

**ARCPACIFIC RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED**  
**OCTOBER 31, 2022 AND 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**

### **Notice of No Auditor Review of Interim Financial Statements**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee.

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

**ARCPACIFIC RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT OCTOBER 31, 2022 AND JANUARY 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	October 31, 2022 (unaudited)	January 31, 2022 (audited)
<b>ASSETS</b>		
Current		
Cash	\$ 120,383	\$ 268,108
Amounts receivable	128,382	83,430
Prepaid expenses and deposits	118,667	124,583
	<u>367,432</u>	<u>476,121</u>
Exploration and evaluation assets (Note 4)	2,163,186	1,891,552
Right-of-use asset (Note 6)	38,484	-
<b>Total assets</b>	<b>\$ 2,569,102</b>	<b>\$ 2,367,673</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 535,042	\$ 423,703
Lease liability (Note 7)	22,586	-
	<u>557,628</u>	<u>423,703</u>
Long term lease liability (Note 7)	17,336	-
<b>Total liabilities</b>	<b>574,964</b>	<b>423,703</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	6,196,045	5,670,765
Subscription receivable	(20,000)	(20,000)
Contributed surplus	1,596,809	1,621,987
Deficit	(5,778,716)	(5,328,782)
<b>Total shareholders' equity</b>	<b>1,994,138</b>	<b>1,943,970</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,569,102</b>	<b>\$ 2,367,673</b>

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

COMMITMENTS (Note 11)

SUBSEQUENT EVENT (Note 13)

Authorized for issuance on behalf of the Board on December 19, 2022:

/s/ "Adrian Smith" Director

/s/ "Sang Goo Collin Kim" Director

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

**ARCPACIFIC RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE NINE MONTHS ENDED OCTOBER 31, 2022 AND 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	Three month period ended,		Nine month period ended,	
	October 31,	October 31,	October 31,	October 31,
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses				
Amortization expense	5,248	-	13,995	-
Consulting fees	54,011	-	61,011	13,806
Interest expense	2,263	-	4,531	-
Management fees (Note 8)	14,500	4,500	23,500	13,500
Marketing	9,311	23,909	50,783	174,023
Office and miscellaneous	8,230	8,849	19,843	53,368
Professional fees	53,260	10,112	109,059	67,943
Share-based payments (Note 8)	-	-	87,867	23,509
Transfer agent and filing fees	2,314	2,414	16,767	20,639
Travel and promotion	42,219	-	62,578	-
Loss before other items	(191,356)	(49,784)	(449,934)	(366,788)
Other items				
Flow-through liability reversal	-	-	-	121,250
Loss on disposition of subsidiary (Note 5)	-	-	-	(2,074)
Net loss and comprehensive loss	(191,356)	(49,784)	(449,934)	(247,612)
Loss per share (basic and diluted)	(0.03)	(0.01)	(0.07)	(0.05)
Weighted average number of common shares outstanding	7,023,117	5,575,786	6,629,396	5,275,539

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**ARCPACIFIC RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE MONTHS ENDED OCTOBER 31, 2022 AND 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	<u>Common Shares</u>				
	Number of Shares**	Amount	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
Balance, January 31, 2021	5,125,416	4,929,706	1,504,417	(4,993,283)	1,440,840
Warrant exercises	221,235	279,932	(63,497)	-	216,435
Option exercises	20,000	35,534	(15,534)	-	20,000
Private placement	602,333	393,683	63,067	-	456,750
Flow-through premium liability	-	(5,000)	-	-	(5,000)
Share-based payments	-	-	23,509	-	23,509
Net loss and comprehensive loss	-	-	-	(247,612)	(247,612)
<b>Balance, October 31, 2021</b>	<b>5,968,984</b>	<b>5,633,855</b>	<b>1,511,962</b>	<b>(5,240,895)</b>	<b>1,904,922</b>
Balance, January 31, 2022	6,302,317	5,650,765	1,621,987	(5,328,782)	1,943,970
Shares issued for exploration and evaluation assets (Note 9)	25,000	13,750	-	-	13,750
Private placement	510,000	207,305	47,695	-	255,000
Warrant exercises	259,467	304,225	(160,740)	-	143,485
Share-based payments	-	-	87,867	-	87,867
Net loss and comprehensive loss	-	-	-	(449,934)	(449,934)
<b>Balance, October 31, 2022</b>	<b>7,096,784</b>	<b>6,176,045</b>	<b>1,596,809</b>	<b>(5,778,716)</b>	<b>1,994,138</b>

