

**ABEN MINERALS LTD.**  
**(formerly Aben Resources Ltd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**(Expressed in Canadian Dollars)**

**FOR THE NINE MONTHS ENDED JUNE 30, 2023 AND 2022**

**ABEN MINERALS LTD.**  
**(formerly Aben Resources Ltd.)**  
**(“the Company”)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine months ended June 30, 2023

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

Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

**ABEN MINERALS LTD.**  
**(formerly ABEN RESOURCES LTD.)**  
**STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)  
AS AT

	June 30, 2023	September 30, 2022
<b>ASSETS</b>		
<b>Current</b>		
Cash and equivalents (Note 3)	\$ 249,822	\$ 64,535
Marketable securities (Note 4)	-	116,250
Receivables and prepaid expenses (Note 5)	<u>42,446</u>	<u>52,477</u>
	292,268	233,262
<b>Reclamation deposit</b> (Note 6)	47,000	47,000
<b>Exploration and evaluation assets</b> (Note 6)	<u>13,684,917</u>	<u>14,014,033</u>
	<u>\$ 14,024,185</u>	<u>\$ 14,294,295</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 140,554</u>	<u>\$ 41,081</u>
<b>Shareholders' Equity</b>		
Capital stock (Note 8)	44,077,815	43,573,311
Reserves (Note 8)	4,330,547	4,187,455
Deficit	<u>(34,524,731)</u>	<u>(33,507,552)</u>
	<u>13,883,631</u>	<u>14,253,214</u>
	<u>\$ 14,024,185</u>	<u>\$ 14,294,295</u>

**Nature and continuance of operations** (Note 1)

**Approved and authorized by the Board of Directors on August 21, 2023.**

"Don Huston" Director  
Don Huston

"Jim Pettit" Director  
Jim Pettit

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

**ABEN MINERALS LTD.**  
**(formerly ABEN RESOURCES LTD.)**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)  
**NINE MONTHS ENDED JUNE 30**

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	3 months	3 months	9 months	9 months
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Consulting fees	\$ 116,849	\$ 53,413	\$ 214,936	\$ 202,454
Insurance	814	6,149	2,442	8,645
Office and administration	28,691	16,785	59,208	48,051
Professional fees	14,535	19,005	61,512	69,279
Rent	16,391	20,153	57,860	44,729
Share-based compensation (Note 9)	142,422	-	142,422	61,017
Shareholder communications	24,522	62,872	57,497	142,180
Transfer agent and filing fees	9,817	769	34,838	13,800
Travel	2,881	5,084	10,323	12,143
	<u>(356,922)</u>	<u>(184,230)</u>	<u>(641,038)</u>	<u>(602,298)</u>
<b>OTHER ITEMS</b>				
Other income on realization of flow-through premium liability	-	19,410	-	19,410
Write off of exploration and evaluation asset	(379,733)	-	(379,733)	-
Proceeds from disposition of exploration and Evaluation asset (Note 6)	-	-	25,000	200,000
Realized gain on sale on marketable securities	-	-	64,842	-
Unrealized Gain/Loss on marketable securities	-	(106,250)	(86,250)	(73,750)
	<u>(379,733)</u>	<u>(86,840)</u>	<u>(376,141)</u>	<u>145,660</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (736,655)</b>	<b>\$ (271,070)</b>	<b>\$ (1,017,179)</b>	<b>\$ (456,638)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.05)</b>	<b>\$ (0.01)</b>	<b>\$ (0.07)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>16,330,847</b>	<b>13,145,449</b>	<b>14,590,106</b>	<b>13,145,449</b>

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

**ABEN MINERALS LTD.**  
**(formerly ABEN RESOURCES LTD.)**  
**STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)  
NINE MONTHS ENDED JUNE 30

