



STAMPER OIL & GAS CORP.

Financial Statements

June 30, 2022

(Expressed in Canadian dollars)

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Adam Kim
ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Stamper Oil & Gas Corp.

Opinion

I have audited the financial statements of Stamper Oil & Gas Corp. (the "Company"), which comprise the statements of financial position as at June 30, 2022 and June 30, 2021, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in shareholders' deficiency for the years ended June 30, 2022 and June 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and June 30, 2021, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of consolidated the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern,

I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$319,040 during the year ended June 30, 2022 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of \$56,683,639 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

UNIT# 168
4300 NORTH FRASER WAY
BURNABY, BC V5J 5J8
August 12, 2022

Stamper Oil & Gas Corp.
 Statements of Financial Position
 (Expressed in Canadian dollars)

	June 30, 2022 \$	June 30, 2021 \$
Assets		
Current assets		
Cash	513,317	684,719
Receivables	17,576	2,432
Total current assets	530,893	687,151
Non-current assets		
Exploration and evaluation assets (Note 3)	254,893	–
Total assets	785,786	687,151
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	161,692	358,361
Loan payable (Note 4)	250	263,359
Total current liabilities	161,942	621,720
Shareholders' equity		
Share capital (Note 6)	52,267,227	51,398,313
Contributed surplus (Note 6)	5,040,256	5,031,717
Deficit	(56,683,639)	(56,364,599)
Total shareholders' equity	623,844	65,431
Total liabilities and shareholders' equity	785,786	687,151

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

APPROVED ON BEHALF OF THE BOARD on August 12, 2022:

(signed) Bryson Goodwin
 Bryson Goodwin, Director

(signed) Barry Hartley
 Barry Hartley, Director

Stamper Oil & Gas Corp.Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended June 30, 2022 \$	Year ended June 30, 2021 \$
Expenses		
Auditing and legal	36,427	43,022
Management & consulting fees (Note 5)	219,000	62,000
Office and other (recovery)	1,211	(4,765)
Regulatory costs	55,381	28,066
Share-based payments	–	172,052
Travel	641	–
Total expenses	312,660	300,375
Loss before other income (expenses)	(312,660)	(300,375)
Other income (expense)		
Gain (loss) on settlement of debt	(6,380)	6,232
Total other income (expense)	(6,380)	6,232
Net loss and comprehensive loss	(319,040)	(294,143)
Basic and diluted loss per share	\$(0.10)	\$(0.16)
Weighted average shares outstanding	3,277,187	1,869,155

Stamper Oil & Gas Corp.Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)

	Share capital		Contributed Surplus \$	Deficit \$	Total shareholders' equity \$
	Number	Amount \$			
Balance, June 30, 2020	1,153,301	50,361,313	4,859,665	(56,070,456)	(849,478)
Common shares issued for cash (Note 6)	1,346,667	812,000	–	–	812,000
Shares issued for options exercised	150,000	225,000	–	–	225,000
Fair value of stock options granted	–	–	172,052	–	172,052
Net loss for the year	–	–	–	(294,143)	(294,143)
Balance, June 30, 2021	2,649,968	51,398,313	5,031,717	(56,364,599)	65,431
Common shares issued to settle debt (Note 6)	7,195	8,634	8,539	–	17,173
Common shares issued for cash (Note 6)	2,278,383	710,280	–	–	710,280
Shares issued for mineral properties (Notes 3 and 6)	166,667	150,000	–	–	150,000
Net loss for the year	–	–	–	(319,040)	(319,040)
Adjustment on consolidation of shares	(6)	–	–	–	–
Balance, June 30, 2022	5,102,207	52,267,227	5,040,256	(56,683,639)	623,844

Stamper Oil & Gas Corp.

Statements of Cash Flows

(Expressed in Canadian dollars)

	June 30, 2022 \$	June 30, 2021 \$
Operating activities		
Net loss	(319,040)	(294,143)
Items not involving cash:		
Loss (gain) on settlement of debt	6,380	(6,232)
Share-based payments	–	172,052
Changes in non-cash working capital items:		
Receivables	(15,144)	1,060
Accounts payable and accrued liabilities	(185,876)	(144,934)
Net cash used in operating activities	(513,680)	(272,197)
Investing activities		
Exploration and evaluation assets	(104,893)	–
Net cash used in investing activities	(104,893)	–
Financing Activities		
Common shares issued for cash	710,280	812,000
Exercise of stock options	–	225,000
Loans payable	(263,109)	(80,467)
Net cash (used in) provided by financing activities	447,171	956,533
Change in cash	(171,402)	684,336
Cash, beginning of year	684,719	383
Cash, end of year	513,317	684,719
Cash paid during the year for interest	\$ –	\$ –
Cash paid during the year for income taxes	\$ –	\$ –
Non-cash investing and financing activities:		
Shares and warrant issued for debts	\$ 17,173	\$ –
Shares issued pursuant to mineral property option agreement	\$ 150,000	\$ –

STAMPER OIL & GAS CORP.
Notes to the Financial Statements
Year Ended June 30, 2022
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Stamper Oil & Gas Inc., (the “Company”) (formerly Panorama Petroleum Inc.) is an exploration stage company incorporated under the laws of British Columbia on September 18, 1984. The Company is engaged in the acquisition, exploration and development of mineral resource properties located in Canada.