\*\* On December 15, 2022, the Company completed its share consolidation to consolidate all of the Company's issued and outstanding common shares on the basis of every ten (10) old common shares being consolidated into one (1) new common share. Unless otherwise noted, all figures in these condensed interim consolidated financial statements have been adjusted to reflect the share consolidation.

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

**ARCPACIFIC RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED OCTOBER 31, 2022 AND 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (449,934)	\$ (247,612)
Items not involving cash		
Amortization expense	13,995	-
Share-based payments	87,867	23,509
Loss on disposition of subsidiary	-	2,074
Flow-through liability reversal	-	(121,250)
Interest expense	3,444	-
Changes in non-cash working capital items		
Amounts receivable	(44,952)	(61,491)
Prepaid expenses and deposits	5,916	(10,816)
Accounts payable and accrued liabilities	111,338	15,681
Net cash used in operating activities	(272,326)	(399,905)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Investment in exploration and evaluation assets	(10,000)	(30,000)
Exploration expenditures	(247,884)	(1,036,253)
Cash disposed of on sale of subsidiary	-	(1,775)
Net cash used in investing activities	(257,884)	(1,068,028)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Warrants exercised	143,485	216,435
Options exercised	-	20,000
Lease payments	(16,000)	-
Loans repaid	-	(31,500)
Private placement, net of share issuance cost	255,000	456,750
Net cash provided by financing activities	382,485	661,685
<b>Change in cash</b>	(147,725)	(806,248)
Cash, beginning of year	268,108	1,276,004
<b>Cash, end of the period</b>	\$ 120,383	\$ 469,756
<b>SUPPLEMENTAL DISCLOSURE</b>		
Shares issued for exploration and evaluation assets	\$ 13,750	\$ -

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**ARCPACIFIC RESOURCES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED OCTOBER 31, 2022 AND 2021**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**

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1. NATURE AND CONTINUANCE OF OPERATIONS

ArcPacific Resources Corp. (the "Company") was incorporated pursuant to the British Columbia Business Corporations Act on February 1, 2011. The Company changed its name to ArcPacific Resources Corp. on December 21, 2016. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol "ACP".

The address of the Company's corporate office and its principal place of business is 810-,789 West Pender Street, Vancouver, British Columbia, Canada V6C 1H2

The principal business of the Company is the identification, evaluation and acquisition of mineral properties in Canada. As at October 31, 2022, the Company owned a 100% interest in, or held options to acquire a 100% interest in the Lucky Mike Mineral Property, the Rickard Gold Mine Property, the Mine Property adjacent to the Rickard Gold Mine Property, the Three Crown Patents adjacent to the Rickard Gold Mine Property, the Blackdome Mineral Property and the Silver Lode Claims (collectively "the Properties"). During the nine months ended October 31, 2022, the Company continues to be active in the investigation of the viability of the Rickard Gold Mine Property during phase 1 of its drilling program. The Company has not yet determined whether any of the properties it owns may contain a mineral resource that may eventually be economically recoverable. During the year ended January 31, 2022, the Company disposed of its investment in its subsidiary (Note 5). The economic viability of the Properties will depend on the establishment of ore reserves, the confirmation of the Company's interest in the mineral claims and the ability of the Company to obtain the necessary financing to complete its development and place it into commercial production. During the nine months ended October 31, 2022, the Company formed a wholly owned subsidiary, ACP Carbon Corp., to explore business opportunities in the voluntary carbon offset credit market.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future. The Company has incurred losses since its inception and has an accumulated deficit of \$5,778,716 (January 31, 2022 - \$5,328,782) as at October 31, 2022. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

These factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

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**ARCPACIFIC RESOURCES CORP.**  
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2. BASIS OF PRESENTATION

a. Statement of compliance

The condensed interim consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended January 31, 2022.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on December 19, 2022.

b. Functional currency

The functional and presentation currency of the Company is the Canadian dollar.

c. Measurement basis

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting estimates and judgments

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended January 31, 2022.

