

**EGR EXPLORATION LTD.**  
(Formerly Gambier Gold Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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In accordance with National instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	Note	September 30, 2022 (Unaudited)	March 31, 2022 (Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 30,992	\$ 199,582
Amount receivable	6	122,927	12,369
Prepaid expenses and deposit	8	8,785	15,486
		<u>162,704</u>	<u>227,437</u>
<b>Non-current</b>			
Exploration and evaluation assets	6	611,850	561,850
Equipment		2,533	2,886
		<u>614,383</u>	<u>564,736</u>
		<u>\$ 777,087</u>	<u>\$ 792,173</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	\$ 822,104	\$ 864,230
Loans payable	9	17,743	310
		<u>839,847</u>	<u>864,540</u>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	7	16,371,585	16,321,585
Reserves	7	4,251,795	4,251,795
Deficit		(20,686,140)	(20,645,747)
		<u>(62,760)</u>	<u>(72,367)</u>
		<u>\$ 777,087</u>	<u>\$ 792,173</u>

Nature of operations and continuance of operations (Note 1)

Subsequent events (Note 12)

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

Approved by the Board of Directors:

*"Sven Gollan"*

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Sven Gollan

*"Daniel Rodriguez"*

\_\_\_\_\_  
Daniel Rodriguez

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

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars; Unaudited)

	Note	For the		For the	
		three months ended	September 30	six months ended	September 30
		2022	2021	2022	2021
Exploration expenses (recovery)	6, 8	\$ (113,837)	\$ 176,331	\$ (125,556)	\$ 1,488,779
Administrative expenses					
Bank charges and interest		74	83	32,826	493
Consulting fees	8	-	18,000	79,795	75,000
Depreciation		176	251	353	502
Management fee	8	30,000	30,000	75,000	75,000
Office and general		4,390	3,079	12,307	6,098
Professional fees	8	105,840	8,275	249,836	5,171
Shareholder communications		1,756	6,651	1,756	23,773
Transfer agent and filing fees		3,140	4,233	12,671	18,028
Travel and entertainment		2,947	7,532	2,947	7,532
Write-off of loan payable		(186)	-	(496)	-
		148,137	78,104	466,995	211,597
Other items					
Gain on settlement of accounts payable	12	(301,046)	-	(301,046)	-
Other income		-	(150,000)	-	(183,300)
		(301,046)	(150,000)	(301,046)	(183,300)
Net loss (income) and comprehensive loss (income) for the year		\$ (266,746)	\$ 104,435	\$ 40,393	\$ 1,517,076
Basic and diluted loss (earnings) per share		\$ (0.01)	\$ 0.00	\$ 0.00	\$ 0.03

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

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

	Number of shares	Amount	Share subscriptions	Reserves	Deficit	Total shareholders' equity (deficiency)
<b>Balance as at March 31, 2021 (Audited)</b>	38,651,496	\$ 15,709,098	\$ 95,110	\$ 3,917,157	\$ (18,461,580)	\$ 1,259,785
Shares issued:						
Private placement	5,333,334	457,287	-	342,713	-	800,000
Stock options exercised	47,500	15,200	-	(8,075)	-	7,125
Share subscription received	-	-	(95,110)	-	-	(95,110)
Net loss and comprehensive loss	-	-	-	-	(1,517,076)	(1,517,076)
<b>Balance as at September 30, 2021 (Unaudited)</b>	44,032,330	16,181,585	-	4,251,795	(19,978,656)	454,724
Shares issued:						
Shares issued pursuant to agreements	2,200,000	140,000	-	-	-	140,000
Net loss and comprehensive loss	-	-	-	-	(667,091)	(667,091)
<b>Balance as at March 31, 2022 (Audited)</b>	46,232,330	16,321,585	-	4,251,795	(20,645,747)	(72,367)
Shares issued:						
Shares issued pursuant to agreements	2,000,000	50,000	-	-	-	50,000
Net loss and comprehensive loss	-	-	-	-	(40,393)	(40,393)
<b>Balance as at September 30, 2022 (Unaudited)</b>	<b>48,232,330</b>	<b>\$ 16,371,585</b>	<b>\$ -</b>	<b>\$ 4,251,795</b>	<b>\$ (20,686,140)</b>	<b>\$ (62,760)</b>