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (1,017,179)	\$ (456,638)
Items not affecting cash:		
Other income on realization of flow-through premium liability	-	(19,410)
Gain from option of exploration and evaluation asset	(25,000)	-
Share-based compensation	142,422	61,017
Unrealized loss (gain) on marketable securities	86,250	73,750
Write off of exploration and evaluation asset	379,826	-
Gain from disposition of marketable securities	(64,842)	-
Changes in non-cash working capital items:		
Decrease in receivables and prepaid expenses	10,031	(1,886)
Increase/(decrease) in accounts payable and accrued liabilities	<u>99,473</u>	<u>(59,998)</u>
Net cash flows used in operating activities	<u>(389,019)</u>	<u>(403,165)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(40,710)	(159,460)
Recovery on exploration and evaluation asset, net	<u>25,000</u>	<u>-</u>
Net cash flows used in investing activities	<u>(15,710)</u>	<u>(159,460)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from capital stock issued	500,000	-
Share issuance costs	(4,826)	-
Proceeds from sale of marketable securities	<u>94,842</u>	<u>-</u>
Net cash flows provided by financing activities	<u>590,016</u>	<u>-</u>
<b>Change in cash and equivalents during the period</b>	185,287	(562,625)
<b>Cash and equivalents, beginning of period</b>	<u>64,535</u>	<u>704,781</u>
<b>Cash and equivalents, end of period</b>	<u>\$ 249,822</u>	<u>\$ 142,156</u>

Supplemental disclosures with respect to cash flows (Note 10)

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

**ABEN MINERALS LTD.**  
**(formerly ABEN RESOURCES LTD.)**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	<u>Capital Stock</u>				
	Number	Amount	Reserves	Deficit	Total
<b>Balance as at September 30, 2022</b>	13,669,736	\$ 43,573,311	\$ 4,187,455	\$(33,507,552)	\$ 14,253,214
Exploration and evaluation assets	50,000	10,000	-	-	10,000
Private placement	5,000,000	500,000	-	-	500,000
Share issuance costs-cash		(4,826)			(4,826)
Share issuance-finders' warrants		(670)	670		-
Share-based compensation	-	-	142,422	-	142,422
Loss for the period	-	-	-	(1,017,179)	(1,017,179)
<b>Balance as at June 30, 2023</b>	18,719,736	\$44,077,815	\$ 4,330,547	\$(34,524,731)	\$ 13,883,631
<b>Balance as at September 30, 2021</b>	13,135,448	\$ 43,387,818	\$ 4,126,438	\$(32,901,188)	\$ 14,613,068
Exploration and evaluation assets	200,000	8,000	-	-	8,000
Share-based compensation	-	-	64,017	-	64,017
Loss for the period	-	-	-	(456,638)	(456,638)
<b>Balance as at June 30, 2022</b>	13,135,448	\$43,395,818	\$ 4,187,455	\$(33,357,826)	\$ 14,225,447

\*\*On January 25, 2023, the Company completed a consolidation of its issued and outstanding common shares on a 10:1 basis. All share and per share information has been retroactively adjusted to reflect the share consolidation.

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

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

Aben Minerals Ltd. (formerly Aben Resources Ltd.) (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on February 8, 1960. The Company trades on the TSX Venture Exchange ("TSX-V") and is principally engaged in acquisition, exploration and evaluation of resource properties.

The head office of the Company is located at Suite #1610 - 777 Dunsmuir Street, Vancouver, British Columbia, Canada. The registered and records offices are located at Suite #1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal business activity is the acquisition and exploration of mineral property interests, at the present principally in British Columbia, Saskatchewan and Yukon, Canada. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and exploring these property interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable.

The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration projects, and ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business results of operations at this time.

## **2. BASIS OF PREPARATION**

### **Statement of Compliance and Conversion to International Financial Reporting Standards**

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The 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 financial statements have been prepared using the accrual basis of accounting except for cash flow information.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Critical accounting estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based compensation expense is estimated using the Black-Scholes options pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.
- iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.
- iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

#### Cash and equivalents

Cash is comprised of cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

	June 30, 2023	September 30, 2022
Cash	\$ 249,822	\$ 64,535

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Exploration and evaluation assets**

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

**Impairment**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Provision for environmental rehabilitation**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Provision for environmental rehabilitation (cont'd...)**

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The Company had no provisions for environmental rehabilitation as at June 30, 2023.

**Share-based compensation**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

**Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Flow-through shares**

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. A premium liability is recognized for the share price premium paid by investors when acquiring the flow-through shares. The premium liability is reduced and other income is recognized on the renounced tax deductions as eligible expenditures are incurred.