The preparation of condensed interim consolidated financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Estimate and underlying assumptions are reviewed on an ongoing basis and may change if new information becomes available. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods if the revision affects both the current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Critical accounting estimates*

- i. the inputs used in accounting for share-based payments; and
- ii. the inputs used in determining the recoverable amount of assets that are considered impaired.

*Critical accounting judgments*

- i. the evaluation of the Company's ability to continue as a going concern;
- ii. the determination of the categories of financial assets and financial liabilities;
- iii. the assessment of indicators of impairment of exploration and evaluation assets and related determination and write-down of the assets, where applicable;
- iv. the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets; and
- v. the recognition of provisions for decommissioning, restoration, rehabilitation and environmental obligations.

4. EXPLORATION AND EVALUATION ASSETS

Summary of exploration and evaluation assets for the nine months ended October 31, 2022 and January 31, 2022:

	Lucky Mike	Rickard Gold	Rickard Adjacent	Three Crown Patents	Blackdome Property	Rey Lake Property	Total
<b>Acquisition costs</b>							
Balance January 31, 2021	\$108,123	\$137,275	\$20,000	\$400,035	\$37,000	-	\$702,433
Addition	-	22,000	-	-	30,000	-	52,000
Balance January 31, 2022	108,123	159,275	20,000	400,035	67,000	-	754,433
Addition	-	-	-	-	-	23,750	23,750
Balance October 31, 2022	108,123	159,275	20,000	400,035	67,000	23,750	778,183
<b>Exploration costs</b>							
Balance, January 31, 2021	\$(19,448)	\$14,650	\$8,560	\$4,540	-	-	\$8,302
Field work, assays & supplies	-	146,118	-	-	-	-	146,118
Travel	-	17,119	-	-	6,391	-	23,510
Drilling	-	569,361	-	-	-	-	569,361
Geological	63,861	269,176	-	-	37,050	-	370,087
Mineral claims	15,612	-	-	-	-	-	15,612
Professional fees	-	-	-	4,129	-	-	4,129
Balance, January 31, 2022	60,025	1,016,424	8,560	8,669	43,441	-	1,137,119
Travel	-	4,986	-	-	-	-	4,986
Drilling	-	6,507	-	-	-	-	6,507
Geological	105,167	109,525	-	-	14,350	-	229,042
Mineral claims	6,932	-	-	-	-	-	6,932
Balance, October 31, 2022	172,124	1,137,859	8,560	8,669	57,791	-	1,385,003
Total costs October 31, 2022	\$280,247	\$1,297,134	\$28,560	\$408,704	\$ 124,791	\$23,750	\$2,163,186
Total costs January 31, 2022	\$168,148	\$1,175,699	\$28,560	\$408,704	\$ 110,441	-	\$1,891,552

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Lucky Mike Mineral Project, British Columbia

On July 20, 2011, the Company entered into an option agreement (the “Lucky Mike Agreement”) with a non-related third party (the “Lucky Mike Optionor”). The Lucky Mike Agreement was amended on September 13, 2012 and subsequently amended on November 14, 2013. The Company was granted an exclusive option to acquire a 100% interest in certain mineral claims located in the Nicola Mining Division, British Columbia. The claims consist of 29 contiguous mineral claims comprising 6,085.74 hectares. In order to earn its option, the Company paid \$55,000 in cash, issued 3,333 common shares valued at \$30,000 to the Lucky Mike Optionor and incurred \$900,000 in exploration work.

In accordance with the terms of the Lucky Mike Agreement, the Lucky Mike Optionor will retain a 2% net smelter returns royalty (the “NSR”) in respect of the property. The Company has the option to purchase the NSR for \$1,000,000 at any time during a five-year period commencing from the date of commercial production.