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

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars; Unaudited)

	<b>For the</b>	
	<b>six months ended September 30</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for):</b>		
<b>Operating activities</b>		
Net loss	\$ (40,393)	\$ (1,517,076)
Items not involving cash:		
Other income	-	(33,300)
Depreciation	353	502
Gain on settlement of accounts payable	(301,046)	-
Write-off of loan payable	(496)	-
Changes in non-cash working capital items:		
Amount receivable	(110,558)	(22,256)
Prepaid expenses and deposit	6,701	29,400
Accounts payable and accrued liabilities	259,106	257,169
Cash used in operating activities	<u>(186,333)</u>	<u>(1,285,561)</u>
<b>Financing activities</b>		
Shares issued for cash	-	712,015
Loans payable	17,743	-
Cash provided by financing activities	<u>17,743</u>	<u>712,015</u>
<b>Change in cash during the period</b>	(168,590)	(573,546)
<b>Cash - beginning of the period</b>	<u>199,582</u>	<u>1,069,472</u>
<b>Cash - end of the period</b>	<u>\$ 30,992</u>	<u>\$ 495,926</u>
<b><i>Supplemental disclosure of cash flow information</i></b>		
Cash paid during the year:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022**  
(Expressed in Canadian Dollars; Unaudited)

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**1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS**

EGR Exploration Ltd. (formerly Gambier Gold Corp.) (the “Company” or “EGR”) was incorporated on March 2, 2006 and is domiciled in Canada under the Business Corporations Act (British Columbia). The Company changed its name from Gambier Gold Corp. to EGR effective on October 17, 2022. Its registered office and records office is Suite 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

The Company’s principal business activity is the acquisition and exploration of mineral properties. The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “EGR” (formerly “GGAU”).

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. At September 30, 2022, the Company has not achieved profitable operations, has accumulated losses of \$20,686,140 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

There was a global pandemic outbreak of COVID-19. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company’s control; however, it is possible that COVID-19 may have a material adverse effect on the Company’s business, results of operations and financial condition.

The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences of the conflict in Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the conflict in Ukraine on the business to be limited, the indirect impacts on the economy and on the mining industry and other industries, in general, could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

	September 30, 2022	March 31, 2022
Deficit	\$ (20,686,140)	\$ (20,645,747)
Working capital (deficiency)	\$ (677,143)	\$ (637,103)

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022**  
**(Expressed in Canadian Dollars; Unaudited)**

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**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and related IFRS Interpretations Committee (“IFRICs”) as issued by the International Accounting Standards Board (“IASB”). The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

**(b) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2022 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- Presentation of financial statements

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the Company’s most recent annual financial statements for the year ended March 31, 2022.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements and, therefore, should be read in conjunction with the annual financial statements for the year ended March 31, 2022. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the six-month period ending September 30, 2022 are not necessarily indicative of the results that may be expected for the current fiscal year ending March 31, 2023.

#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in a comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

##### Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below:

##### Exploration and Evaluation Asset and Impairment

The application of the Company's accounting policy for the exploration and evaluation of assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an item of expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

##### Going Concern

The assessment of the Company's ability to continue as a going concern requires significant judgement. See Note 1.

##### Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

##### Significant estimates

There were no significant estimates used in the preparation of the condensed consolidated interim financial statements.

#### **5. SEGMENTED INFORMATION**

The Company currently operates in one industry segment, being mineral exploration and in one geographic area, namely Canada.