The Company’s principal address and registered and records office is Suite 600 - 535 Howe St, Vancouver, BC V6C 2C2.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At September 30, 2019, the Company had not yet achieved profitable operations, had accumulated losses of \$56,683,639 since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements, including comparatives, have been prepared in accordance 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”).

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The Company’s presentation and functional currency is Canadian dollars. Reference herein of \$ is to Canadian dollars. Reference herein to US\$ is to United States dollars.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS 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 revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The preparation of these consolidated 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 and judgment 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:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Exploration and evaluation assets include the cost of acquiring mineral exploration rights and expenses directly related to the exploration and evaluation of properties. These assets are recognized as intangible assets and are carried at cost less any impairment loss recognized, refundable tax credits and credits on duties. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

From time-to-time, the Company receives shares and or cash payments from exploration partners pursuant to property option agreements. The carrying value of the exploration and evaluation assets is reduced by option proceeds received until such time as the property cost and deferred exploration expenditures are reduced to nominal amounts, and any excess is included in the statement of loss.

Costs incurred before the legal right to undertake exploration and evaluation activities on a project was acquired are recognized in the statement of loss where they are incurred.

Mineral exploration rights and expenses related to exploration and evaluation activities are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of the project. No amortization is recognized during the exploration and evaluation phase. Costs capitalized include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the exploration and evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

Whenever a project is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in the statement of loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, mineral exploration rights and expenses related to exploration and evaluation activities of the related mineral property are transferred to mining assets under construction.

Upon transfer of exploration and evaluation assets into mining assets under construction, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized within mining assets under construction. When the development stage is completed, all assets included in mining assets under construction are then transferred to mining assets and amortized over the expected productive lives of the assets.

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 profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment *(continued)*

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 legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset 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 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 the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operations and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

Income (Loss) per share

Basic income (loss) per share is computed by dividing the income (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share is calculated based on the weighted average number of common shares outstanding during the year, plus the effects of dilutive common share equivalents. Common share equivalents include stock options and warrants. For this purpose, the "treasury stock method" is used with respect to stock options and warrants.

Income taxes

The Company records deferred income tax assets and liabilities determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the enacted or substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets is not probable, no net asset is recognized.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Flow-through placements

The issuance of flow-through shares is accounted for similarly to the issuance of a compound financial instrument. The liability component represents the premium paid for the tax benefit to the investors. Proceeds from the issuance of shares by flow-through private placements are allocated between shares issued and a liability account using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. Upon renunciation of the flow through expenditures, the liability component is derecognized in the statement of loss and a deferred income tax liability is recognized for the taxable temporary difference created at the Company's applicable tax rate which is expected to apply in the year the deferred income tax liability will be settled. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss.

Segment reporting

In accordance with IFRS 8, Operating Segments, it is mandatory for the Company to present and disclose segmented information based on the internal reports that are regularly reviewed by the Executive Chairman and the Board of Directors in order to assess each segment's performance.

The Company has determined that there was only one operating segment: the resource sector in Canada.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Equity-settled share-based payments

The Company operates equity-settled share-based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options with cash settlement features.

All goods and services received in exchange for the grant of any share-based payments to non-employees are measured at their estimated fair values. Where employees are rewarded using share-based payments, the fair value of the services rendered by the employees is estimated indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments are ultimately recognized as an expense in the statement of loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to the stock options reserve, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current year.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in stock options reserve are then transferred to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9: *Classification*

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial assets is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. 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 if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

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.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

STAMPER OIL & GAS CORP.
Notes to the Financial Statements
Year Ended June 30, 2022
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category	Measurement
Cash	FVTPL	Fair value
Accounts Payable	Other liabilities	Amortized cost
Accrued Liabilities	Other liabilities	Amortized cost
Loans Payable	Other liabilities	Amortized costs

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

3. EXPLORATION AND EVALUATION ASSETS

	Redonda Property \$
Acquisition costs:	
Balance, June 30, 2021	–
Additions	150,000
Balance, June 30, 2022	150,000
Exploration costs:	
Balance, June 30, 2021	–
Camp & crew costs	44,517
Geological consulting	38,766
Transportation	20,121
Other expenses	1,489
Balance, June 30, 2022	104,893
Carrying amounts:	
Balance, June 30, 2021	–
Balance, June 30, 2022	254,893

Redonda Project

On August 31, 2021 (amended October 1, 2021), the Company entered into a mineral property option agreement with Homegold Resources Ltd. in trust with Johan Thom Shearer (collectively referred to as the "Optionor"), to acquire 100% of the Optionor's interest in 9 mining claim units located northeast of the Campbell River, in the Vancouver Mining Division of British Columbia (the "Property").

