

BENCHMARK METALS INC.

Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2022 and 2021

Expressed in Canadian Dollars

To the shareholders of Benchmark Metals Inc:

The consolidated condensed interim financial statements of Benchmark Metals Inc. (the "Company") for the three and six months ended August 31, 2022 and 2021 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors

BENCHMARK METALS INC.
 Consolidated Condensed Interim Statements of Financial Position
 Expressed in Canadian Dollars

(unaudited)

	August 31, 2022	February 28, 2022
ASSETS		
Current		
Cash	\$ 5,684,755	\$ 31,484,044
Short-term investment	10,000	10,000
Goods and services tax credit receivable	351,244	591,985
Mineral exploration tax credit receivable	9,055,044	9,055,044
Other receivable	1,592,273	960,448
Prepaid expenses and deposits	557,167	497,692
	<u>17,250,483</u>	<u>42,599,213</u>
Equipment (note 6)	825,612	501,692
Exploration and evaluation assets (note 4)	94,884,820	76,416,066
Reclamation bonds (note 10)	1,388,457	836,121
Right-of-use asset (note 8)	163,779	204,723
	<u>\$ 114,513,151</u>	<u>\$ 120,557,815</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 4,049,731	\$ 8,132,104
Deferred flow-through liability (note 9)	-	3,388,176
Current portion of lease liability (note 8)	88,705	83,483
	<u>4,138,436</u>	<u>11,603,763</u>
Asset retirement obligation (note 10)	799,329	600,996
Deferred taxes	11,515,356	8,182,806
Long-term portion of lease liability (note 8)	66,283	100,662
	<u>16,519,404</u>	<u>20,488,227</u>
EQUITY		
Share capital (note 4)	110,698,447	110,660,512
Option and warrant reserves (note 4)	15,078,994	15,082,225
Deficit	(27,783,694)	(25,673,149)
	<u>97,993,747</u>	<u>100,069,588</u>
	<u>\$ 114,513,151</u>	<u>\$ 120,557,815</u>

Subsequent events (note 12)

Authorized for issuance on behalf of the Board on October 31, 2022

Director (signed by) "Jim Greig"

Director (signed by) "John Williamson"

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

BENCHMARK METALS INC.

Consolidated Condensed Interim Statements of Comprehensive Loss

Expressed in Canadian Dollars

(unaudited)

For the	three months ended August 31		six months ended August 31	
	2022	2021	2022	2021
Expenses				
Exploration expenses	-	12,069	-	12,069
Marketing and investor relations expenses	\$ 269,365	\$ 403,404	\$ 1,750,668	\$ 1,209,185
Management and consulting fees	107,118	427,592	211,604	506,564
Office and administration	103,204	68,519	228,109	118,557
Professional fees	38,412	68,393	66,798	98,078
Regulatory and filing fees	8,914	9,790	13,108	35,341
Share-based compensation (note 4)	739	4,172,901	14,769	4,346,052
	(527,752)	(5,162,668)	(2,285,056)	(6,325,846)
Other				
Interest income	62,827	38,926	118,885	84,723
Settlement of flow-through liability	1,298,801	1,754,764	3,388,176	2,144,711
Net income (loss) before taxes	833,876	(3,368,978)	1,222,005	(4,096,412)
Deferred income tax expense	(3,332,550)	-	(3,332,550)	-
Net loss and comprehensive loss	\$ (2,498,674)	(3,368,978)	(2,110,545)	(4,069,412)
Basic and diluted income (loss) per common share	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.03)
Basic and diluted weighted average number of common shares outstanding	206,939,658	161,290,138	206,906,506	159,257,221

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

BENCHMARK METALS INC.
Consolidated Statements of Changes in Equity
For the six months ended August 31, 2022 and 2021
Expressed in Canadian Dollars

(unaudited)

	Number of shares	Share capital	Option and Warrant reserve	Deficit	Total equity
Balance at February 28, 2021	158,185,061	\$ 73,099,561	\$ 5,556,637	\$ (13,321,807)	\$ 65,334,391
Shares issued for cash	2,460,073	1,045,048	(258,380)	-	786,668
Share issuance costs	-	(2,808)	-	-	(2,808)
Share based payments	-	-	4,346,052	-	4,346,052
Comprehensive loss	-	-	-	(4,096,412)	(4,096,412)
Balance at August 31, 2021	160,645,134	\$ 74,141,801	\$ 9,644,309	\$ (17,418,219)	\$ 66,367,891
Shares issued for cash	46,228,220	46,098,337	(159,300)	-	45,939,037
Flow-through premium liability	-	(5,915,760)	-	-	(5,915,760)
Share issuance costs	-	(2,661,223)	-	-	(2,661,223)
Finders warrants issued	-	(1,002,643)	1,002,643	-	-
Share based payments	-	-	4,594,573	-	4,594,573
Comprehensive loss	-	-	-	(8,254,930)	(8,254,930)
Balance at February 28, 2022	206,873,354	\$ 110,660,512	\$ 15,082,225	\$ (25,673,149)	\$ 100,069,588
Shares issued for cash	100,000	38,000	(18,000)	-	20,000
Share issuance costs	-	(65)	-	-	(65)
Share based payments	-	-	14,769	-	14,769
Comprehensive income (loss)	-	-	-	(2,110,545)	(2,110,545)
Balance at August 31, 2022	206,973,354	\$ 110,698,447	\$ 15,078,994	\$ (27,783,694)	\$ 97,993,747