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022**  
(Expressed in Canadian Dollars; Unaudited)

**6. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES**

The following tables summarize the Company's exploration and evaluation assets as at September 30, 2022 and March 31, 2022.

<b>Exploration and evaluation assets</b>	<b>Hemlo Property</b>	<b>Urban Barry</b>	<b>Detour West</b>	<b>Total</b>
<b>As of March 31, 2021</b>	119,200	12,512	431,850	563,562
Shares issued	10,000	-	130,000	140,000
Cash - payment	25,000	-	-	25,000
Impairment	(154,200)	(12,512)	-	(166,712)
<b>As of March 31, 2022</b>	-	-	561,850	561,850
Shares issued	-	-	50,000	50,000
<b>As of September 30, 2022</b>	\$ -	\$ -	\$ 611,850	\$ 611,850

The following tables summarize the Company's exploration expenditures for the six months ended September 30, 2022 and 2021.

<b>Mineral exploration expenses for the six months ended September 30, 2022</b>	<b>Detour West</b>	<b>Total</b>
Assays	\$ 8,665	\$ 8,665
Consulting	12,284	12,284
Geological <sup>(1)</sup>	(146,505)	(146,505)
	\$ (125,556)	\$ (125,556)

<b>Mineral exploration expenses for the six months ended September 30, 2021</b>	<b>Detour West</b>	<b>Total</b>
Consulting	\$ 1,000	\$ 1,000
Geological	1,487,779	1,487,779
	\$ 1,488,779	\$ 1,488,779

<sup>(1)</sup> On June 28, 2022, the Company received a credit note of \$72,336 from Pioneer Exploration Consultants Ltd. ("Pioneer") (Note 8) to offset part of the outstanding balance in accounts payable to Pioneer.

As of September 30, 2022, the Company recorded a recovery of \$113,837 on geological expenses from unrecorded GST/HST on Pioneer's previous invoices incurred during the year ended March 31, 2022. Subsequently, on November 1, 2022, the Company received GST/HST refund of \$120,275, which included the recovery of \$113,837 from the periods prior to the six months ended September 30, 2022.

As a result of the above recovery of GST/HST, a negative balance was incurred in mineral exploration expense during the six months ended September 30, 2022.

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022**  
(Expressed in Canadian Dollars; Unaudited)

**6. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES (Continued)**

**(a) Hemlo Property, Ontario**

*Hemlo West*

On January 23, 2020, and as amended on February 15, 2020, the Company entered into a mineral property acquisition agreement with Rudolf Wahl (the "Vendor") in which the Company will acquire a 100% interest in 125 mineral claims located in Cotte, Pic & Lecours Townships, Thunder Bay Mining District, Ontario, Canada (also known as "Hemlo Property") in exchange for cash of \$120,000, issuance of 1,000,000 common shares and incur \$200,000 in exploration expenditures as follows:

	<u>Cash</u>		<u>Shares</u>		<u>Exploration expenditures</u>
January 23, 2020	\$ 20,000	(paid)	200,000	(issued)	
January 24, 2021	25,000	(paid)	200,000	(issued)	
January 24, 2022	25,000	(paid)	200,000	(issued)	
January 24, 2023	25,000		200,000		
January 24, 2024	25,000		200,000		\$ 200,000 <sup>(1)</sup>
	<u>\$ 120,000</u>		<u>1,000,000</u>		

<sup>(1)</sup> The \$200,000 exploration expenditures are required to be spent within four years of signing the agreement. By the year ended March 31, 2022, the Company spent a total of \$25,000 on this property.

The Company will pay to the Vendor a royalty of 3% Gross Overriding Royalty ("GOR") with respect to diamonds extracted. The Company shall have the right to purchase 2% of the GOR from the Vendor in consideration of \$2,000,000. The Company shall have first right of an offer to obtain the remaining 1%.

The Company will pay to the Vendor a royalty of 3% Net Smelter Royalty ("NSR") with respect to any non-diamond minerals and/or metals. The Company shall have the right to purchase 2% of the NSR from the Vendor in consideration of \$2,000,000.

