109,863</b>
<b>Other expenses (income)</b>					
Amortization of flow-through premium liability	10(f)	(42,820)	-	(42,820)	-
Interest income	9	(1,415)	(1,267)	(3,746)	(2,860)
Loss on disposal of exploration asset	6(c)	-	-	-	213,711
Impairment of exploration asset	6(e)	-	-	58,319	-
Other expenses		(3,118)	-	-	-
Realized loss on sale of investment	8	840	-	840	-
Refund of acquisition deal costs	6(d)	-	-	-	(92,008)
Unrealized loss on change in fair value of investment	9	73,635	-	193,635	-
<b>Net loss and comprehensive loss</b>		<b>331,686</b>	<b>372,543</b>	<b>1,146,440</b>	<b>1,228,706</b>
<b>Net loss per share</b>					
Basic and diluted (Note 1)		<b>0.01</b>	0.02	<b>0.05</b>	0.07
<b>Weighted average number of shares outstanding</b>					
Basic and diluted (Note 1)		<b>26,260,412</b>	19,090,932	<b>23,965,788</b>	16,561,620

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

**ROVER METALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Unaudited - Expressed in Canadian dollars, except number of shares outstanding)

	Common Shares (Note 1)	Share capital	Warrant reserves	Stock option reserves	Contributed surplus	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$
Balance, December 31, 2020	<b>12,859,158</b>	<b>3,410,317</b>	<b>956,984</b>	<b>395,432</b>	<b>575,768</b>	<b>(3,912,508)</b>	<b>1,425,993</b>
\$0.60 Unit Financing	6,170,834	2,120,868	1,581,632	-	-	-	3,702,500
Shares issued for trade payable settlements	117,163	65,000	-	-	-	-	65,000
Share issuance costs	-	(222,883)	82,961	-	-	-	(139,922)
Stock-based compensation	-	-	-	90,470	-	-	90,470
Net loss and comprehensive loss	-	-	-	-	-	(1,228,706)	(1,228,706)
<b>Balance, September 30, 2021</b>	<b>19,147,155</b>	<b>5,373,302</b>	<b>2,621,577</b>	<b>485,902</b>	<b>575,768</b>	<b>(5,141,214)</b>	<b>3,915,335</b>
\$0.48 Flow-through share financing, net of liability	416,667	163,070	34,223	-	-	-	197,293
Shares issued for trade payable settlements	37,748	15,000	-	-	-	-	15,000
Stock-based compensation	-	-	-	33,148	-	-	33,148
Net loss and comprehensive loss	-	-	-	-	-	(446,805)	(446,805)
<b>Balance, December 31, 2021</b>	<b>19,601,570</b>	<b>5,551,372</b>	<b>2,655,800</b>	<b>519,050</b>	<b>575,768</b>	<b>(5,588,019)</b>	<b>3,713,971</b>
\$0.30 Unit Financing	5,962,503	1,441,002	347,748	-	-	-	1,788,750
\$0.33 Flow-through Share Financing, net of liability	613,669	159,690	-	-	-	-	159,690
Shares issued for trade payable settlements	86,474	27,500	-	-	-	-	27,500
Expired warrants	-	-	(685,296)	-	685,296	-	-
Expired stock-options	-	-	-	(232,628)	232,628	-	-
Share issuance costs	-	(128,228)	39,533	-	-	-	(88,695)
Stock-based compensation	-	-	-	70,042	-	-	70,042
Net loss and comprehensive loss	-	-	-	-	-	(1,146,440)	(1,146,440)
<b>Balance, September 30, 2022</b>	<b>26,264,216</b>	<b>7,051,336</b>	<b>2,357,785</b>	<b>356,464</b>	<b>1,493,692</b>	<b>(6,734,459)</b>	<b>4,524,818</b>

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

**ROVER METALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30,	
	2022	2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(1,146,440)	(1,228,706)
Items not affecting cash:		
Amortization of flow-through premium liability	(42,820)	-
Stock-based compensation	70,042	90,470
Loss on disposal of exploration asset	-	213,711
Impairment of exploration asset	58,319	-
Realized loss on sale of investment	840	-
Unrealized loss on change in fair value of investment	193,635	-
Changes in non-cash working capital items:		
Prepaid expenses	46,403	(186,720)
Sales tax receivable	32,438	(104,078)
Accounts payable and accrued liabilities	(539,996)	(195,636)
<b>Cash used in operating activities</b>	<b>(1,327,579)</b>	<b>(1,410,959)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds received from government grant	-	102,000
Purchase of equipment	(1,784)	-
Investment in exploration and evaluation assets, net	(1,131,572)	(1,873,267)
Restricted cash - Land use permits	(35,000)	-
<b>Cash used in investing activities</b>	<b>(1,168,356)</b>	<b>(1,771,267)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from unit financing	1,991,260	3,702,500
Proceeds from the sale of investment	1,260	-
Share issuance costs from unit financing	(88,695)	(139,922)
<b>Cash provided by financing activities</b>	<b>1,903,825</b>	<b>3,562,578</b>
<b>Net change in cash</b>	<b>(592,110)</b>	<b>380,352</b>
<b>Cash, beginning of period</b>	<b>642,772</b>	<b>332,716</b>
<b>Cash, end of period</b>	<b>50,662</b>	<b>713,068</b>

**SUPPLEMENTAL CASH FLOW INFORMATION**

Investment in exploration and evaluation assets included in accounts payable	139,247	-
Shares issued for trade payable settlements	27,500	65,000

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

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN**

Rover Metals Corp. ("Rover" or the "Company") was incorporated on February 23, 2010 under the laws of the Province of British Columbia, Canada, Business Corporations Act. The head office and registered and records office address of the Company is located at Suite 908 - 938 Howe Street, Vancouver, BC, Canada, V6Z 1N9. Rover is a Canadian natural resource exploration company specializing in critical mineral and precious metal resources located in North America (U.S. and Canada only).