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

BENCHMARK METALS INC.
Consolidated Condensed Interim Statements of Cash Flows
Expressed in Canadian Dollars

(unaudited)

For the six months ended	August 31, 2022	August 31, 2021
Cash provided by (used in):		
Operating activities		
Net income (loss) for the period	\$ (2,110,545)	\$ (4,096,412)
Items not effecting cash:		
Deferred taxes	3,332,550	-
Share-based payments (notes 4)	14,769	4,346,052
Settlement of deferred flow-through liability	<u>(3,388,176)</u>	<u>(2,144,711)</u>
	(2,151,402)	(1,895,071)
Changes in non-cash working capital:		
Amounts receivable	(631,825)	-
Goods and services tax receivable	240,741	(341,424)
Prepaid expenses and deposits	229,138	(580,339)
Accounts payable and accrued liabilities	<u>(4,359,200)</u>	<u>4,731,849</u>
Cash used in operating activities	<u>(6,672,548)</u>	1,915,015
Investing activities		
Purchase of reclamation deposit	(552,336)	(564,039)
Purchase of equipment	(348,191)	(7,595)
Exploration and evaluation assets expenditures	<u>(18,282,149)</u>	<u>(14,469,508)</u>
Cash used in investing activities	<u>(19,146,676)</u>	(15,041,142)
Financing activities		
Proceeds from exercise of options	20,000	118,250
Proceeds from exercise of warrants	-	668,418
Share issuance costs	<u>(65)</u>	<u>(2,808)</u>
Cash provided by financing activities	<u>19,935</u>	783,860
Net decrease in cash	(25,799,289)	(12,342,267)
Cash – beginning of period	<u>31,484,044</u>	<u>34,121,748</u>
Cash – end of period	\$ 5,684,755	\$ 21,779,481

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

BENCHMARK METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the six months ended August 31, 2022 and 2021

Expressed in Canadian Dollars

1. Nature of operations

Benchmark Metals Inc. (“Benchmark” or the “Company”) was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol “BNCH”. The Company’s head office is located at 10545 – 45 Avenue NW, 250 Southridge NW, Suite 300, Edmonton, AB, Canada T6H 4M9. The principal business of the Company is the identification, acquisition, exploration and evaluation of mineral properties, as well as exploration of mineral properties once acquired.

The COVID-19 pandemic has caused significant and negative impact to the global financial markets. The Company’s exploration activities in Canada have not been significantly affected by the pandemic to date. If the Company becomes unable to conduct future exploration activities over the long-term in the future, this may result in a potential material impairment of exploration and evaluation assets. The Company continues to monitor and assess the impact of COVID-19 on its business activities. Currently the potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

2. Basis of presentation

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

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on October 31, 2022.

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiary PPM Phoenix Precious Metals Corp. All intercompany transactions and balances have been eliminated from the date of acquisition of control.

Name of Subsidiary	Proportion of Ownership Interest	Principal Activity
PPM Phoenix Precious Metals Corp.	100%	Holds mineral interest in BC

On September 18, 2019, the Company acquired a 100% ownership interest of PPM Phoenix Precious Metals Corp. (“PPM”).

These consolidated financial statements are presented in Canadian Dollars, and the use of the symbol “\$” herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization 3-letter symbol for such foreign currency.

3. Exploration and evaluation assets

Lawyers Property in British Columbia, Canada

In March 2018, the Company signed a Letter of Intent (“LOI”) with Phoenix Precious Metals Corp. to purchase up to a 75% interest in the Lawyer’s project in BC. The Company completed a number of conditions in order to exercise the first option under the LOI. During 2020, the Company decided that it would be more beneficial to acquire PPM, the holder of the 100% interest in the Lawyers property, than complying with the agreement and earning the interest over several years.