**Loss per share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**Financial instruments**

Financial assets

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd....)**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL: it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

Asset or Liability	IFRS 9 classification
Cash and equivalents	FVTPL
Receivables	Amortized cost
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

*Impairment of financial assets at amortized cost:* The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information

**Financing charges**

Financing charges that reflect the cost to obtain new debt financing are expensed as incurred. Financing charges that reflect the cost to obtain new equity financing are deducted from shareholders' equity.

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**4. MARKETABLE SECURITIES**

During fiscal 2016, the Company sold its Mann Lake Property and received 250,000 common shares of a publicly traded company with an initial cost of \$30,000. An unrealized loss on marketable securities of \$36,250 (2021 – gain of \$113,750) has been recorded in the statement of loss and comprehensive loss. In this fiscal year, the Company sold its investment for net proceeds of \$94,842. There was a realized gain of \$64,842 in the sale of the securities.

**5. RECEIVABLES AND PREPAID EXPENSES**

The Company's receivables and prepaid expenses arise from two main sources: goods and service tax ("GST") and prepaid expenses. These are broken down as follows:

	June 30, 2023	September 30, 2022
GST receivable	\$ 10,675	\$ 11,902
Prepayments	<u>31,571</u>	<u>40,575</u>
Total	<u>\$ 42,246</u>	<u>\$ 52,477</u>

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**6. EXPLORATION AND EVALUATION ASSETS**

<b>June 30, 2023</b>	Forrest Kerr Claims	Yukon Claims	Pringle North	Slocan Graphite	Total
<b>Acquisition costs:</b>					
Balance, beginning of period	\$ 1,206,813	\$ 782,500	\$ 55,400	\$ 35,000	\$ 2,079,713
Additions	-	-	12,545	10,000	22,545
Write down	-	-	(67,945)	(45,000)	(112,945)
Balance, end of period	<u>1,206,813</u>	<u>782,500</u>	<u>-</u>	<u>-</u>	<u>1,989,313</u>
<b>Exploration costs:</b>					
Incurred during the period:					
Assaying/sampling	-	-		114	114
Consulting	2,306	8,531	6,656	9,469	26,962
Equipment rental	-	-	-	1,089	1,089
	<u>2,306</u>	<u>8,531</u>	<u>6,656</u>	<u>10,672</u>	<u>28,165</u>
Balance, beginning of period	<u>7,054,020</u>	<u>4,630,747</u>	<u>104,386</u>	<u>145,167</u>	<u>11,934,320</u>
Write down of exploration assets	-	-	(111,042)	(155,839)	(266,881)
Balance, end of period	<u>7,056,326</u>	<u>4,639,278</u>	<u>-</u>	<u>-</u>	<u>11,695,604</u>
<b>Total costs</b>	<b>\$ 8,263,139</b>	<b>\$ 5,421,778</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,684,917</b>

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

<b>September 30, 2022</b>	Forrest Kerr Claims	Yukon Claims	Pringle North	Slocan Graphite	Total
<b>Acquisition costs:</b>					
Balance, beginning of year	\$ 1,206,813	\$ 782,500	\$ 28,400	\$ -	\$ 2,017,713
Additions	-	-	27,000	35,000	62,000
Write down	-	-	-	-	-
Balance, end of year	<u>1,206,813</u>	<u>782,500</u>	<u>55,400</u>	<u>35,000</u>	<u>2,079,713</u>
<b>Exploration costs:</b>					
Incurred during the year:					
Accommodation/food/groceries	-	-	845	6,864	7,709
Advances	-	-	-	34,283	34,283
Assaying/sampling	-	1,102	-	8,967	10,069
Consulting	6,273	25,219	42,647	87,852	161,991
Dues and fees	-	-	825	-	825
Equipment rental	-	40	-	1,202	1,242
Fuel/mileage/maintenance	-	221	-	5,136	5,357
Geophysical survey	-	-	(11,532)	-	(11,532)
Travel	-	-	877	863	1,740
	-	-	-	-	-
	6,273	26,582	33,662	145,167	211,684
Balance, beginning of year	<u>7,047,747</u>	<u>4,604,165</u>	<u>70,724</u>	<u>-</u>	<u>11,722,636</u>
Balance, end of year	<u>7,054,020</u>	<u>4,630,747</u>	<u>104,386</u>	<u>145,167</u>	<u>11,934,320</u>
<b>Total costs</b>	<b>\$ 8,260,833</b>	<b>\$ 5,413,247</b>	<b>\$ 159,786</b>	<b>\$ 180,167</b>	<b>\$ 14,014,033</b>

**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**Title to exploration and evaluation assets**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

**Yukon Territory Claims**

Justin Project, Yukon Territory

The Company has a 100% interest in the Justin project located in the Watson Lake District, in east-central Yukon Territory. The optionor has a 3% NSR of which the Company has the right to purchase a 2% NSR at any time prior to commencement of commercial production for \$2,000,000.