The Company is listed on the Toronto Venture Exchange ("TSXV") as a Tier II Mining Issuer and trades under the symbol "ROVR" and is listed on the U.S. OTCQB co-listing and trades under the symbol "ROVMF", and on the Frankfurt Stock Exchange co-listing and trades under the symbol "4XO."

On October 31, 2022, subsequent to the period end, the Company consolidated its issued share capital on a ratio of six (6) old common shares for every one (1) new post-consolidated common share. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation (the "Share Consolidation").

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. As of the date of these unaudited condensed interim consolidated financial statements ("financial statements"), COVID 19 has had no impact on the Company's ability to raise funding, and travel restrictions related to COVID 19 did not affect the Company's ability to access and explore its current properties.

These financial statements are prepared on a going concern basis, which contemplates that the Company will be able to continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. For the three and nine months ended September 30, 2022, the Company incurred a net loss of \$331,686 and \$1,146,440, respectively (2021 - \$372,543 and \$1,228,706, respectively). As at September 30, 2022, the Company has a deficit of \$6,734,459 (December 31, 2021 - \$5,588,019) and working capital deficiency of \$36,836 (December 31, 2021 – working capital of \$205,866). There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs with the proceeds from equity financings, and its current working capital.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

**NOTE 2 – BASIS OF PRESENTATION****(a) Statement of compliance**

These financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee. As such, these financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the years ended December 31, 2021 and 2020.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 29, 2022.

**(b) Basis of measurement**

These financial statements have been prepared on a historical cost basis, except for those financial instruments which have been classified at fair value through profit or loss. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

**(c) Functional and presentation currency**

These interim financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional and presentation currency. References to "USD" are to United States dollars.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 2 – BASIS OF PRESENTATION (continued)****(d) Basis of consolidation**

These financial statements include the financial information of the Company and entities controlled by the Company. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

These financial statements include the financial information of the Company and Rover Metals USA, Inc., a wholly owned subsidiary incorporated in the United States whose principal activity is exploration. The functional currency of Rover Metals USA, Inc., was determined to be the Canadian dollar. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

**Significant accounting judgements and key sources of estimate uncertainty**

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Significant judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements are as follows:

*i. Going concern*

These 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. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position would be necessary (see Note 1).

*ii. Functional currency*

The functional currency of the Company is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

*iii. Economic recoverability of future economic benefits of mineral property interests*

Management has determined that exploration and evaluation of mineral properties and related costs incurred, which have been recognized on the statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

*iv. Indications of impairments of assets*

Impairment testing is done at the cash generating unit level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

*i. Stock-based compensation*

The Company determines the fair value of stock options granted using the Black Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and the underlying assumptions used to develop them can materially affect the fair value estimate.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 2 – BASIS OF PRESENTATION (continued)***ii. Income taxes*

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and apply those findings to the Company's transactions.

**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES**

Except for the policy noted below, the accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 of the Company's audited annual financial statements for the years ended December 31, 2021 and 2020.

**Fair value of investments**

Fair value of investments in private companies are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgement is required to establish fair value and this value may not be indicative of recoverable value.

**NOTE 4 – PREPAID EXPENSES**

	<b>September 30, 2022</b>	December 31, 2021
	<b>\$</b>	<b>\$</b>
Prepaid investor relations and marketing	<b>141,011</b>	187,005
Prepaid insurance	<b>3,938</b>	3,900
Other prepaids	<b>700</b>	1,147
	<b>145,649</b>	192,052

**NOTE 5 - RESTRICTED CASH**

The Company is required to maintain security deposits with the Government of the Northwest Territories ("NWT") to hold exploration Land Use Permits for its Cabin Gold Property ("Cabin Gold"), Camp and Slemon Gold Property ("Camp and Slemon Gold"), and Land Use Permits for its Up Town Gold Property ("Up Town Gold"). The restricted cash is intended to cover potential environmental liabilities relating to the Company's exploration activities.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 6 – EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets are composed of the following:

	<b>Cabin Gold</b>	<b>Camp and Siemon Gold</b>	<b>Up Town Gold</b>	<b>Indian Mountain Lake</b>	<b>Let's Go Lithium</b>	<b>Tobin Gold</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2020	795,510	32,267	563,711	-	-	-	1,391,488
Claims	-	-	-	-	-	18,800	18,800
Exploration expenditures	2,265,005	73,896	-	-	-	-	2,338,901
Equipment amortization (Note 7)	12,725	-	-	-	-	-	12,725
Less: Disposal of exploration asset	-	-	(563,711)	-	-	-	(563,711)
Less: Government grant	(187,000)	-	-	-	-	-	(187,000)
As at December 31, 2021	2,886,240	106,163	-	-	-	18,800	3,011,203
Claims	-	-	-	40,000	16,227	-	56,227
Exploration expenditures	1,206,573	-	-	-	1,500	39,519	1,247,592
Equipment amortization (Note 7)	20,258	-	-	-	-	-	20,258
Less: Impairment of exploration asset	-	-	-	-	-	(58,319)	(58,319)
Less: Government grant	(33,000)	-	-	-	-	-	(33,000)
<b>As at September 30, 2022</b>	<b>4,080,071</b>	<b>106,163</b>	<b>-</b>	<b>40,000</b>	<b>17,727</b>	<b>-</b>	<b>4,243,961</b>

**(a) Cabin Gold Property**

The Company owns a 100% interest in Cabin Gold Property. Cabin Gold consists of one claim located 110 km northwest of Yellowknife and 60 km southeast of Fortune Minerals' NICO Gold-Cobalt-Bismuth Project and close to the new Tlicho All Season Road. On July 24, 2018, the Company received a five-year land use permit for exploration on Cabin Gold from Government of the NWT, the Wek'eezhii Land and Water Board and the Mackenzie Valley Land and Water Board.