On September 24, 2014, the Company entered into an agreement (the “Farm Out Agreement”) as amended on June 14, 2016 with Nexgeo Inc. (“Nexgeo”) and Korea Resources Corporation (“Kores”) two Korean-registered companies (collectively the “Consortium”) that provides for the companies (to jointly contribute to exploration expenditures of the Lucky Mike property and thereby earned a right to acquire a 69% interest in the Lucky Mike Mineral Project (the “Project”) under the following terms:

- a. An aggregate investment of \$500,000 (the “First Exploration Contribution”) to fund an initial work program for the Project, which has been approved by the Consortium. The Consortium must pay \$250,000 to the Company no later than September 5, 2014 (received) and \$100,000 to the Company no later than September 30, 2014 (received). The balance of \$150,000 (received) must be paid upon completion of drilling at the Project site pursuant to an initial work program;
- b. An additional investment of \$1,104,824 (the “Second Exploration Contribution”) (received) to fund at least one work program for the Project approved by the Consortium, which must be undertaken and completed by the Company during the period from January 1, 2015 to December 31, 2015; and
- c. An additional investment of \$800,000 (the “Third Exploration Contribution”) (received) to fund at least one work program for the Project approved by the Consortium, which must be undertaken and completed by the Company during the period from January 1, 2016 to December 31, 2016.

Upon completion of the work program under the Third Exploration Contribution, the Company would transfer to the Consortium a 69% interest in the Project.

The Consortium has the right at any time to exercise an off-ramp option (the “Off-Ramp Option”) during the term of the Farm Out Agreement and/or within 30 days after receiving an official technical report on the most recently completed work program during the period from January 1, 2016 to December 31, 2016, at its own discretion by giving 30 days written notice to the Company, and upon exercise of the Off-Ramp Option, the Farm Out Agreement and all rights and obligations of the parties under the agreement would terminate.

If, after making the Third Exploration Contribution, the Consortium exercises the Off-Ramp Option then the Consortium would be deemed to have renounced all its rights or interest in the Project and would have no right to acquire any portion of any interest in the Project and would have no further obligations or liabilities to the Company.

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Lucky Mike Mineral Project, British Columbia (continued)

Upon the Consortium acquiring 69% interest in the Project, the Farm Out Agreement will terminate and the parties will form a joint venture (the "Joint Venture") for the purpose of carrying out all such acts which are necessary or appropriate, directly or indirectly, to hold the Project, explore the Project for minerals, and if feasible develop a mine thereon, and so long as it is feasible, operate such mine and exploit the minerals extracted from the Project.

On August 4, 2017, the Company executed a deed of release and amendment on the Farm Out Agreement with the Consortium to release Nexgeo from the joint exploration agreement and to transfer its 13% interest in the Project to the Company in consideration for shares of the Company. During the year ended January 31, 2020, the Company's ownership of the Lucky Mike property increased from 31% to 44%.

On August 3, 2018, the Company amended the agreement with Kores to extend Kores' right of first refusal with respect to the Project by a period of one year. Pursuant to the amending agreement, Kores held the right to acquire a 56% interest in the Project until August 3, 2019 but opted not to exercise the right. As a result, the Company has a 100% interest in the Project as at October 31, 2022.

Silver Lode Claims, British Columbia

On August 10, 2020, the Company acquired the 2,065 hectare "Silver Lode" claims (the "Silver Lode Claims") by means of staking and has significantly expanded the Company's land position in the historic Nicola mining division, near Merritt in southern British Columbia. The Silver Lode Claims adjoin the Company's Project and brings the total land position in this prolific mining district to 8,151 hectares.

Three Crown Patents adjacent to Rickard Gold, Ontario

On November 17, 2020, the Company completed a purchase and sale agreement with an arm's length Ontario-based private company and acquired 100% of three patented land parcels totalling 500 acres. As consideration, the Company made a one-time cash payment of \$400,000. The claims are subject to a 5% NSR.

Blackdome Mineral Property, British Columbia

On August 7, 2020, the Company entered into an agreement to acquire a 100% interest in the Blackdome mineral property (the "Blackdome Property"), pursuant to an option agreement (the "Blackdome Option Agreement") the Company entered into on July 17, 2020 with a non-related third party (the "Blackdome Optionor"). The Company paid cash of \$20,000 and issued 20,000 common shares of the Company, at a fair value of \$17,000, to the Blackdome Optionor.