Upon completion of a NI 43-101 compliant resource exceeding 1,000,000 ounces of Gold, the Company will issue 500,000 common shares to the Vendor. Upon completion of a positive bankable feasibility study, the Company will issue 1,000,000 common shares to the Vendor.

The management of the Company decided not to pursue this project and had written-off \$154,200 in acquisition costs. The claims were forfeited and returned to the vendor in June 2022.

*Hemlo South*

During the year ended March 31, 2020, the Company staked another 74 claims in the Hemlo South project located in the Archean Schreiber-Hemlo greenstone belt for a total of \$3,700. These claims expired on February 11, 2022 and management of the Company decided not to pursue this project.

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022**  
(Expressed in Canadian Dollars; Unaudited)

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**6. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES** *(Continued)*

**(b) Detour West, Ontario**

On July 27, 2020, the Company entered into a property option agreement with Altus Capital Partners and Luke Schuss (the "Optionors") to acquire 100% interest in 912 mineral titles located in Ontario, Canada also known as Detour West property. As consideration, the Company will pay cash payments of \$40,000 and issue 6,000,000 common shares of the Company from the date of the Exchange's acceptance (September 10, 2020) as follows:

	<u>Cash</u>		<u>Shares</u>	
September 10, 2020	\$ 40,000	(paid)	2,000,000	(issued)
September 10, 2021	-		2,000,000	(issued)
September 10, 2022	-		2,000,000	(issued)
	<u>\$ 40,000</u>		<u>6,000,000</u>	

Upon exercise of the Option, the Company will pay to the Optionors a royalty of 2.5% Net Smelter Royalty ("NSR"). The Company shall have the right, to purchase 1.0% of the NSR from the Optionors in consideration of \$500,000.

On July 21, 2022, the Company issued 2,000,000 common shares valued at \$50,000 (Note 7(b)) and completed the Option to acquire the 100% interest in Detour West.

**(c) Urban Barry, Quebec**

During the year ended March 31, 2020, the Company staked 190 claim cells for a total of 10,714 hectares in Urban Barry Property in Quebec, Canada for \$12,512. During the year ended March 31, 2022, the management of the Company decided not to pursue with this project and had written-off \$12,512 in acquisition cost to profit or loss.

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022**  
**(Expressed in Canadian Dollars; Unaudited)**

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**7. SHARE CAPITAL**

(a) Authorized:

As of September 30, 2022, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid. Effective October 17, 2022, the Company consolidated its common shares on a 3-for-1 basis (Note 12). All references to the number of shares and per-share amounts have not been restated yet to reflect this share consolidation.

(b) Share issuances:

During the six months ended September 30, 2022:

On July 21, 2022, the Company issued 2,000,000 common shares pursuant to a property agreement valued at \$50,000 (Note 6(b)).

During the year ended March 31, 2022:

On April 14, 2021, the Company issued an aggregate of 47,500 common shares pursuant to the exercise of stock options for total proceeds of \$15,200 with a fair market price of \$0.23 per share. The Company transferred \$8,075 from reserves.

On April 15, 2021, the Company completed a non-brokered private placement of 5,333,334 units at a price of \$0.15 per unit for total proceeds of \$800,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of \$0.23 per common share expiring on April 15, 2023. The fair value of the warrants was \$342,713, which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on the announcement date of \$0.25, risk-free interest rate of 0.31%, dividend yield of 0%, volatility of 134.18% and expected life of two years.

On February 18, 2022, the Company issued a total of 2,200,000 common shares pursuant to the terms of two property agreements valued at \$140,000.

(c) Stock options:

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis. Options may be exercisable for a maximum of ten years from the date of grant.

**EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022**  
(Expressed in Canadian Dollars; Unaudited)

**7. SHARE CAPITAL (Continued)**

(c) Stock options: (Continued)

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

Expiry date	Exercise price	March 31, 2022	Granted	Exercised	Expired / Cancelled	September 30, 2022		
January 11, 2023	\$ 0.20	712,000	-	-	-	712,000		
February 14, 2023	(a) \$ 0.15	331,875	-	-	-	331,875		
June 1, 2023	(a) \$ 0.15	828,750	-	-	-	828,750		
September 17, 2025	\$ 0.15	781,875	-	-	-	781,875		
Options outstanding		2,654,500	-	-	-	2,654,500		
Options exercisable		2,654,500	-	-	-	2,654,500		
Weighted average exercise price	\$	0.16	\$	-	\$	-	\$	0.16

(a) With the resignations and replacement of certain directors, 331,875 of the options with an original expiration date of September 17, 2025 will expire on February 14, 2023 and 828,750 of the options with an original expiration date of September 17, 2025 will expire on June 1, 2023, all being one year after the resignations. The weighted average contractual remaining life of options as at September 30, 2022 is calculated based on the updated expiry date of these options.

As at September 30, 2022, the weighted average contractual remaining life of options is 1.21 years (March 31, 2022 – 2.75 years).

Stock option transactions and the number of stock options for the year ended March 31, 2022 are summarized as follows:

Expiry date	Exercise price	March 31, 2021	Granted	Exercised	Expired / Cancelled	March 31, 2022				
January 11, 2023	\$ 0.20	712,000	-	-	-	712,000				
September 17, 2025	\$ 0.15	1,990,000	-	(47,500)	-	1,942,500				
Options outstanding		2,702,000	-	(47,500)	-	2,654,500				
Options exercisable		2,702,000	-	-	-	2,654,500				
Weighted average exercise price	\$	0.16	\$	-	\$	0.15	\$	-	\$	0.16

(d) Warrants:

The continuity of warrants for the six months ended September 30, 2022 is as follows:

Expiry date	Exercise price	March 31, 2022	Issued	Exercised	Expired	September 30, 2022				
December 22, 2022	\$ 0.20	1,036,540	-	-	-	1,036,540				
September 14, 2023	\$ 0.15	1,771,700	-	-	-	1,771,700				
April 15, 2023	\$ 0.23	5,333,334	-	-	-	5,333,334				
Warrants outstanding		8,141,574	-	-	-	8,141,574				
Weighted average exercise price	\$	0.21	\$	-	\$	-	\$	-	\$	0.21

As at September 30, 2022, the weighted average contractual remaining life of warrants is 0.59 years (March 31, 2022 – 1.09 years).

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**7. SHARE CAPITAL** (Continued)

(d) Warrants: (Continued)

The continuity of warrants for the year ended March 31, 2022 is as follows:

Expiry date	Exercise price	March 31, 2021	Issued	Exercised	Expired	March 31, 2022
December 22, 2022	\$ 0.20	1,036,540	-	-	-	1,036,540
September 14, 2023	\$ 0.15	1,771,700	-	-	-	1,771,700
April 15, 2023	\$ 0.23	-	5,333,334	-	-	5,333,334
Warrants outstanding		2,808,240	5,333,334	-	-	8,141,574
Weighted average exercise price	\$	0.17	\$ 0.23	\$ -	\$ -	\$ 0.21

(e) Agent's warrants:

The continuity of agent's warrants for the six months ended September 30, 2022 is as follows:

Expiry date	Exercise price	March 31, 2022	Issued	Exercised	Expired	September 30, 2022
March 24, 2023	\$ 0.25	270,550	-	-	-	270,550
Agent's warrants outstanding		270,550	-	-	-	270,550
Weighted average exercise price	\$	0.25	\$ -	\$ -	\$ -	\$ 0.25

As at September 30, 2022, the weighted average contractual remaining life of agent's warrants is 0.48 years (March 31, 2022 – 0.98 years).