The Company also provided the following consideration for the Cabin Gold Property:

- \$5,000 cash upon signing of the Cabin Gold LOI (completed);
- \$35,000 cash when drilling permits for Cabin Gold are issued by the government of the NWT (completed);
- A 2% Net Smelter Returns royalty (the "Silver Range Royalty") related to commercial production from Cabin Gold;
- Advance royalty payments, only in the event of exploration activities in 2019, 2020 and 2021, equal to the lesser of \$20,000 or 7% of exploration expenditures incurred by the Company at Cabin Gold during each of the calendar years 2019, 2020 and 2021. The maximum aggregate amount of total advance royalty payments is \$220,000. These advance royalty payments are deemed to be credited against future payments of the Silver Range Royalty. Payments are due by February 28 of the following year (all advance royalty payments are current as at September 30, 2022).

*Royalty*

Following completion of all payments and the completion of a National Instrument 43-101 report ("NI 43-101") with measured and indicated resources, the Company should have the irrevocable right to purchase up to 75% (being 1.5% of the 2.0%) of the Silver Range Royalty as follows:

- \$250,000 for each 0.5% interest in the Silver Range Royalty if the NI 43-101 measured and indicated gold resource is less than 1.0 million ounces of gold or gold equivalent; or
- \$500,000 for each 0.5% interest in the Silver Range Royalty if the NI 43-101 measured and indicated gold resource is greater than 1.0 million ounces of gold or gold equivalent.

*Government Grant*

During the nine months ended September 30, 2022, the Company received a grant of \$33,000 from the Government of the NWT's 2021-2022 Mining Incentive Program (year ended December 31, 2021 - \$187,000).

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 6 – EXPLORATION AND EVALUATION ASSETS (continued)****(b) Camp and Slemon Gold Properties**

During November 2017, the Company staked open ground at the Camp Gold and Slemon Gold properties in the NWT. Camp Gold and Slemon Gold are located approximately 10 km and 20 km, respectively, northwest of Cabin Gold. On July 24, 2018, the Company received a five-year land use permit for exploration at Camp and Slemon Gold from the Government of the NWT, the Wek'eezhii Land and Water Board, and the Mackenzie Valley Land and Water Board.

**(c) Up Town Gold Property****i. Original Option Agreement**

On September 9, 2016 (the "Effective Date"), the Company entered into an agreement (the "Agreement") as amended on August 15, 2017, April 6, 2018, September 5, 2018, February 18, 2020, December 4, 2020, and March 18, 2021 with Silver Range and Panarc Resources Ltd. ("Panarc") to grant the Company an option to earn up to a 100% interest in the Up Town Gold Property (the "Property"). The Property is a high-grade Archean lode gold prospect adjoining the Giant Mine in Yellowknife, NWT. The Property consists of six claims and borders the west side of the Giant Mine leases. On December 4, 2020, the Company amended the Property Agreement with Silver Range and Panarc. The amendment extends the deadlines of property payment and exploration expenditures (see below).

The Agreement consists of the following options:

- "First Option" refers to the sole and exclusive right and option to acquire up to 75% undivided interest in the Property;
- "Second Option" refers to the sole and exclusive right and option to acquire up to 25% undivided interest in the Property.

The Agreement and First Option will terminate if the Company doesn't complete all of the following within the relevant time period:

- Complete all of the following expenditure on the Property within the relevant time period:
  - \$350,000 by the first anniversary of the Effective Date (milestone complete);
  - \$500,000 by December 31, 2021 (\$850,000 cumulative total), as amended on March 18, 2021 (milestone complete), and;
  - \$1,250,000 by December 31, 2022, (\$1,600,000 cumulative total), as amended on March 18, 2021.
- Pay the following amounts and issue the following shares to Silver Range:
  - 7.5% of the outstanding common shares on a fully diluted basis, as at the Effective Date of the Agreement (payment complete);
  - \$30,000 by March 9, 2017 (payment complete);
  - \$60,000 by the first anniversary of the Effective Date (payment complete);
  - \$45,000 by the second anniversary of the Effective Date (payment complete);
  - \$45,000 by April 30, 2019 (payment complete); and
  - \$120,000 by September 30, 2021, as amended on March 18, 2021 (payment completed by First Option Assignee, per below).

Once the First Option is fully exercised, the Company should be deemed to have granted to Silver Range the Second Option, and the Company can exercise the Second Option by issuing Silver Range 416,667 common shares.

On August 23, 2021, Arctic Fox Minerals Corp. (formerly "Melius Capital Corp") ("Arctic Fox") made the final \$45,000 payment (towards the \$120,000 total above) in regards to the Up Town Gold First Option Assignment.

On January 11, 2022, Arctic Fox Assignment Agreement was amended, and the Up Town Gold underlying Option Agreement was amended to extend the additional expenditure deadline of \$750,000 by Arctic Fox from December 31, 2022 to the period between January 1 and June 30, 2023.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 6 – EXPLORATION AND EVALUATION ASSETS (continued)**

## ii. Assignment Agreement

On June 3, 2021, the Company entered into the definitive assignment agreement with Arctic Fox for the Up Town Gold Property. The Company received total consideration of \$350,000, consisting of an initial deposit upon signing of \$50,000 and \$300,000 in Arctic Fox shares at the definitive closure date. As a result, the Company recorded a loss of \$213,711 on the sale of the Property.