BENCHMARK METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the six months ended August 31, 2022 and 2021

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Total costs incurred on the Lawyers Property are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2021	\$ 5,552,828	\$ 30,028,439	\$ 35,581,267
Fieldwork	-	2,219,090	2,219,090
Geology	-	206,080	206,078
Drilling	-	7,689,187	7,689,187
Engineering	-	901,309	901,309
Environmental	-	412,920	412,920
Assay	-	861,779	861,779
Amortization	-	23,416	23,416
Travel and support	-	1,301,565	1,301,565
Community relations	-	698,813	698,813
Road maintenance	-	75,763	75,763
Reclamation	-	564,039	564,039
Management fees	-	93,000	93,000
Balance, August 31, 2021	\$ 5,552,828	\$ 45,075,398	\$ 50,628,226

	Acquisition	Exploration	Total
Balance, February 28, 2022	5,552,828	70,863,238	76,416,066
Fieldwork	-	3,275,276	3,275,276
Geology	-	238,305	238,305
Drilling	-	6,900,958	6,900,958
Engineering	-	2,023,554	2,023,554
Environmental	-	1,842,528	1,842,528
Assay	-	833,597	833,597
Amortization	-	24,270	24,270
Permits	-	6,540	6,540
Travel and support	-	272,532	272,532
Community relations	-	368,402	368,402
Road construction and maintenance	-	2,379,457	2,379,457
Reclamation	-	198,333	198,333
Management fees	-	105,000	105,000
Balance, August 31, 2022	\$ 5,552,828	\$ 89,331,990	\$ 94,884,818

4. Share capital

a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance, February 28, 2022	206,873,354	\$ 110,660,512
Shares issued upon the exercise of options	100,000	38,000
Share issuance costs	-	(65)
Balance, August 31, 2022	206,973,354	\$ 110,698,447

The Company granted stock options during the six months ended August 31, 2021 as follows:

b) Warrants

A summary of share purchase warrant activity in the period is as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, February 28, 2022 and August 31, 2022	37,669,362	\$ 1.62

A summary of the warrants outstanding and exercisable is as follows:

August 31, 2022			February 28, 2022		
Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
\$ 1.30	2,024,638	0.1	\$ 1.30	2,024,638	0.6
1.80	17,348,564	0.1	1.80	17,348,564	0.6
1.55	16,068,000	1.3	1.55	16,068,000	1.8
1.00	1,928,160	1.3	1.00	1,928,160	1.8
1.30	300,000	1.9	1.30	300,000	2.4
\$ 1.62	37,669,362	0.6	\$ 1.62	37,669,362	1.2

c) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors.

A summary of stock option activity in the period is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2022	20,630,500	\$ 0.81
Exercised	(100,000)	0.20
Outstanding options, August 31, 2022	20,530,500	\$ 0.81

The Company granted stock options during the six months ended August 31, 2021 as follows:

On May 3, 2021, the Company granted incentive stock options, for the option to purchase up to 250,000 common shares. The options are exercisable at a price of \$1.50 per common share, for a period of two years. The estimated fair value of these options of \$160,000, or \$0.64 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$1.47; expected life, 2 years; expected volatility, 83%; risk-free rate 0.30%; expected dividends, 0%.

On June 21, 2021, the Company granted incentive stock options, for the option to purchase up to 4,630,000 common shares. The options are exercisable at a price of \$1.15 per common share, for a period of five years. The estimated fair value of these options of \$4,167,000, or \$0.90 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$1.08; expected life, 5 years; expected volatility, 125%; risk-free rate 0.97%; expected dividends, 0%.

For the six months ended August 31, 2022, the Company recognized share-based payment expense of \$14,769 (2021 - \$18,833) for options granted and vested in prior periods.

A summary of the options outstanding is as follows:

August 31, 2022			February 28, 2022		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ 0.30	703,000	0.5	\$ 0.30	703,000	1.0
0.16	600,000	0.9	0.16	600,000	1.4
0.20	438,000	1.3	0.20	538,000	1.8
0.30	100,000	1.9	0.30	100,000	2.4
0.30	6,215,000	2.6	0.30	6,215,000	3.1
1.30	1,200,000	3.4	1.30	1,200,000	3.9
1.50	250,000	0.7	1.50	250,000	1.2
1.15	4,630,000	3.8	1.15	4,630,000	4.3
1.30	69,500	1.0	1.30	69,500	1.6
1.10	6,325,000	4.4	1.10	6,325,000	4.9
\$ 0.81	20,530,500	3.3	\$ 0.81	20,630,500	3.8

5. Financial instruments and risk management

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity 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 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.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

BENCHMARK METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the six months ended August 31, 2022 and 2021

Expressed in Canadian Dollars

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk as low, but acknowledges this may change in the future.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Commodity price risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit risk at August 31, 2022 is equal to the total of the carrying values of cash, short-term investment and other receivable. The Company has assessed its exposure to credit risk on its cash and short-term investment and has determined that such risk is minimal. All of the Company's cash and its short-term investment are held with a financial institution in Canada. The Company has assessed its exposure to credit risk on its other receivable and has determined that such risk is low.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

As at August 31, 2022, all of the Company's account payable and accrued liabilities of \$4,049,731 and \$88,705 of lease liabilities are due within one year and \$66,283 of lease liabilities are due between 1 and 2 years.