The continuity of agent's warrants for the year ended March 31, 2022 is as follows:

Expiry date	Exercise price	March 31, 2021	Issued	Exercised	Expired	March 31, 2022
March 24, 2023	\$ 0.25	270,550	-	-	-	270,550
Agent's warrants outstanding		270,550	-	-	-	270,550
Weighted average exercise price	\$	0.25	\$ -	\$ -	\$ -	\$ 0.25

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**8. RELATED PARTY TRANSACTIONS AND BALANCES**

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain current and former directors and officers. Key current and former management compensation comprise of:

For the six months ended September 30, 2022 and 2021:

	Service for	Six months ended	
		September 30, 2022	September 30, 2021
Michael Schuss <sup>(1)</sup> Former Director, Chief Executive Officer	Management fees	\$ 35,000	\$ 75,000
Geoff Balderson <sup>(2)</sup> Former Director, Chief Financial Officer	Consulting fees	\$ 6,000	\$ 18,000
Michael Burns <sup>(3)</sup> Former Director	Consulting fees	\$ (26,880)	\$ 1,504,979
Casey Forward <sup>(5)</sup> Former Director	Consulting fees	\$ 47,500	\$ -
Daniel Rodriguez <sup>(6)</sup> CEO	Management fees	\$ 40,000	\$ -
Mark T. Brown <sup>(7)</sup> CFO	Professional fees	\$ 52,500	\$ -

Related party balances:

Amounts included in Accounts payable and accrued liabilities:	Services for:	As at September 30, 2022	As at March 31, 2022
Hard Rock Consulting <sup>(4)</sup>	consulting	\$ -	\$ 30
Geoff Balderson <sup>(2)</sup>	consulting	-	186
101252103 Saskatchewan Ltd. <sup>(3)</sup>	consulting	-	52,500
Pioneer Exploration Consultants Ltd. <sup>(3)</sup>	consulting	300,000	575,426
Daniel Rodriguez <sup>(6)</sup>	Management	35,118	-
Pacific Opportunity Capital Ltd. <sup>(7)</sup>	accounting	57,750	-
<b>Total</b>		<b>\$ 392,868</b>	<b>\$ 628,142</b>

Amounts owing are unsecured, non-interest bearing and have no specific terms of repayment other than the balance owed to Pioneer Exploration Consultants Ltd. ("Pioneer"). The balance due to Pioneer is due on receipt and is subject to a 2% monthly penalty. During the six months ended September 30, 2022, the Company paid or accrued \$34,829 (year ended March 31, 2022 - \$68,913) in interest charges to Pioneer. Subsequently on October 25, 2022, the Company and Pioneer, along with 101252103 Saskatchewan Ltd., settled the amounts owing (Note 12).

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**8. RELATED PARTY TRANSACTIONS AND BALANCES** *(Continued)*

Amounts included in Prepaid expenses and deposit:	Services for:	As at September 30, 2022		As at March 31, 2022	
Harmony Corporate Services <sup>(2)</sup>	accounting	\$	3,150	\$	3,150
<b>Total</b>		<b>\$</b>	<b>3,150</b>	<b>\$</b>	<b>3,150</b>