<b>Consideration received</b>	\$
Investment – Arctic Fox shares (3,000,000 shares at \$0.10 per share) <sup>1</sup>	300,000
Deposit received and applied	50,000
	<u>350,000</u>
<b>Exploration asset disposed</b>	
Uptown Gold - carrying value	563,711
<b>Loss on disposal of exploration asset</b>	<b>(213,711)</b>

1. *The investment in Arctic Fox is carried at its fair value and has been recorded as an investment on the Company's consolidated statement of financial position (Note 8).*

The First Option Assignment calls for:

- Rover Metals to receive \$350,000 in up front compensation from Arctic Fox upon achieving the closing milestones of the Agreement (\$50,000 on signing and \$300,000 on closing) (payments completed by Arctic Fox);
- Rover Metals is to assign the First Option of the Up Town Gold Option Agreement to Arctic Fox;
- Arctic Fox is to assume all existing cash payment deadlines and claim renewal and mining lease conversion payments and work commitment deadlines in relation to mining lease conversions as required under the First Option of the Up Town Gold Option Agreement;
- Rover Metals is to retain the right to acquire the Second Option (the right to acquire a 25% interest in the property at a future date);
- If Rover Metals is to exercise its right to the Second Option, then Rover Metals and Arctic Fox will come to negotiate terms of a joint venture; and
- If Arctic Fox were to drop the First Option, then the First Option should be re-assigned back to Rover Metals (free and clear of any liabilities of the Company to Arctic Fox).

Silver Range, the title holder and Optionee of the property, has provided its consent to the assignment.

Royalty payments will be performed by both Arctic Fox and Silver Range if the First Option is exercised and a Joint Venture formed, or if both the First and Second Options are exercised. Royalty interest will be a 2% net smelter return royalty; and is buyable down to 1% for \$1,000,000, with advance payments of Royalties for \$50,000 per annum starting on the 5th anniversary of the Effective Date of the Agreement.

**(d) Toquima Property letter of intent**

On April 10, 2019, the Company entered into a non-binding letter of intent (the "Toquima LOI") to acquire the Toquima silver project from Centennial Mining Inc. in central Nevada, USA (the "Toquima Project"). All advance payments under the Toquima LOI were capitalized to prepaid expenses and acquisition deposits. On April 30, 2020, the Company announced that it terminated the Toquima LOI. As a result of the termination the \$33,973 (USD\$25,000) non-refundable advance was expensed, \$6,625 (USD\$4,600) was recovered and the remainder of the acquisition deposits totaling \$94,371 (USD\$70,400) was impaired due to collection risk. The impairment was recorded in other expenses in the statements of loss and comprehensive loss for the year ended December 31, 2020.

On May 14, 2021, the Company recovered \$92,008 (USD\$75,983) of the acquisition deposits that were previously impaired (during the year ended December 31, 2020) and recorded the \$92,008 as other income in the statements of loss and comprehensive loss for the year ended December 31, 2021.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 6 – EXPLORATION AND EVALUATION ASSETS (continued)****(e) Tobin Gold Property**

On November 12, 2021, the Company signed a letter of intent (the “Tobin Gold LOI”), with the intent to acquire the Tobin Gold project from Gold Play LLC. in north Nevada, USA (the “Tobin Gold Project”). The Tobin Gold project is in the Battle Mountain, NV, range and exhibits the potential to be a Carlin gold deposit. The Tobin Gold LOI called for an up-front advance royalty payment. All advance minimum royalty payments under the Tobin Gold LOI have been capitalized to exploration and evaluation assets. On January 1, 2022, the Company signed a definitive purchase agreement with Gold Play LLC to acquire 100% of the Tobin Gold Project.

On June 30, 2022, the Company decided not to pursue the Tobin Gold project. As a result, amounts capitalized to exploration and evaluation assets were impaired and recognized as a loss on impairment of exploration asset on the statements of loss and comprehensive loss totaling \$nil and \$58,319 for the three and nine months ended September 30, 2022, respectively.

**(f) Indian Mountain Lake Property**

On September 13, 2022, the Company signed a definitive option agreement (the “Option Agreement”) with Panarc for the staged acquisition of up to a 90% ownership interest in the Indian Mountain Lake Property, NWT, Canada. In accordance with the terms of the Option Agreement, during the first year following the date of the Option Agreement, the Company has committed to incurring \$200,000 in exploration expenditures on the project and making a cash payment of \$20,000 to Panarc. In addition, and subject to the approval by the TSXV, Rover will issue Panarc an aggregate of 3,500,000 common shares in the capital of the Company within six months of the signing of the Option Agreement. The Common Shares, if authorized for issuance, will be subject to the standard four-month regulatory hold period.

**(g) Let’s Go Lithium Property**

On September 20, 2022, the Company signed a letter of intent (the “Let’s Go Lithium LOI”), to option a 100% ownership interest in a claystone lithium project located in the state of Nevada, USA (the “Let’s Go Lithium Project”). The land package under option is a district scale lithium claystone deposit situated on Bureau of Land Management land. The Company’s earn-in to a 100% ownership of the claystone lithium project calls for USD\$200,000 in exploration expenditures within 24 months of the signing of a definitive agreement. During the three and nine months ended September 30, 2022, the Company capitalized \$16,227 of claim filing payments and \$1,500 of exploration expenditures to exploration and evaluation assets under the Lets Go Lithium LOI. Subsequent to period end, on November 16, 2022, the Company signed a definitive option acquisition agreement for the Let’s Go Lithium project (Note 21).

**NOTE 7 – EQUIPMENT**

	\$
<b>Cost</b>	
As at December 31, 2020	-
Additions	132,350
As at December 31, 2021	132,350
Additions	1,784
<b>As at September 30, 2022</b>	<b>134,134</b>
<b>Accumulated amortization</b>	
As at December 31, 2020	-
Amortization	12,725
As at December 31, 2021	12,725
Amortization	20,258
<b>As at September 30, 2022</b>	<b>32,983</b>
<b>Carrying amounts</b>	
As at December 31, 2021	119,625
<b>As at September 30, 2022</b>	<b>101,151</b>

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**NOTE 7 – EQUIPMENT (continued)**

During the three and nine months ended September 30, 2022, the Company recorded \$6,707 and \$20,258, respectively (2021 - \$nil and \$nil, respectively) in capitalized amortization to the Cabin Gold Property (Note 6).