During the year ended September 30, 2019, the Company entered into an agreement with Sandstorm Gold Ltd., (“Sandstorm”) pursuant to which the parties have renegotiated the terms of certain advance royalty obligations over the Company's 100% owned Justin property in the Yukon. Under the terms of the agreement, the Company issued 75,000 shares (valued at \$82,500) to Sandstorm as partial consideration for the cancellation of the advance royalty obligations and the creation of new royalty agreements with Sandstorm. Additional consideration for the settlement agreement is the assignment to Sandstorm of various net smelter royalties (“NSR”) and buyback rights held by the Company. As a result of the agreement, the royalty obligation to Sandstorm on the Justin property has been reduced from 3% to 2% and the obligation to make advance royalty payments has been terminated.

VF Gold Project, Yukon Territory

The Company has a 100% interest in mineral claims (known as the VF Gold Project) located in the Upper Hyland River Gold Belt of the Watson Lake Mining District, Yukon Territory. The optionor has a 2% NSR on the property. Due to a delay in the development of the property, the Company has written down the investment to \$Nil in prior fiscal years, although the claims remain in good standing. Pursuant to an agreement with Sandstorm, the royalty buyback rights have been assigned to Sandstorm.

**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**Chico Claims, Saskatchewan**

During fiscal 2017, the Company executed a formal option agreement with Eagle Plains Resources Ltd., whereby the Company has the exclusive right to earn an undivided 80% interest in the Chico gold project, located east of La Ronge, Saskatchewan. The Company may earn an initial 60% interest by incurring \$1,500,000 in exploration expenditures, issuing 150,000 common shares (50,000 issued at a value of \$68,750) and making cash payments of \$100,000 (\$50,000 paid) over four years. In June 2018, Eagle Plains transferred the Chico claims and Chico option to Taiga Gold Corp, which had been spun out of Eagle Plains in a plan of arrangement completed in April, 2018.

Upon earning this 60% interest in the Chico gold project, the Company may elect to exercise a second option to earn a further 20% interest by incurring an additional \$2,000,000 in exploration expenditures, issuing 100,000 common shares and making \$50,000 cash payments within two years of the date of election. The Company and Taiga Gold Corp. have one director in common. The Company's planned and permitted drill program has been suspended as a result of a request by the citizens of the community of Pelican Narrows and members of the Peter Ballantyne Cree Nation. Due to the uncertainty of the project, the Company has written down the investment to \$nil in fiscal 2018 and fiscal 2019. In fiscal 2022, the Company and Taiga have agreed to terminate the option agreement. Under the terms of the agreement, Taiga has agreed to pay the Company \$200,000 in cash (received). The Company will no longer have any rights to the property nor obligation to make cash payments, issue common shares or incur exploration expenditures.

**Forrest Kerr Project, British Columbia**

During fiscal 2016, the Company entered into individual option agreements with third parties to acquire a 100% interest properties located in the Forrest Kerr Project area, west-central British Columbia. The Forrest Kerr Project includes the Forgold Claims, RDN Claims and Forrest Claims disclosed below. Pursuant to the option agreements, the Company is required to incur a minimum of \$3,000,000 in exploration expenditures on or before June 30, 2020 on the claims included in the Forest Kerr Project, of which no less than \$1,000,000 is to be expended directly on the RDN claims and \$500,000 expended in stages directly on the Forrest claims. The Company has now earned its full interest in the properties.

The Company also acquired additional claims directly by staking. The Company has \$38,000 as a reclamation deposit (2022 - \$38,000) on the project as at June 30, 2023.

**Forgold Claims**

The Company entered into an option agreement to acquire a 100% interest the Forgold Claims. The property is subject to a 2% NSR with a buy-back option of 1% for the sum of \$1,000,000. Pursuant to an agreement with Sandstorm, royalty buy back rights have been assigned to Sandstorm in addition to granting Sandstorm a 1% NSR.