- (1) Michael Schuss ceased to be a director and an officer of the Company on June 1, 2022.
- (2) Geoff Balderson's consulting fees were incurred with Harmony Corporate Services, a private company controlled by Mr. Balderson. Mr. Balderson ceased to be a director and an officer of the Company on June 1, 2022.
- (3) Michael Burns' consulting fees were incurred with 101252103 Saskatchewan Ltd. and Pioneer, two private companies controlled by Mr. Burns. On February 15, 2022, Mr. Burns resigned from being a director of the Company. The negative amount incurred during the six months ended September 30, 2022 was due to the credit note provided (Note 6). Subsequently on October 25, 2022, the Company and Pioneer, along with 101252103 Saskatchewan Ltd., settled the amounts owing to \$300,000 (Note 12).
- (4) Rafael Vaudrin's consulting fees were incurred with Hard Rock Consulting, a private company controlled by Mr. Vaudrin. On February 15, 2022, Mr. Vaudrin resigned from being a director of the Company. On June 1, 2022, Mr. Vaudrin was appointed as a director of the Company again.
- (5) Casey Forward was appointed as a director effective February 15, 2022. Mr. Forward ceased to be a director on June 1, 2022.
- (6) Daniel Rodriguez was appointed as the Chief Executive Officer effective June 1, 2022.
- (7) Mark T. Brown was appointed as the Chief Financial Officer effective June 1, 2022. Mr. Brown's accounting fees were incurred with Pacific Opportunity Ltd., a private company controlled by Mr. Brown.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**9. LOANS PAYABLE**

Amounts included in Loans payable:	As at September 30, 2022		As at March 31, 2022	
Pacific Opportunity Capital Ltd. <sup>(1)</sup>	\$	17,743	\$	-
Former director		-		310
<b>Total</b>	<b>\$</b>	<b>17,743</b>	<b>\$</b>	<b>310</b>

- (1) Pacific Opportunity Ltd. is a private company controlled by Mark T. Brown, Chief Financial Officer.

Loans payable are unsecured, non-interest bearing and have no specific terms of repayment.

## **10. CAPITAL RESOURCES**

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject, other than flow-through commitments. Capital of the Company comprises cash and shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

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

## **11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these condensed consolidated interim financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in the note.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at September 30, 2022, the Company had a cash balance of \$30,992 and an amount receivable of \$122,927 to settle accounts payable and accrued liabilities and loans payable of \$839,847.

## **11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** *(Continued)*

### **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Interest rate risk**

The Company is not exposed to significant interest rate risk.

### **Price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Credit Risk**

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

### **Fair Values**

The Company's financial instruments include cash, accounts payable and accrued liabilities and loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of a secondary market and the significant cost of obtaining external appraisals.

### **Fair Value Hierarchy**

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** *(Continued)*

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

September 30, 2022	Level 1	Level 2	Level 3	Total
Cash	\$ 30,992	\$ -	\$ -	\$ 30,992

  

March 31, 2022	Level 1	Level 2	Level 3	Total
Cash	\$ 199,582	\$ -	\$ -	\$ 199,582

**12. SUBSEQUENT EVENTS**

On October 17, 2022, the Company consolidated its common shares on the basis of three pre-consolidated common shares for one post-consolidated common share of the Company (the "Consolidation").

On October 25, 2022, the Company, Pioneer and 101252103 Saskatchewan Ltd. entered into a debt settlement agreement where the Company will make the following payments to settle in full the debt to Pioneer and 101252103 Saskatchewan Ltd.:

- a) Cash payments in the aggregate amount of \$100,000 as follows:
  - i. The greater of \$50,000 and such amount equal to 10% of the gross proceeds received by the Company from a 2022 fall private placement over \$500,000 up to \$1,000,000, up to a maximum of \$100,000; and
  - ii. The balance, if any, which is the difference between \$100,000 and the amount paid per above, shall be paid out of proceeds to be received by the Company from any equity or debt financing by the Company subsequent to the 2022 fall private placement.
  
- b) The issuance by the Company to Pioneer of an unsecured convertible note of \$150,000, with a term of two years, convertible at:
  - i. \$0.18 post-Consolidation per share in year one; or
  - ii. The greater of market price and \$0.10 post-Consolidation per share in year two.

The convertible note does not bear any interest and is convertible by either Pioneer or the Company any time after one year from the issuance of the convertible note.
  
- c) The issuance of the Company's post-Consolidation common shares with a deemed value of \$50,000 at a deemed price per share as may be allowed under the Exchange policies. The Company may, at its option and at any time prior to December 1, 2022, elect to pay Pioneer \$50,000 in cash instead.