**NOTE 8 – INVESTMENT**

The Company measures investments at fair value, noting that the investments are revalued at each period end. The fair value of investments in private companies are referenced to the most recent equity financing completed by each private company. The fair value of investments in public companies are referenced to its quoted market price on the relevant exchange.

During the year ended December 31, 2021, the Company acquired an investment in Arctic Fox (3,000,000 common shares comprising less than 10% of all common shares issued) with an original fair value of \$300,000. During the nine months ended September 30, 2022, Arctic Fox listed on the Canadian Securities Exchange. As at September 30, 2022, the fair value of the investment in Arctic Fox declined to \$104,265, based on the quoted market price at that date, and the Company consequently incurred a loss on fair value of investments of \$73,635 and \$193,635 for the three and nine months ended September 30, 2022, respectively (2021- \$nil and \$nil, respectively). The Company sold 21,000 common shares for gross proceeds of \$1,260 resulting in a realized loss on sale of investments of \$840.

A continuity of the Company's investment is as follows:

	\$
Balance, December 31, 2020	-
Acquisition of investment	300,000
Balance, December 31, 2021	300,000
Sale of investment	(1,260)
Realized loss on sale of investment	(840)
Unrealized loss on change in fair value	(193,635)
<b>Balance, September 30, 2022</b>	<b>104,265</b>

**NOTE 9 – LOAN PAYABLE**

Due to the global COVID 19 outbreak, the federal government of Canada introduced the Canada Emergency Benefit Account ("CEBA"). CEBA provides an interest free loan ("CEBA Loan") of \$40,000 to eligible businesses. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of \$30,000 by December 31, 2022, results in a \$10,000 loan forgiveness. If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. On January 12, 2022, the federal government of Canada announced that the repayment deadline for CEBA loans to qualify for partial loan forgiveness is being extended from December 31, 2022, to December 31, 2023, for all eligible borrowers in good standing. The full balance must be repaid by no later than December 31, 2025. On August 28, 2020, the Company received a \$40,000 CEBA loan from the Government. As of September 30, 2022, the Company, as a venture issuer with going concern risk that relies on equity and debt financing, is not reasonably assured that it will repay the loan by December 31, 2023 and benefit from the loan forgiveness, hence the Company has not recognized the loan forgiveness as grant income.

Pursuant to IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the benefit of a government loan at below-market rate is treated as a government grant and measured in accordance with IFRS 9 *Financial Instruments*. The benefit of below-market rate should be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of the CEBA loan at \$29,547, using a discount rate of 13%, which was the estimated rate for a similar loan without the interest free component, which should be accreted to the \$40,000 face value over the term of the loan. The difference of \$10,453 is recorded as deferred income, which should be recognized as interest income over the term of the loan. Since receiving the CEBA loan on August 28, 2020 the Company has recorded \$9,170 as interest income on the Statements of Loss and Comprehensive Loss.

During the three and nine months ended September 30, 2022, the Company recognized both interest expense on the CEBA loan payable, and interest income on the deferred income liability of \$1,241 and \$3,569, respectively (2021 - \$1,091 and \$3,136, respectively)

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**NOTE 10 – SHARE CAPITAL AND RESERVES**

Pursuant to the Share Consolidation the Company consolidated its issued share capital on a ratio of six (6) old common shares for every one (1) new post-consolidated common share (Note 1). All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation.

**(a) Authorized**

Unlimited number of voting common shares without par value.

**(b) Issued share capital**

As at September 30, 2022, 26,264,216 common shares were issued and outstanding (December 31, 2021 – 19,601,570).

**(c) Share issuances**During the nine months ended September 30, 2022:

- On February 2, 2022, pursuant to shares for services agreements with certain consultants for services provided in 2021, the Company settled trade payables of \$12,500 via the issuance of 24,569 and 11,905 common shares at \$0.31 and \$0.42 per common share, respectively, totaling 36,474 common shares with a fair value of \$12,500. There was no gain or loss on these transactions.
- On March 17, 2022, April 22, 2022 and May 17, 2022, pursuant to a non-brokered private placement, the Company closed three tranches respectively of its \$0.30 unit financing (the "\$0.30 Unit Financing"), for gross proceeds of \$1,788,750 (5,962,503 common shares). Each unit is comprised of one common share and one-half common share purchase warrant. Each whole common share purchase warrant has an exercise price of \$0.45 and a life of three years. Finders' cash commissions of \$88,695 and 291,472 finders' warrants were paid and issued, respectively, in connection with the \$0.30 Unit Financing and were recorded as share issuance costs in the condensed interim consolidated statements of changes in equity. The \$347,748 fair value of the common share purchase warrants and \$39,533 fair value of the finders' warrants was determined using the Black Scholes option pricing model (assumptions in Note 10(d)).
- On March 17, 2022, April 22, 2022 and May 17, 2022, pursuant to a non-brokered private placement, the Company closed three tranches of its \$0.33 unit financing (the "\$0.33 Flow-through Share Financing"), for gross proceeds of \$202,510 (613,669 common shares). The flow-through shares were issued at a price of \$0.33 per flow-through common share. Additionally, a \$42,820 flow-through share liability was recorded for this issuance (Note 10(f)).
- On May 6, 2022, pursuant to shares for services agreements with certain consultants for services provided in 2022, the Company settled trade payables of \$7,500 via the issuance of 25,000 common shares at \$0.30 per common share, with a fair value of \$7,500. There was no gain or loss on these transactions.
- On July 15, 2022, pursuant to shares for services agreements with certain consultants for services provided in 2022, the Company settled trade payables of \$7,500 via the issuance of 25,000 common shares at \$0.30 per common share, with a fair value of \$7,500. There was no gain or loss on these transactions.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 10 – SHARE CAPITAL AND RESERVES (continued)**During the year ended December 31, 2021:

- On January 18 and 26, 2021, pursuant to a non-brokered private placement, the Company closed two tranches of its \$0.60 unit financing for gross proceeds of \$1,277,500 (2,129,166 common shares). Each unit is comprised of one common share and one common share purchase warrant. The warrants have an exercise price of \$0.90 and a life of two years. Finders' cash commissions of \$4,720 and 120,867 finders' warrants were paid and issued, respectively, in connection with the \$0.60 Unit Financing and were recorded as share issuance costs in the consolidated statement of equity. The \$481,703 fair value of these warrants and \$23,713 fair value of the finders' warrants was determined using the Black Scholes option pricing model (assumptions in Note 10(d)).
- On January 26, 2021, pursuant to shares for services agreements with certain consultants for services provided in Q4-2020, the Company settled trade payables of \$27,500 via the issuance of 11,905, 10,416 and 25,000 common shares at \$0.63, \$0.48 and \$0.60 per common share, respectively, totaling 47,321 common shares with a fair value of \$27,500. There was no gain or loss on these transactions.

On June 1 and 17, 2021, pursuant to a non-brokered private placement, the Company closed two tranches of its \$0.60 unit financing for gross proceeds of \$2,425,000 (4,041,668 common shares). Each unit is comprised of one common share and one warrant. The warrants have an exercise price of \$0.90 and a life of two years. Finders' cash commissions of \$135,252 and 225,338 finders' warrants were paid and issued, respectively, in connection with the \$0.60 Unit Financing and were recorded as share issuance costs in the consolidated statement of equity. The \$1,099,929 fair value of these warrants and \$59,248 fair value of the finders' warrants was determined using the Black Scholes option pricing model (assumptions in Note 10(d)).

- On September 9, 2021, pursuant to shares for services agreements with certain consultants for serviced provided in Q1 & Q2-2021, the Company settled trade payables of \$37,500 via the issuance of 44,118 and 25,724 common shares at \$0.51 and \$0.58 per common share, respectively, totaling 69,842 common shares with a fair value of \$37,500. There was no gain or loss on these transactions.
- On November 4, 2021, the Company raised a non-brokered flow-through unit financing (the "Units") for \$200,000. Each Unit is priced at \$0.48 and is comprised of one common share and one-half of a common share purchase warrant (the "\$0.48 Flow-through unit financing"). The warrants have an exercise price of \$0.72 per warrant share, and a life of two years and four months. There was 416,667 common shares and 208,333 common share purchase warrants issued in connection with this financing. The \$34,223 fair value of these warrants was determined using the Black Scholes option pricing model (assumptions in Note 10(d)). Additionally, a \$2,707 flow-through share liability was recorded for this issuance. On December 31, 2021, the Company renounced its resource expenditures associated with 2021 flow-through shares and recognized \$2,707 of amortization income.
- On November 9, 2021, pursuant to shares for services agreements with certain consultants for service provided in Q3-2021, the Company settled trade payables of \$15,000 via the issuance of 37,748 common shares at \$0.40 per common share, with a fair value of \$15,000. There was no gain or loss on these transactions.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 10 – SHARE CAPITAL AND RESERVES (continued)****(d) Warrants**

The following table summarizes the common share purchase warrants issued and outstanding as at September 30, 2022:

Expiry Date	Exercise Price	Balance December 31, 2021	Granted	Expired	Balance September 30, 2022
	\$	#	#	#	#
August 28, 2022	0.72	763,889	-	(763,889)	-
September 3, 2022	0.72	972,000	-	(972,000)	-
September 18, 2022	0.72	1,882,171	-	(1,882,171)	-
January 18, 2023	0.90	1,679,167	-	-	<b>1,679,167</b>
January 26, 2023	0.90	570,866	-	-	<b>570,866</b>
June 1, 2023	0.90	1,789,634	-	-	<b>1,789,634</b>
June 17, 2023	0.90	2,477,371	-	-	<b>2,477,371</b>
March 4, 2024	0.72	208,333	-	-	<b>208,333</b>
August 23, 2024	0.72	855,558	-	-	<b>855,558</b>
January 29, 2025	0.72	179,722	-	-	<b>179,722</b>
March 17, 2025	0.45	-	1,953,221	-	<b>1,953,221</b>
April 22, 2025	0.45	-	730,082	-	<b>730,082</b>
April 24, 2025	0.72	138,890	-	-	<b>138,890</b>
May 17, 2025	0.45	-	589,416	-	<b>589,416</b>
<b>Total</b>		<b>11,517,601</b>	<b>3,272,719</b>	<b>(3,618,060)</b>	<b>11,172,260</b>
<b>Weighted average exercise price</b>		<b>\$0.82</b>	<b>\$0.45</b>	<b>\$0.72</b>	<b>\$0.75</b>

The following table summarizes the common share purchase warrants issued and outstanding as at December 31, 2021:

Expiry Date	Exercise Price	Balance December 31, 2020	Granted	Expired	Balance December 31, 2021
	\$	#	#	#	#
August 28, 2022	0.72	763,889	-	-	763,889
September 3, 2022	0.72	972,000	-	-	972,000
September 18, 2022	0.72	1,882,171	-	-	1,882,171
January 18, 2023	0.90	-	1,679,168	-	1,679,168
January 26, 2023	0.90	-	570,867	-	570,867
June 1, 2023	0.90	-	1,789,633	-	1,789,633
June 17, 2023	0.90	-	2,477,370	-	2,477,370
March 4, 2024	0.72	-	208,333	-	208,333
August 23, 2024	0.72	855,558	-	-	855,558
January 29, 2025	0.72	179,722	-	-	179,722
April 24, 2025	0.72	138,890	-	-	138,890
<b>Total</b>		<b>4,792,230</b>	<b>6,725,371</b>	<b>-</b>	<b>11,517,601</b>
<b>Weighted average exercise price</b>		<b>\$0.72</b>	<b>\$0.89</b>	<b>-</b>	<b>\$0.82</b>

As at September 30, 2022, the weighted average remaining contractual life of the warrants is 1.31 years (December 31, 2021 – 1.28 years). During the nine months ended September 30, 2022, the expiry of warrants resulted in a \$685,296 (year ended December 31, 2021 - \$nil) reclass to contributed surplus from warrant reserve.