**RDN Claims**

The Company has a 100% interest in the RDN Property The property is subject to a 1.33% NSR. Pursuant to an agreement with Sandstorm, royalty buy back rights have been assigned to Sandstorm in addition to granting Sandstorm a 0.5% NSR.

**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Forrest Claims

The Company has a 100% interest in mineral claims known as the Forrest Kerr claims. The property is subject to a 3% NSR with a buy-back option of up to 2% for the sum of \$2,500,000. Pursuant to an agreement with Sandstorm, royalty buy back rights have been assigned to Sandstorm in addition to granting Sandstorm a 1% NSR.

Pringle North Claims

The Company has formalized an option agreement with an arm's length third party, whereby the Company will hold the exclusive right to earn a 100% interest in the Pringle North gold project, located north of the town of Red Lake in the Red Lake mining district of Northwestern Ontario. Under the terms of the agreement, the Company may acquire a 100% right, title and interest in and to the property by paying to the Optionors a total of \$97,000 and issuing to the optionors a total of 32,000 common shares, as follows:

1. \$18,000 upon signing (paid);
2. 12,000 shares (issued at a value of \$7,800)
3. \$24,000 and 10,000 shares on the first anniversary of TSX-V approval (paid and issued at a value of \$3,000);
4. \$55,000 and 10,000 shares on the second anniversary of TSX-V approval.

The optionors shall retain a 1.5% NSR, of which the Company may purchase 0.5% at any time for \$600,000. In fiscal 2023, the Company has decided not to proceed with these claims. Consequently, all capitalized costs have been expensed in the current quarter.

Slocan Graphite Claims

The Company entered into an option agreement with Eagle Plains Resources Ltd. whereby the Company holds the exclusive right to earn a 100% interest in the Slocan graphite project located northwest of Castlegar, B.C. Under the terms of the agreement, the Company must complete \$1 million in exploration expenditures, issue 85,000 common shares and make \$150,000 in cash payments to Eagle Plains over a three-year period. In addition, if at any time the Company, or its successors report a resource of greater than 10 million tonnes for tenures comprising the property, Eagle Plains will receive a one-time success fee of 50,000 shares of the Company. The property is subject to a 2% NPR. The Company has issued 10,000 shares valued at \$5,000 and has paid \$30,000 in line with the agreement. In fiscal 2023, the Company amended the terms of the agreement whereby the option payments have been amended as follows: \$120,000 payable in cash, 110,000 issuable in common shares and \$1,000,000 in expenditures to be incurred in stages by December 31, 2024.

During the period ended June 30, 2023, the Company has advanced \$9,000 (2022 - \$9,000) for a reclamation deposit. In fiscal 2023, the Company has decided not to proceed with these claims. Consequently, all capitalized costs have been expensed in the current quarter.

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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are broken down as follows:

	March 31, 2023	September 30, 2022
Accounts payable	\$ 115,554	\$ 16,081
Accrued liabilities	<u>25,000</u>	<u>25,000</u>
Total	<u>\$ 140,554</u>	<u>\$ 41,081</u>

All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

**8. CAPITAL STOCK AND RESERVES**

**Authorized**

The authorized capital stock of the Company consists of an unlimited number of common shares without par value.

**Private placements**

During fiscal 2023, the Company participated in the following private placements:

In May 2023, the Company arranged and closed a non-brokered private placement financing for total gross proceeds of \$500,000. The Company has allotted and issued 5 million units at a price of \$0.10 per unit. Each unit comprises one common share and one warrant. Each warrant will entitle the holder to purchase one common share for a period of four years at a price of \$0.15 per share. The Company paid additional share issuance costs of \$4,826 pursuant to the private placement.

During fiscal 2022, the Company participated in the following private placements:

In August 2022, the Company arranged and closed a non-brokered private placement financing for total gross proceeds of \$180,000. The Company has allotted and issued 514,285 units at a price of \$0.35 per unit. Each unit comprises one common share and one warrant. Each warrant will entitle the holder to purchase one common share for a period of two years at a price of \$0.50 per share. The Company paid additional share issuance costs of \$2,507 pursuant to the private placement.