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

On July 15, 2022, the Company entered into an amended agreement (the "Amendment Agreement") to modify the cash payments and share issuance. Under the terms of the Blackdome Amendment Agreement, the Company has the option to acquire a 100% interest in the Property by making the following cash payments and share issuances:

Date	Cash Payment	Number of Common shares	Minimum Exploration Expenditures to be incurred
Within 14 days of the acceptance date of the TSX Venture Exchange ("Acceptance Date") (paid and issued)	\$ 20,000	20,000	\$ -
On or before August 7, 2021 (paid)	30,000	-	-
On or before December 7, 2021 (met)	-	-	50,000
On or before February 28, 2023 (amended)	40,000	30,000	-
On or before August 7, 2023	-	30,000	-
On or before February 28, 2024 (amended)	60,000	-	-
On or before August 7, 2024	-	40,000	150,000
<b>Total</b>	<b>\$150,000</b>	<b>120,000</b>	<b>\$200,000</b>

In accordance with the Blackdome Option Agreement, the Company will pay a 1.5% NSR to the Blackdome Optionor on commencement of commercial production. The Company will have the right, at any time prior to the commencement of commercial production, to purchase 1.0% of the 1.5% NSR for \$1,000,000.

Rickard Gold Mine Property, Ontario

On September 18, 2020, the Company entered into an agreement to acquire a 100% interest in the Rickard gold mine property (the "Rickard Gold Property") pursuant to an assignment agreement (the "Assignment Agreement") with a private company, Tauro Capital Corp. ("Tauro"), dated September 9, 2020. Tauro previously entered into an option agreement (the "Rickard Gold Option Agreement") with Recoskie Contracting Limited and Edward J. Korba (collectively, the "Rickard Gold Optionors") dated January 3, 2020 to acquire the Rickard Gold Property. The Company paid cash of \$42,500 and issued 115,000 common shares of the Company, at a fair value of \$10,350, to the Optionors. Also pursuant to the terms of the Assignment Agreement, the Company issued 100,000 common shares of the Company, at a fair value of \$84,425, to Tauro for the transferring of the Rickard Gold Option Agreement.

Pursuant to the terms of an amendment agreement dated December 29, 2021 (the "Amending Agreement") with Tauro and the Rickard Gold Optionors to amend the Rickard Gold Option Agreement, the Company shall make the following expenditures, cash payments and share issuances over a period of three years:

- (a) pay to the Rickard Gold Optionors an additional sum of \$22,000 (paid) within ten days of the effective date of the Amending Agreement;
- (b) pay to the Rickard Gold Optionors an additional sum of \$75,000, issue an additional 9,000 common shares of the Company and incur expenditures of \$150,000 (met) before January 3, 2023; and
- (c) pay to the Rickard Gold Optionors an additional sum of \$150,000, issue an additional 15,000 common shares of the Company and incur expenditures of \$250,000 (met) before January 3, 2024.

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Until the Company has paid \$75,000 and issued 9,000 common shares of the Company to the Rickard Gold Optionors pursuant to (b) above, the Company shall not engage in or conduct any form of drilling for the purpose of exploration on the property.

In accordance with the terms of the Assignment Agreement, the Rickard Gold Optionors will retain a 3% NSR with respect to the production of all materials from the Rickard Gold Property. The Company is entitled to purchase up to 66.67% of the NSR from the Rickard Gold Optionors at any time for payment of \$2,000,000.

Mine Property adjacent to Rickard Gold, Ontario

On October 23, 2020, the Company acquired a 100% interest in certain mineral claims adjacent to Rickard Gold Mine property, pursuant to a purchase and sale agreement dated October 16, 2020 with non-related third parties. The Company issued 25,000 common shares of the Company, at a fair value of \$20,000, to the vendors.

Rey Lake Property

On February 17, 2022, the Company entered into an option agreement (the "Option Agreement") with two arm's length parties to acquire an undivided 100% interest in certain mineral claims located in British Columbia commonly referred to as the Rey Lake Property. Pursuant to the Option Agreement, the Company issued 25,000 common shares on February 24, 2022.