STAMPER OIL & GAS CORP.
Notes to the Financial Statements
Year Ended June 30, 2022
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Under the terms of the Option Agreement, the Company has the exclusive right and option to acquire 100% of the Optionor's interest in the Property, subject to the net smelter return royalty ("NSR Royalty") in favour of the Optionor.

The Company must make payments totalling \$480,000, issue 166,667 common shares of the Company (issued on October 27, 2021) to the Optionor, and complete \$375,000 in exploration expenditures on the Property by August 31, 2026 in accordance with the following schedule:

- a) Total cash payments of \$480,000:
 - (i) \$20,000 on second anniversary 2023;
 - (ii) \$30,000 on third anniversary 2024;
 - (iii) \$30,000 on fourth anniversary 2025; and
 - (iv) \$400,000 on fifth anniversary 2026;

- b) Incurring minimum work expenditures of \$375,000 on the property:
 - (i) \$100,000 on first anniversary 2022;
 - (ii) \$75,000 on second anniversary 2023;
 - (iii) \$100,000 on third anniversary 2024; and
 - (iv) \$100,000 on fifth anniversary 2025;

The Optionor will retain a 3% NSR Royalty, and the Company may at any time buy 50% of the NSR Royalty (1.5% of NSR) for the sum of \$1,500,000.

4. LOANS PAYABLE

The following table summarized the Company's outstanding debt obligations. The loans are unsecured, due on demand, and with parties who transact with the Company on a non-arm's-length basis. Transactions between the related parties are approved by the Board of Directors.

	June 30, 2022	June 30, 2021
	\$	\$
Related party loan (non-interest bearing)	–	5,176
Other short-term loans (non-interest bearing)	250	258,183
	250	263,359

5. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2022, significant related party transactions and balances not disclosed elsewhere are as follows:

- (a) The following fees were incurred by key management personnel (directors, officers and former directors and officers of the Company as well as other management personnel having a significant role in the decision-making process): \$60,000 (2021 - \$60,000) for management fees paid to a company controlled by the CFO of the Company and \$28,000 (2021 - \$nil) for management fees paid to a director of the Company, included in operating costs. All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.

- (b) Included in accounts payable at June 30, 2022 is \$nil (June 30, 2021 - \$142,472) due to companies with a common director and/or key management personnel.

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6. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized

Unlimited common shares without par value.

(b) Issued

On December 31, 2021, the Company consolidated its outstanding common shares on a 30:1 basis. All share amounts have been retroactively restated for all periods presented.

During the year ended June 30, 2022 the following share transactions occurred:

- (a) On July 21, 2021, the Company issued 7,195 units in the capital of the Company as per an agreement entered into with a third-party creditor to settled \$10,792 of debt. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the creditor to purchase one additional common share of the Company at an exercise price of \$2.40, with an expiry date of July 21, 2024. The Company issued 7,195 shares at a fair value of \$8,634. The estimated \$8,539 fair value of 7,195 warrants was measured using the Black-Scholes Pricing Model with the following assumptions: share price \$1.20; exercise price - \$2.40; expected life – 3 years; volatility – 306.69%; dividend yield - \$0; and risk-free-rate – 0.61%.
- (b) On October 27, 2021, the Company issued 166,667 shares at a fair value of \$150,000, pursuant to the terms of the mineral property option agreement for the Redonda Property.
- (c) On November 4, 2021, the Company issued 116,667 flow-through common shares in the capital of the Company at a price of \$0.90 for proceeds of \$105,000. No flow-through premium was recognized for this flow-through financing as an issued share price and a market closing share price were same.
- (d) On April 19, 2022, the Company issued 2,161,716 units of capital of the Company at a price of \$0.28 per unit for proceeds of \$605,280. Each unit consists of one common share of the Company and one transferrable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.37 with an expiry date of April 19, 2025.

During the year ended June 30, 2021 the following share transactions occurred:

- (a) On July 23, 2020, the Company issued a total of 666,667 common shares of the Company at a price of \$0.30 per share.
- (b) On March 12, 2021, the Company issued 100,000 common shares for proceeds of \$150,000 pursuant to the exercise of stock options.
- (c) On March 19, 2021, the Company issued 50,000 common shares for proceeds of \$75,000 pursuant to the exercise of stock options.
- (d) On June 7, 2021, the Company issued 680,000 units at a price of \$0.90 per unit for proceeds of \$612,000. Each unit consisted of one common share and one transferrable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$1.50 with an expiry date of June 7, 2024.