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**8. CAPITAL STOCK AND RESERVES (cont'd...)**

**Stock options and warrants**

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding September 30, 2021	2,095,344	1.49	1,173,944	1.05
Additions	514,285	0.50	234,580	0.50
Expired/Cancelled	(1,970,344)	1.50	(736,606)	1.20
Outstanding September 30, 2022	639,285	\$ 0.60	671,918	\$ 0.70
Additions	5,010,500	0.15	1,500,000	0.13
Expired	-		(442,338)	0.79
Outstanding June 30, 2023	5,649,285	0.60	1,729,580	0.50
Currently exercisable	5,649,285	\$ 0.60	1,729,580	\$ 0.50

The following incentive stock options and share purchase warrants were outstanding at June 30, 2023:

	Number of Shares	Exercise Price	Expiry Date
<b>Stock options:</b>	229,580	\$ 0.50	January 17, 2025
	1,500,000	\$ 0.13	June 12, 2028

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**8. CAPITAL STOCK AND RESERVES (cont'd...)**

**Stock options and warrants (cont'd...)**

	Number of Shares	Exercise Price	Expiry Date
<b>Warrants:</b>	125,000	\$ 1.00	August 11, 2023
	514,285	0.50	August 4, 2024
	5,010,500	0.15	May 23, 2027

**Share-based payments**

During the period ended June 30, 2023, the Company granted 1.5 million options for (2022 – 229,580) stock options to directors, officers, employees and consultants resulting in share-based compensation expense using the Black-Scholes option-pricing model of \$142,422 (2022 - \$61,017). This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during the period ended June 30, 2023 was \$0.15 (2022 - \$0.03) per option.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended September 30:

	2023	2022
Risk-free interest rate	3.92%	1.24%
Expected life	5	3
Annualized volatility	93.0%	80%
Estimated forfeiture rate	--	--
Dividend rate	--	--

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**9. RELATED PARTY TRANSACTIONS**

*Key Management Compensation*

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

The aggregate amount of expenditures paid or payable to key management personnel (directors, former directors or companies with common directors) was as follows:

	June 30, 2023	June 30, 2022
Consulting fees	\$ 108,250	\$ 95,500
Share based compensation	<u>81,181</u>	<u>25,370</u>
	<u>\$ 189,431</u>	<u>\$ 120,870</u>

Included in accounts payable and accrued liabilities as at June 30, 2023 is \$Nil (2022 - \$Nil) due to related parties.

Included in receivables and prepaid expenses at June 30, 2023 is \$Nil (2022 - \$3,924).

The Company has entered into two consulting agreements with directors and officers, whereby if the Company experiences a change in control, one director and officer are due the greater of 24 months fees or \$100,000, and the other director and officer is due 36 months of fees.

*Administrative agreement*

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company.

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**10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

	June 30, 2023	September 30, 2022
Cash paid during the year for interest	\$ 7,500	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

Significant non-cash transactions during the period ended June 30, 2023 were as follows:

- a) Issued 50,000 shares valued at \$10,000 for acquisition of exploration and evaluation assets.

Significant non-cash transactions during the year ended September 30, 2022 were as follows:

- a) Issued 20,000 shares valued at \$8,000 for acquisition of exploration and evaluation assets.
- b) Incurring exploration and evaluation asset expenditures of \$12,702 through accounts payable and accrued liabilities.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash and equivalents and marketable securities are carried at fair value using a Level 1 fair value measurement. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

**Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

**Financial risk factors (cont'd...)**

*Credit risk*

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash equivalents and receivables. Management believes that the credit risk concentration with respect to financial instruments included in cash, cash equivalents and receivables is remote because these instruments are due primarily from government agencies.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at June 30, 2023, the Company had a cash and equivalents balance of \$249,822 (September 30, 2022 - \$64,535) to settle current liabilities of \$140,554 (September 30, 2022 - \$41,081). All of the Company's financial liabilities are subject to normal trade terms.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in short-term treasury bills issued by the Government of Canada and its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has cash and interest-bearing deposits with banks of \$249,822 (September 30, 2022 - \$64,535).

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. However, management believes the risk is not currently significant as less than 0.1% of the Company's assets and none of its liabilities as at June 30, 2023 are denominated in United States Dollars.

(c) 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. Fluctuations in pricing may be significant.

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**12. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.