Under the terms of the Option Agreement, the Company has the option to acquire a 100% interest in the Property by making the following cash payments and share issuances:

Date	Cash Payment	Number of Common shares
Within 10 days following the Approval Date (paid and issued)	\$ 10,000	25,000
On or before February 17, 2023	10,000	25,000
On or before February 17, 2024	15,000	25,000
On or before February 17, 2025	15,000	25,000
On or before February 17, 2026	20,000	50,000
On or before February 17, 2027	30,000	50,000
Total	\$100,000	200,000

In accordance with the Option Agreement, the Company will pay a 2.0% NSR to the Optionor on commencement of commercial production. The Company will have the right, at any time prior to the commencement of commercial production, to purchase 1.5% of the 2.0% NSR for \$1,500,000.

5. SALE OF US WEST LNG CORPORATION

On April 15, 2021, the Company sold 100% of US WEST LNG CORP ("LNGCo"), a 100% owned subsidiary, for gross consideration of \$1. The Company recorded a loss of \$2,074 on the disposal of the subsidiary's cash and sales tax receivable. LNGCo was initially purchased by the Company on November 18, 2019, when it acquired all of the issued and outstanding shares of LNGCo for a nominal amount of \$1.

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6. RIGHT-OF-USE ASSET

The Company recorded a right-of-use asset for the leased office in Vancouver, BC during the nine-month ended October 31, 2022. The Company recognized a right-of-use asset of \$52,479 and a lease liability of \$52,479 (Note 7).

The following is a continuity schedule of the right-of-use asset:

	\$
Balance, January 31, 2022	-
Addition	52,479
Amortization on right-of-use asset	(13,995)
Balance, October 31, 2022	38,484

7. LEASE LIABILITY

The Company recorded a right-of-use asset for the leased office in Vancouver, BC during the nine-month ended October 31, 2022. The Company recognized a right-of-use asset of \$52,479 (Note 6) and a lease liability of \$52,479.

At the commencement date of the lease, the lease liability was measured as the present value of the future lease payments that were not paid at that date. These lease payments were discounted using the Company's incremental borrowing rate of 12%.

The following is a continuity schedule of the lease liability:

	\$
Balance, January 31, 2022	-
Addition	52,479
Interest expense on lease liability	3,443
Lease payments	(16,000)
Balance, October 31, 2022	39,922
Short-term lease liability	22,586
Long-term lease liability	17,336

8. RELATED PARTY TRANSACTIONS AND BALANCES AND KEY MANAGEMENT COMPENSATION

Key management includes former and current directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel during the nine months ended October 31, 2022 and 2021 is summarized below:

	October 31, 2022	October 31, 2021
Management fees to the CFO of the Company	\$ 4,500	\$ 4,500
Management and consulting fees to Directors of the Company	19,000	9,000
Share-based payments	52,178	7,836
Total	\$ 75,678	\$ 21,336

As at October 31, 2022, the Company owed \$17,064 (January 31, 2022 - \$26,000) to current and former officers, directors, and key management personnel. The amounts are unsecured, non-interest bearing and due on demand.

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9. SHARE CAPITAL

Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding:

As at October 31, 2022, the issued share capital is comprised of 7,096,784 (January 31, 2022 – 6,302,317) common shares.

On August 15, 2022, the Company completed a private placement and issued 510,000 Units (“Units”) at a price of \$0.50 per Unit. Each Unit consists of one common share and one-half share purchase warrant. Each Warrant entitles the holder to purchase one capital share at an exercise price of \$0.70 for a period of two years. The fair value of private placement warrants was estimated to be \$47,695 using the relative fair-value method and Black-Scholes Option Pricing Model with the following assumptions: term of 2 years; expected volatility of 111%; risk-free rate of 3.16%; and expected dividends of zero.

On February 24, 2022, the Company issued 25,000 common shares with a fair value of \$13,750 for the acquisition the Rey Lake Property (Note 4).

During the period ended October 31, 2022, the Company issued 259,467 common shares pursuant to various warrant exercises for gross proceeds of \$143,485. The Company reclassified \$160,740 from contributed surplus to share capital to account for the fair value of the warrants.