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**NOTE 10 – SHARE CAPITAL AND RESERVES (continued)**

Using the Black Scholes option pricing model, the Company calculated the fair value of the warrants issued during the nine months ended September 30, 2022 and year ended December 31, 2021, respectively, using the following weighted-average inputs, as applicable:

	<b>Nine months ended September 30, 2022</b>	Year ended December 31, 2021
Expected life	<b>3.00 years</b>	2.01 years
Annualized volatility	<b>100.00%</b>	100.00%
Dividend rate	-	-
Risk-free rate	<b>2.15%</b>	0.30%

1. Annualized volatility was determined by reference to historical volatility of similar entities over the life of the options issued.

**(e) Incentive stock options**

During the nine months ended September 30, 2022, the Company had the following incentive stock options transactions:

- On February 14, 2022, the Company granted 99,999 stock options to an advisor of the Company. Each option has a four-year life, vesting immediately, which have been granted in three tranches as follows: 33,333 options with an exercise price of \$0.36, 33,333 options with an exercise price of \$0.45, and 33,333 options with an exercise price of \$0.54. The fair value of these options was \$18,873 (weighted average of \$0.19 per option) and was recognized as a stock-based compensation expense.
- On April 26, 2022, the Company granted 133,333 stock options to consultants of the Company. Each option has a four-year life, vesting immediately and has an exercise price of \$0.36. The fair value of these options was \$20,256 (\$0.15 per option) and was recognized as a stock-based compensation expense.
- On May 28, 2022, the Company granted 83,333 stock options to a consultant of the Company. Each option has a four-year life, vesting immediately and has an exercise price of \$0.36. The fair value of these options was \$12,662 (\$0.15 per option) and was recognized as a stock-based compensation expense.

During the year ended December 31, 2021, the Company had the following incentive stock options transactions:

- On January 1, 2021, the Company granted 58,332 stock options to an advisor of the Company. Each option has a four-year life, vesting quarterly over one year, with varying exercise prices ranging from \$0.75 per option to \$1.20 per option. The fair value of these options was \$19,862 (weighted average of \$0.34 per option) and was recognized as a stock-based compensation expense.
- On January 6, 2021, the Company granted 66,670 stock options to a director of the Company. Each option has a four-year life, vesting monthly over ten months and has an exercise price of \$0.72 per option. The fair value of these options was \$32,872 (\$0.49 per option) and was recognized as a stock-based compensation expense.
- On March 1, 2021, the Company granted 41,668 stock options to a consultant of the Company. Each option has a four-year life, vesting monthly over four months and has an exercise price of \$0.60 per option. The fair value of these options was \$13,011 (\$0.31 per option) and was recognized as a stock-based compensation expense.
- On March 15, 2021, the Company granted 29,168 stock options to a consultant of the Company. Each option has a four-year life, vesting monthly over four months and has an exercise price of \$0.72 per option. The fair value of these options was \$8,004 (\$0.27 per option) and was recognized as a stock-based compensation expense.
- On August 4, 2021, the Company granted 116,668 stock options to an advisor of the Company. Each option has a four-year life, vesting quarterly over twelve months, with varying exercise prices ranging from \$0.75 per option to \$1.20 per option. The fair value of these options was \$31,911 (\$0.27 per option) and was recognized as a stock-based compensation expense.
- On August 4, 2021, the Company granted 8,733 stock options to a consultant of the Company. Each option has a four-year life, vesting immediately and has an exercise price of \$0.72 per option. The fair value of these options was \$2,438 (\$0.28 per option) and was recognized as a stock-based compensation expense.

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**NOTE 10 – SHARE CAPITAL AND RESERVES (continued)**

- On October 6, 2021, the Company granted 66,666 stock options to members of its marketing team pursuant to the Company's 10% rolling stock option plan. The options have the following terms: (1) 50,000 options fully vested at grant with a \$0.72 exercise price and a life of four years; and (2) 16,666 options fully vested at grant with a \$0.90 exercise price and a life of four years. The fair value of these options was \$16,498 (weighed average of \$0.25 per option) and was recognized as a stock-based compensation expense.
- On November 16, 2021, the Company granted 58,332 stock options to an advisor of the Company. Each option has a four-year life, vesting monthly over 12 months, and has an exercise price of \$0.36 per option. The fair value of these options was \$17,527 (\$0.30 per option) and was recognized as a stock-based compensation expense.

The following table summarizes the common share incentive stock options issued and outstanding for the nine months ended September 30, 2022 and year ended December 31, 2021:

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	Number	Weighted average	Number	Weighted average
		exercise price		exercise price
	#	\$	#	\$
Balance outstanding, beginning of period	1,603,346	0.72	1,157,113	0.780
Granted	316,665	0.39	446,233	0.540
Expired	(523,774)	0.92	-	-
<b>Balance outstanding, end of period</b>	<b>1,396,237</b>	<b>0.60</b>	<b>1,603,346</b>	<b>0.720</b>
<b>Balance exercisable, end of period</b>	<b>1,386,515</b>	<b>0.64</b>	<b>1,476,958</b>	<b>0.720</b>

For the three and nine months ended September 30, 2022, the Company recorded stock-based compensation of \$1,494 and \$70,042 respectively (2021 - \$24,070 and \$90,470 respectively). During the nine months ended September 30, 2022, the expiry of stock-options resulted in a \$232,628 (year ended December 31, 2021 - \$nil) reclass to contributed surplus from options reserve.