Determination of fair value

The statement of financial position carrying amounts for other receivable and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: unobservable inputs for the asset or liability.

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

As at August 31, 2022:

Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 5,684,755	-	-	\$ 5,684,755
Short-term investment	\$ 10,000	-	-	\$ 10,000

As at February 28, 2022:

Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 31,484,044	-	-	\$ 31,484,044
Short-term investment	\$ 10,000	-	-	\$ 10,000

6. Equipment

	Camp equipment
Balance, February 28, 2022	\$ 501,692
Additions	348,190
Depreciation	<u>(24,270)</u>
Balance, August 31, 2022	<u>\$ 825,612</u>

During the six months ended August 31, 2022, the Company capitalized \$24,270 (2021 - \$11,707) in depreciation to mineral properties.

7. Related party transactions and balances

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the six months ended	August 31, 2022	August 31, 2021
Management fees paid to companies controlled by directors, officers, and former officers	\$ 205,000	\$ 499,000
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	105,000	93,000
Share-based payments	-	1,800,000
	\$ 310,000	\$ 2,392,000

Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

For the six months ended	August 31, 2022	August 31, 2021
Short term benefits	\$ 310,000	\$ 592,000
Share-based payments	-	1,800,000
	\$ 310,000	\$ 2,392,000

At August 31, 2022, accounts payable and accrued liabilities include \$nil (February 28, 2021 - \$57,156) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

8. Right-of-use asset and lease liability

As at August 31, 2022 the Company was lessee to a premises lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum.

(a) Right-of-Use Assets

The right-of-use assets are recorded as follows:

	2022
As at February 28, 2022	\$ 204,723
Recognized during the year	-
Depreciation	(40,944)
As at August 31, 2022	\$ 163,779

(b) Lease Liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	2022
Undiscounted minimum lease payments:	
Less than one year	\$ 95,027
Two years	78,404
	<u>173,431</u>
Effect of discounting	<u>(18,443)</u>
Present value of minimum lease payments	154,988
Less current portion	<u>(88,705)</u>
Long-term portion	<u>\$ 66,283</u>

(c) Lease Liability Continuity

The lease liability continuity is as follows:

	2022
As at February 28, 2022	\$ 184,145
Principal repayments	<u>(29,157)</u>
As at August 31, 2022	<u>154,988</u>

9. Deferred flow-through liability

During the year ended February 28, 2022, the Company issued 20,136,000 flow-through shares for gross proceeds of \$28,266,720 and recognized a deferred flow-through liability of \$5,915,760, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at August 31, 2022, the Company incurred the required eligible exploration expenditures relating to these flow-through shares. As a result, the amount of \$3,388,176 in connection with the settlement of the deferred flow-through liability was recognized in other income.

10. Asset retirement obligation

As at August 31, 2022, the Company incurred an recognized an asset retirement obligation in the amount of \$799,329 (February 28, 2022 - \$600,996) in connection with its Lawyers Property (note 3). In order to obtain a mineral exploration permit, the Company was required to place a total of \$1,388,457 in reclamation bonds with the Ministry of Energy, Mines and Petroleum Resources of the Province of British Columbia and the Company records additions to its asset retirement for work completed under the permit. The Company is not yet certain about the timing of reclamation activities. Thus, the amount of \$799,329 has not been discounted.

11. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at August 31, 2022, the Company considers the aggregate of its share capital, reserves and deficit as capital. 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 common shares or dispose of assets or adjust the amount of cash on hand.

12. Subsequent events

Subsequent to the period ended August 31, 2022, the Company completed a private placement of 26,520,000 units at \$0.42, 19,759,300 flow-through units at \$0.48, for gross proceeds of \$20,622,864. Each Unit consists of one common share of the Company and one-half of a transferable warrant of the Company. Each warrant is exercisable to purchase one additional share at an exercise price of \$0.65 per share for a two-year period. The Company paid a cash commission of \$1,237,372 and issued non-transferable agent warrants of the Company exercisable to purchase up to 2,776,758 Shares at \$0.42 per share.

Subsequent to the period ended August 31, 2022, 19,373,202 warrants expired unexercised.

Subsequent to the period ended August 31, 2022, the Company issued 1,000,000 options exercisable at \$0.42 to directors of the Company.