On October 26, 2021, the Company closed the first tranche of a non-brokered private placement of flow-through units and non-flow-through units for combined gross proceeds of \$456,750. The Company issued 582,333 non-flow-through units at a price of \$0.75 per Unit for gross proceeds of up to \$436,750. Each Unit consists of one non-flow-through common share in the capital of the Company and one half of one non-flow-through common share purchase warrant (with two half warrants being “Warrant”). Each whole Warrant will entitle the holder to purchase one additional non-flowthrough common share in the capital of the Company at an exercise price of \$1.00 per common share for a period of two years from the date of issuance. The Company issued 20,000 units at a price of \$1.00 per FT Unit for gross proceeds of \$20,000. Each FT Unit consists of one flow-through common share in the capital of the Company and one half of one non-flow-through common share purchase warrant. Each whole Warrant will entitle the holder to purchase one additional non-flowthrough common share in the capital of the Company at an exercise price of \$1.50 per common share for a period of two years from the date of issuance. Pursuant to the issuance of flow-through units, the Company recorded \$5,000 flow-through premium liability.

During the period ended October 31, 2021, the Company issued 221,235 common shares upon exercise of warrants for total proceeds of \$216,435. The Company reclassified \$63,497 from contributed surplus to share capital to account for the fair value of the warrants.

During the period ended October 31, 2021, the Company issued 20,000 common shares upon exercise of warrants for total proceeds of \$20,000. The Company reclassified \$15,534 from contributed surplus to share capital to account for the fair value of the options.

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9. SHARE CAPITAL (CONTINUED)

Stock options

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan") approved by the directors on May 28, 2012 which complies with the rules and policies of the TSX Venture Exchange. Under the Plan, the aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company at the time of the granting of options. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless otherwise specified by the Board of Directors.

On March 15, 2022, the Company granted 150,000 stock options at a fair value of \$71,151 to certain directors, officers and consultants of the Company. The options are exercisable immediately to purchase one common share of the Company at \$0.50 per share and expire on March 15, 2027. The fair value of the options granted was determined using the Black-Scholes Option Pricing Model with the following assumptions: stock price at grant date of \$0.55, risk-free rate of 1.96%, term of 5 years, expected volatility of 128% and no expected dividends.

On March 29, 2021, the Company granted 30,000 stock options at a fair value of \$23,509 to certain directors, officers and consultants of the Company. The options are exercisable immediately to purchase one common share of the Company at \$1.00 per share and expire on March 29, 2023. The fair value of the options granted was determined using the Black-Scholes Option Pricing Model with the following assumptions: stock price at grant date of \$0.90, risk-free rate of 0.73%, term of 2 years, expected volatility of 218% and no expected dividends.

As at October 31, 2022, the Company has 421,300 stock options outstanding with weighted average exercise price of \$0.80 and weighted average remaining life of 2.27 years.

A summary of the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Outstanding and exercisable, January 31, 2021	255,000	1.00
Exercised	(20,000)	(1.00)
Issued	41,300	0.90
Outstanding and exercisable, January 31, 2022	276,300	1.00
Expired	(5,000)	(1.00)
Issued	150,000	0.50
Outstanding and exercisable, October 31, 2022	421,300	0.80

The following table summarizes stock options outstanding and exercisable as at October 31, 2022:

Outstanding and exercisable	Exercise Price \$	Expiry date
230,000	1.00	January 12, 2024
30,000	1.00	March 29, 2023
11,300	0.75	November 9, 2026
150,000	0.50	March 15, 2027
421,300		

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9. SHARE CAPITAL (CONTINUED)

Warrants

A summary of the Company's warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Outstanding and exercisable, January 31, 2021	2,019,039	1.00
Exercised	(221,235)	1.00
Expired	(799,805)	1.00
Issued	501,168	0.90
Outstanding and exercisable, January 31, 2022	1,499,167	1.00
Issued	514,467	1.10
Exercised	(259,467)	(0.55)
Outstanding and exercisable, October 31, 2022	1,754,167	0.53

The following table summarizes share purchase warrants outstanding and exercisable as at October 31, 2022:

Outstanding and exercisable	Exercise Price \$	Expiry date
42,500	0.55	November 24, 2022
594,200	0.55	November 24, 2022
102,000	0.75	November 24, 2022
43,500	1.00	November 24, 2022
100,000	1.00	October 26, 2023
147,500	0.55	October 26, 2023
10,000	0.55	October 26, 2023
120,000	0.70	December 23, 2023
80,000	1.00	December 23, 2023
200,000	1.50	May 1, 2023
5,000	1.50	May 11, 2023
54,467	1.50	May 27, 2023
255,000	0.70	August 15, 2024
1,754,167		

On May 17, 2022, the Company issued 200,000 incentive warrants ("Warrants"). The Warrants are exercisable immediately to purchase one common share of the Company at \$1.50 per share and expire on May 17, 2023. The fair value of the Warrants of \$16,716 was determined using the Black-Scholes Option Pricing Model with the following assumptions: stock price at grant date of \$0.55, risk-free rate of 2.69%, term of 1 years, expected volatility of 106% and no expected dividends.

10. MANAGEMENT OF CAPITAL

The Company defines capital as debt and all accounts in equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

As at October 31, 2022, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company will continue to rely on capital markets to support continued growth. The Company is not subject to any externally imposed capital requirement.

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11. COMMITMENTS

On November 24, 2020, the Company issued 485,000 flow-through units (“FT Units”) at a price of \$1.00 for gross proceeds of \$485,000.

On October 26, 2021, the Company issued 20,000 flow-through units (“FT Units”) at a price of \$1.00 for gross proceeds of \$20,000.

On December 23, 2021, the Company issued 133,333 flow-through units (“FT Units”) at a price of \$0.75 for gross proceeds of \$100,000.

Expenditures related to the use of flow-through share proceeds are included in exploration and evaluation assets but are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors. As at October 31, 2022, the Company had \$Nil unspent flow-through funds.

12. FINANCIAL INSTRUMENT AND FINANCIAL RISK

The Company’s financial instruments include cash, accounts payable and loans payable. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Fair value of financial instruments

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

As at October 31, 2022

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	120,383	-	-	120,383

As at January 31, 2022

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	268,108	-	-	268,108

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12. FINANCIAL INSTRUMENT AND FINANCIAL RISK (CONTINUED)

Financial risk management objectives and policies:

The Company's financial instruments include cash, accounts payable and loans payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash, the Company places the instrument with a high credit quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at October 31, 2022, the Company had cash of \$120,383 (January 31, 2022 - \$268,108) to settle current liabilities of \$557,628 (January 31, 2022 - \$423,703) which fall due for payment within 12 months.

13. SUBSEQUENT EVENT

On December 15, 2022, the Company completed its share consolidation to consolidate all of the Company's issued and outstanding common shares on the basis of every ten (10) old common shares being consolidated into one (1) new common share. Unless otherwise noted, all figures in these condensed interim consolidated financial statements have been adjusted to reflect the share consolidation.

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13. SUBSEQUENT EVENT (CONTINUED)

On November 20, 2022, the Company entered into an Option Agreement to acquire a 100% interest in certain mineral claims located in Newfoundland and Labrador (the "TL Nickel Project")

Under the terms of the TL Nickel Project Agreement, the Company has the option to acquire a 100% interest in the TL Nickel Project by making the following cash payments and share issuances:

Date	Cash Payment	Number of Common shares
Upon receipt of TSX-V Approval	\$ 25,000	50,000
On November 20, 2023	50,000	75,000
On November 20, 2024	100,000	150,000
Total	\$175,000	275,000

In accordance with the TL Nickel Project Agreement, the Company will pay a 2% NSR to the TL nickel Project optionors. The Company will have the right, at any time, to purchase 1.5% of the 2% NSR for \$1,500,000.

An advanced Royalty payment of \$50,000 per annum shall come into effect beginning on the first month following the filing of a NI 43-101 or equivalent resource calculation completed on the Property containing, at a minimum, 10,000,000 tonnes at a grade of 0.5% nickel. The advanced Royalty payments shall be reduced from the buyback payments as described above and shall be limited to a combined total of \$1,000,000.