Using the Black Scholes option pricing model, the Company calculated the fair value of the options issued during the nine months ended September 31, 2022 to be \$51,791 (year ended December 31, 2021 - \$142,124), using the following weighted-average inputs:

	Nine months ended September 30, 2022	Year ended December 31, 2021
Expected life of options	4.00 years	4.00 years
Annualized volatility <sup>1</sup>	100.00%	100.00%
Dividend rate	-	-
Risk-free interest rate	2.31%	0.74%

1. Annualized volatility was determined by reference to historical volatility of similar entities over the life of the options issued.

**(f) Flow-through shares**

Flow-through share arrangements involve resource expenditure deductions for income tax purposes which are renounced to purchasers of common shares in accordance with income tax legislation. Each flow-through share entitles the holder to a 100% tax deduction in respect of qualifying Canadian Exploration Expenses ("CEE") as defined.

The value of the flow-through share liability was determined using the residual value method, after determining the fair value of the common shares of the March 17, 2022, April 22, 2022 and May 17, 2022 \$0.33 Flow-through Share Financing. The flow-through share financing premium values ranged from \$0.06 to \$0.09 per unit, and correspondingly established a flow-through share liability value of \$42,820 on inception.

As of September 30, 2022, the Company amortized its resource expenditures associated with 2022 flow-through shares in expectation of formally renouncing these expenditures and recognized \$42,820 of amortization income.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 11 – RELATED PARTY TRANSACTIONS****(a) Related party transactions**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers.

The Company incurred charges to directors and officers, or to companies associated with these individuals, which are included in the following categories, during the three and nine months ended September 30, 2022 and 2021 as follows:

	Three months ended, September 30		Nine months ended, September 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
Administrative fees	25,500	39,250	87,500	124,750
Professional fees	9,225	-	36,516	28,692
Stock-based compensation	-	16,915	-	39,465
	<b>34,725</b>	<b>56,165</b>	<b>124,016</b>	<b>192,907</b>

During the nine months ended September 30, 2022, the Company settled \$nil of accounts payables with related parties (2021 - \$17,500) through the issuance of common shares.

During the nine months ended September 30, 2022 there were no private placement share purchases with related parties (2021 - \$66,983).

**(b) Related party balances**

As at September 30, 2022 and December 31, 2021, the Company owed \$29,027 (including taxes) and \$109,073 (including taxes) respectively, to related parties for services rendered and business expense reimbursements. These balances are non-interest bearing and payable on demand.

**NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****(a) Fair value of financial instruments**

As at September 30, 2022, the Company's financial instruments consist of cash, restricted cash, investment, accounts payable and accrued liabilities and loan payable. The Company's financial instruments are classified as and measured at amortized cost, with exception of investment which are classified and measured at fair value through profit and loss.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – 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 – Inputs for the asset or liability that are not based on observable market data.

Investment changed from level 3 to level 1 after Arctic Fox was listed on the Canadian Securities Exchange (Note 8).

As at September 30, 2022, the Company believes that the carrying values of cash, restricted cash, accounts payable and loan payable approximate their fair values because of their nature and relatively short maturity dates or durations.

**ROVER METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

**NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****(b) Financial instruments risk**

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

*i. Credit risk*

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and restricted cash. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness within Canada.

*ii. Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity risk exposure arises with respect to the Company's accounts payable and accrued liabilities and loan payable. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at September 30, 2022, the Company had cash of \$50,662 and a working capital deficiency of \$36,836 with total current liabilities of \$238,621.

*iii. Market risk*

- a. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold investments or debt with variable interest rates and, therefore, is not exposed to interest risk.
- b. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Foreign currency risk exposure arises with respect to some of the Company's accounts payable and accrued liabilities denominated in a foreign currency. Assuming all other variables constant, an increase or a decrease of 10% of the U.S. dollar against the Canadian dollar, the net loss of the Company and the equity for the three and nine months ended September 30, 2022 would have varied by a negligible amount. The Company had no hedging agreements in place with respect to foreign exchange rates.
- c. The Company is exposed to equity price risk because of the fluctuating values of its investment. The Company has no control over these fluctuations and does not hedge its investments. Based on the September 30, 2022, value of investments, a 10% increase or decrease in the share price of Arctic Fox would have impacted profit or loss for the period, up or down, by approximately \$10,427 before income taxes.

**NOTE 13 – CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure (share capital) is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or issue debt instruments. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

As at September 30, 2022, the Company does not have any future operating commitments other than those described in Note 6. As at September 30, 2022, the Company had issued a letter of credit in the amount of \$117,277 (December 31, 2021 – \$117,277) in regard to one of its exploration permits bonds.

**ROVER METALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

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**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent to period end 133,333 options expired unexercised.

On October 31, 2022, pursuant to the Share Consolidation, the Company consolidated its issued share capital on a ratio of six (6) old common shares for every one (1) new post-consolidated common share (Note 1).

On November 16, 2022 the Company signed a definitive agreement to option a 100% ownership interest in the Let's Go Lithium property located in the state of Nevada, USA.

On November 16, 2022 the Company closed the first tranche of a non-brokered private placement for 4,700,000 units at a price of \$0.08 per unit for gross proceeds of \$376,000. Each unit is comprised of one common share and one common share purchase warrant. Each common share purchase warrant has an exercise price of \$0.12 and a life of two and a half years. Finders' cash commissions of \$17,100 and 213,750 finders' warrants were paid and issued, respectively. The finder's warrants have an exercise price of \$0.12 and a life of two and a half years from the date of closing.

On November 16, 2022, pursuant to shares for services agreements with certain consultants for services provided in 2022, the Company settled trade payables of \$22,500 via the issuance of 187,500 common shares at \$0.12 per common share, with a fair value of \$22,500. There was no gain or loss on these transactions.