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6. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

(c) Warrants

The following table summarizes the warrant activity for the current and previous fiscal year.

	Number of warrants	Weighted average exercise price \$
Balance, June 30, 2020	100,000	15.00
Issued	680,000	1.50
Expired	(100,000)	15.00
Balance, June 30, 2021	680,000	1.50
Issued	2,168,911	0.38
Balance, June 30, 2022	2,848,911	0.64

Number of warrants outstanding	Exercise price \$	Expiry date
680,000	1.50	June 7, 2024
7,195	2.40	July 21, 2024
2,161,716	0.37	April 19, 2025
2,848,911		

(d) Stock options

The Company has adopted an incentive stock option plan (the "Option Plan") dated which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with stock exchanges requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

On March 4, 2021, the Company granted 166,667 stock options at an exercise price of \$1.50 per option with a term of one year expiring March 4, 2022. The grant date fair value of the options was measured at \$172,052. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - \$2.10; exercise price - \$1.50; expected life - 1 year; volatility - 99%; dividend yield - \$0; and risk-free rate - 1.86%.

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6. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

(d) Stock options (Continued)

The following table summarizes the stock option activity for the current and previous fiscal year.

	Number of options	Weighted average exercise price \$
Balance, June 30, 2020	–	–
Granted	166,667	1.50
Exercised	(150,000)	1.50
Balance, June 30, 2021	16,667	1.50
Expired	(16,667)	1.50
Balance, June 30, 2022	–	–

7. SEGMENTED INFORMATION

The Company currently operates in one industry segment, that being the acquisition, exploration, development and operation of oil and gas assets.

8. FINANCIAL RISK FACTORS

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.

The carrying value of receivables, accounts payable, loans payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. Cash is carried at fair value using a level 1 fair value measurement.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2022, the Company had a cash balance of \$513,317 (June 30, 2021 - \$684,719) to settle current liabilities of \$161,942 (June 30, 2021 - \$621,720). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The risk to the going concern assumption is presented in Note 1.

8. FINANCIAL RISK FACTORS

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. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2022, the Company did not have any investments in investment-grade short-term deposit certificates.

The Company currently has no financial liabilities exposed to interest rate risk. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

b) Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies; however, the Company currently has virtually no foreign currency denominated liabilities or assets. Fluctuations in the foreign currencies will, consequently, have little impact upon the Company's profitability and the value of the Company's liabilities. As at June 30, 2022, the impact of a 10% change in rate of exchange on the US Dollar compared to the Canadian dollar would result in virtually no change on the Company's loss for the year. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

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, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. 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 and development of mineral properties. The Board of Directors do 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 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. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. 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. There were no changes in the Company's approach to capital management during the Year ended June 30, 2022.

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10. INCOME TAXES

The income taxes shown in the Statements of Loss and Comprehensive Loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	2022	2021
Statutory tax rate	27.0%	27.0%
Loss before income taxes	\$ (319,040)	\$ (294,143)
Expected income tax recovery	(86,141)	(79,419)
Increase (decrease) in income tax recovery resulting from:		
Items deductible and not deductible for income tax purposes	1,723	44,771
Flow-through shares renunciation	28,350	-
Current and prior tax attributes not recognized	56,068	34,648
Deferred income tax recovery	\$ -	\$ -

Details of deferred tax assets are as follows:

	2022	2021
Non-capital and capital losses	\$ 8,054,245	\$ 7,961,176
Resource expenditures	73,690	102,040
Share issuance costs and others	74,599	83,250
	8,202,534	8,146,466
Less: Unrecognized deferred tax assets	(8,202,534)	(8,146,466)
	\$ -	\$ -

The Company has approximately \$12,000,000 of non-capital losses available, which begin to expire in 2029 through to 2042 and may be applied against future taxable income. The Company also has approximately \$36,000,000 of capital losses that may be carried forward and applied against future capital gains. In addition, the Company has approximately \$528,000 of exploration and development costs which are available for deduction against future income for tax purposes. At June 30, 2022, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

11. COMMITMENT

Issuance of flow-through shares

The Company is partially financed through the issuance of flow-through shares, requiring that the Company spend the proceeds for qualified mining exploration expenses. Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work, subject to penalties if the conditions are not respected. Although the Company is committed to taking all the necessary measures, refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the year ended June 30, 2022, the Company received \$105,000 following an issuance of flow-through shares and renounced \$105,000 of its tax deductions relating to flow-through expenditures. As at June 30, 2022, the Company had incurred \$105,000 of qualifying expenditures.